

CITIC Limited
中國中信股份有限公司
(the “Company”)

Director Nomination Policy

Adopted at the Board Meeting on 20 November 2018

1. Objectives

- 1.1 The Nomination Committee (the “Committee”) is established by the board of directors (the “Board”) of the Company to determine the policy (the “Policy”) for both nomination of directors (to fill casual vacancy and as new Board members) and recommendation for re-election of retiring directors.
- 1.2 This Policy sets out the nomination procedures and the process and criteria adopted to guide the Committee to select and recommend candidates for directorship so as to ensure the board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company’s business.

2. Procedures of Director Nomination

- 2.1 The Committee shall identify individuals suitably qualified to become Board members from a number of sources including, without limitation, through referrals and recommendations by the management of the Company, Human Resources Department and external independent professionals as it may consider necessary.
- 2.2 In the identification and evaluation process, the Committee shall have regard to the selection criteria which include but not limited to
 - (i) qualifications, skills, expertise, independence which contribute to the effective carrying out of the Board responsibilities;
 - (ii) commitment in respect of sufficient time and relevant interest devoted to the business and affairs of the Company; and
 - (iii) board diversity including but not limited to skills, experience and background, geographical and industry experience, ethnicity, gender, knowledge and length of service.

- 2.3 The potential candidates are requested to provide the Committee with biographical details. The Committee may request candidates to provide additional information and documents if it considers necessary.
- 2.4 The Committee shall review the qualification, experience, skills, expertise and the factors referred to in 2.2 above for nomination of directors. In the case of independent non-executive directors (“INEDs”), due regard should also be given to the candidate’s independence, taking into account of the factors for assessing independence of director as set out in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) in force from time to time. For recommending the re-election of an INED who has been serving on the Board for a period of 9 years or more, the Committee shall state the reasons why he / she is still considered independent and should be re-elected. If the proposed INED will be holding the seventh (or more) listed company directorship, the Committee shall take into consideration his / her ability to devote sufficient time to the Board.
- 2.5 After the assessment and evaluation, if the Committee considers the potential candidate is suitable to be nominated as a director, it will make recommendation for the Board’s consideration and approval, and provide the Board with the nominated candidate’s biographical details including his / her other directorships and major appointments, any relationship with other directors, senior management, substantial shareholders or controlling shareholders of the Company, and in the case of nomination of an INED, all information relating to the independence factors as set out in the Listing Rules in force from time to time.
- 2.6 If the Board agrees with the Nomination Committee’s recommendation, it shall approve the nomination and appoint the proposed qualified candidate as director who is required to sign the formal letter of appointment setting out the terms and conditions of appointment. Each director is subject to retirement by rotation at least once every three years and re-election at the annual general meeting in accordance with the Articles of Association of the Company.
- 2.7 The ultimate responsibility for selection and appointment of directors rests with the entire Board.

3. Succession Planning for Directors

The Committee shall discuss and make recommendation to the Board on succession planning for directors, the chairman and chief executive and review the plan as it may consider appropriate.

4. Review of the Policy

The Committee shall monitor the implementation of the Policy and conduct a review on an annual basis so as to ensure that the Policy remains relevant to the Company's needs and reflects both current regulatory requirements and good corporate governance practice.

5. Disclosure of the Policy

The Company shall disclose the Policy as appropriate under the Listing Rules requirement.