

# Nomination Committee Report



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## ROLE AND COMPOSITION

The Nomination Committee, which I chair, plays a key role in ensuring continued success of the Company through reviewing size, structure and composition of the Board. This includes the selection of new Directors for the purpose of maintaining an appropriate, adequate and balanced make-up of the Board that could effectively discharge its responsibilities and the review of independence of INEDs. The Nomination Committee met twice in 2014.

**Chairman:** The Hon. Sir Michael Kadoorie (Non-Executive Chairman)

**Members:** Dr the Hon. Sir David K.P. Li (INED) and Dr William K.L. Fung (INED)

**Secretary:** Company Secretary

## MAIN ACTIVITIES IN 2014

In 2014, Mr Alan Clark was appointed as Executive Director and Chief Financial Officer from March 2014, while Mr Andrew Brandler was elected as Non-Executive Director by the shareholders at the 2014 Annual General Meeting. The Nomination Committee also conducted the following business in 2014:

- assessed and reviewed INEDs' confirmations of independence and affirmed the Committee's view over their independence;
- recommended the re-election of retiring Directors as these Directors continue to contribute effectively and are committed to their roles;
- reviewed the structure, size and composition of the Board and the split between number of INEDs, Non-Executive Directors and Executive Directors;
- reviewed the value of having measurable objectives for implementing the Board Diversity Policy; and
- we continued to consider candidates to fill a vacant INED position.

## BOARD DIVERSITY

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 including accounting, finance, legal, corporate and public sector management, banking and hospitality. 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 merits. We are looking for a suitable person to take on the vacancy to fill the Company's INED position with our diversity policy in view.

The Nomination Committee considered that HSH Board has in place a diverse mix of skills, knowledge and experience, as well as increased gender diversity with the appointment of the first female member on the Board since 2013. In reviewing the appropriateness of an express diversity quota or measurable objective, our Committee concluded that it was not necessary, and the selection would continue to be based on merits with diversity be taken into consideration. This approach is approved by the Board.

On behalf of the Nomination Committee



*The Hon. Sir Michael Kadoorie*

Chairman of the Nomination Committee

20 March 2015