




# NOMINATION COMMITTEE REPORT

	<b>Composition</b>	Chairman Members	The Hon. Sir Michael Kadoorie, Non-Executive Chairman Dr the Hon. Sir David Li, INED Dr William Fung, INED
	<b>Meeting Frequency</b>		<ul style="list-style-type: none"><li>At least two meetings every year</li><li>Two meetings in 2019</li></ul>
	<b>Responsibilities</b>		To evaluate the structure, size and composition of the Board. This includes selecting new Directors and/or maintaining an appropriate, adequate and balanced make-up of an effective Board and reviewing of independence of INEDs

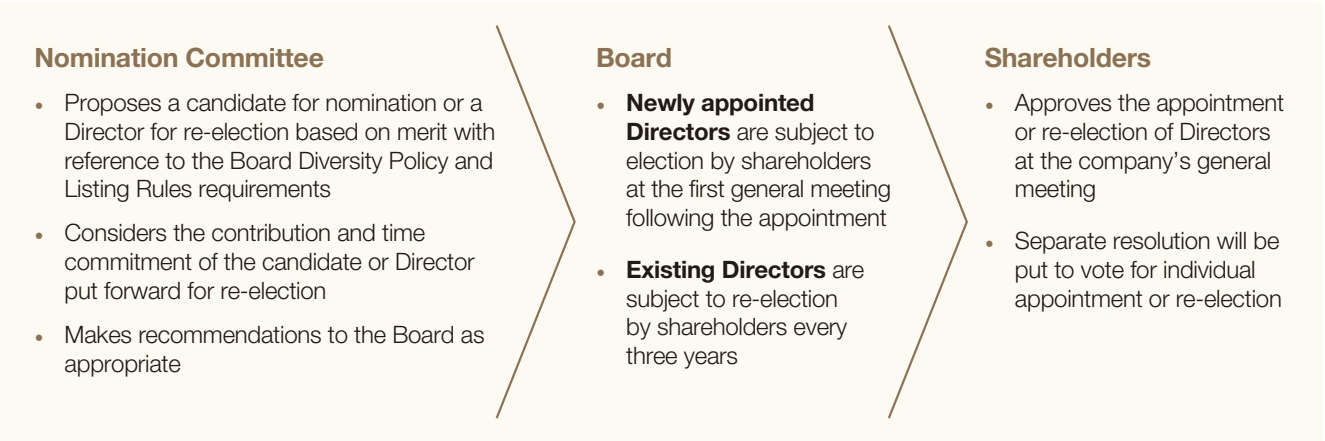
## Board Composition and Diversity<sup>23</sup>

A diverse Board brings constructive challenge and fresh perspectives to Board discussion. The company approaches diversity in the broadest sense, recognising the benefits of a diverse mix of skills, knowledge, age, race, gender and experience on its Board. Our Diversity Policy adopted since 2013 can be found on the company’s website<sup>24</sup>. The Nomination Committee, when considering Board composition and in its process of recommending Board appointments, is guided by the principles of the company’s policy on diversity. While we recognise the gender diversity at Board level can be improved and this is taken into consideration, we continue to apply the principle of appointments based on merit. The Nomination Committee regularly reviews the composition, balance, skills and experience of the Board and confirmed that the HSH Board has continued in place a diverse mix of skills, knowledge and experience, as well as the gender diversity with three female members on the Board to fulfil its role effectively. As part of the Board evaluation described on page 129, the Committee has identified areas where we could further improve our diversity balance, principally our skills and knowledge diversity, when Board vacancy arises in future.

Furthermore, the Committee reviewed the appropriateness of an express diversity quota or measurable objective. The Committee concluded not to set any specific target and our selection would continue to be based on merit with reference to our diversity policy in terms of skill set, experience, knowledge, expertise, culture, level of independence from the company, age, race and gender. This approach has been approved by the Board.

## Nomination Policy

Our Board always recognises the benefits of diversity and ensures that the selection criteria including contribution and time commitment, nomination process and procedures set out in the Nomination Policy are followed when proposing a candidate for nomination or a Director for re-election. This policy can be found on the company’s website<sup>24</sup>. We set out below a diagram on our nomination process.



23 Please also refer to page 121 on Board Composition and Diversity  
24 www.hshgroup.com/en/corporate-governance



“Our Board has appropriate skills, knowledge and experience to operate effectively and deliver our strategy.”

The Hon. Sir Michael Kadoorie  
Chairman of the  
Nomination Committee  
17 March 2020

## 2019 Main Activities

In 2019, the Nomination Committee conducted the following business:

### Year-end matters and re-election

- Assessed and reviewed all INEDs’ confirmations of independence and cross-directorships and affirmed the Committee’s view of their independence
- Evaluated the contribution and time commitment of Directors (including INEDs) put forward for re-election as well as the respective skills and experience of the INEDs and recommended them for re-election
- Reviewed the 2018 Nomination Committee Report

### Board structure and diversity

- Reviewed and confirmed that the structure, size and composition of the Board and the split between number of INEDs, NEDs and Executive Directors remained appropriate for it to perform its duties
- Reviewed and confirmed that the Board has a diverse mix of skills, knowledge, experience and gender
- Reviewed the value of having measurable objectives for implementing the Board Diversity Policy

### Governance

- Reviewed the terms of reference of the Committee, Nomination Policy and Board Diversity Policy and confirmed that they remained relevant and no revision was required