

CHINA OVERSEAS PROPERTY HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2669)

NOMINATION POLICY

1. Purpose

This policy sets out the principles which guide the Nomination Committee (the “Committee”) of China Overseas Property Holdings Limited (the “Company”) to identify and evaluate a candidate for nomination to (i) the board of directors of the Company (the “Board”) for appointment or (ii) shareholders of the Company for election, as a director of the Company.

2. Nomination Criteria

(2.1) When making recommendations regarding the appointment of any proposed candidate to the Board or re-appointment of any existing member(s) of the Board, the Committee shall consider a variety of factors including without limitation the following in assessing the suitability of the proposed candidate :-

- (a) Reputation for integrity and credibility;
- (b) Accomplishment and experience in the business, property management industry and other relevant sectors;
- (c) Commitment in respect of sufficient time, participation in training, interest and attention to the Company’s business;
- (d) Diversity in all aspects, including but not limited to gender, age, cultural / educational and professional background, skills, knowledge and experience;
- (e) The ability to assist and support management and make significant contributions to the Company’s success;
- (f) Compliance with the criteria of independence as prescribed under Rule 3.13 of the Listing Rules ^(Note) for the appointment of an independent non-executive director (“INED”); and
- (g) Any other relevant factors as may be determined by the Committee or the Board from time to time.

3. Nomination Procedures

(3.1) If the Committee determines that an additional or replacement director is required, the Committee may take such measures that it considers appropriate in connection with its identification and evaluation of a candidate from the labor market and within the Group.

- (3.2) On making recommendation, the Committee may submit the candidate's personal profile, consent to act and a proposal to the Board for consideration. The personal profile must incorporate the full particulars of the candidate that are required to be disclosed under the Rule 13.51(2) of the Listing Rules. If the candidate is proposed to be appointed as an INED, his or her independence shall be assessed in accordance with the factors set out in Rule 3.13 of the Listing Rules.
- (3.3) The Board shall observe the Board Diversity Policy and shall, subject to merit and suitability, continue in its endeavours to introduce more diversity into the Board towards achieving board diversity.
- (3.4) Each proposed new appointment, election or re-election of a Director shall be assessed and/or considered against the criteria and qualifications set out in the Nomination Policy by the Committee and operated under the Memorandum and Articles of Association of the Company and other relevant laws and regulations. The Committee shall recommend its views to the Board and/or the Shareholders for consideration and determination.

4. Approval and Review of this Policy

This policy has been approved by the Board. Any subsequent amendment of this policy shall be reviewed by the Committee and approved by the Board. A summary of this policy will be disclosed in the Corporate Governance Report to be included in the Company's Annual Report.

Date: 1 January 2019

Note:

Rule 3.13 of the Listing Rules

In assessing the independence of a non-executive director, the Exchange will take into account the following factors, none of which is necessarily conclusive. Independence is more likely to be questioned if the director:

- (1) holds more than 1% of the number of issued shares of the listed issuer;

Notes: 1. A listed issuer wishing to appoint an independent non-executive director holding an interest of more than 1% must satisfy the Exchange, prior to such appointment, that the candidate is independent. A candidate holding an interest of 5% or more will normally not be considered independent.

2. When calculating the 1% limit set out in rule 3.13(1), the listed issuer must take into account the total number of shares held legally or beneficially by the director, together with the total number of shares which may be issued to the director or his nominee upon the exercise of any outstanding share options, convertible securities and other rights (whether contractual or otherwise) to call for the issue of shares.

- (2) has received an interest in any securities of the listed issuer as a gift, or by means of other financial assistance, from a core connected person or the listed issuer itself. However, subject to Note 1 to rule 3.13(1), the director will still be considered independent if he receives shares or interests in securities from the listed issuer or its subsidiaries (but not from core connected persons) as part of his director's fee or pursuant to share option schemes established in accordance with Chapter 17;

- (3) is or was a director, partner or principal of a professional adviser which currently provides or has within two years immediately prior to the date of his proposed appointment provided services, or is or was an employee of such professional adviser who is or has been involved in providing such services during the same period, to:

(a) the listed issuer, its holding company or any of their respective subsidiaries or core connected persons; or

(b) any person who was a controlling shareholder or, where there was no controlling shareholder, any person who was the chief executive or a director (other than an independent non-executive director), of the listed issuer within two years immediately prior to the date of the the proposed appointment, or any of their close associates;

- (4) currently, or within one year immediately prior to the date of the person's proposed appointment, has or had a material interest in any principal business activity of or is or was involved in any material business dealings with the listed issuer, its holding company or their respective subsidiaries or with any core connected persons of the listed issuer;

- (5) is on the board specifically to protect the interests of an entity whose interests are not the same as those of the shareholders as a whole;

- (6) is or was connected with a director, the chief executive or a substantial shareholder of the listed issuer within two years immediately prior to the date of his proposed appointment;

Note: Without prejudice to the generality of the foregoing, any person cohabiting as a spouse with, and any child, step-child, parent, step-parent, brother, sister, step-brother and step-sister of, a

director, the chief executive or a substantial shareholder of the listed issuer is, for the purpose of rule 3.13(6), considered to be connected with that director, chief executive or substantial shareholder. A father-in-law, mother-in-law, son-in-law, daughter-in-law, grandparent, grandchild, uncle, aunt, cousin, brother-in-law, sister-in-law, nephew and niece of a director, the chief executive or a substantial shareholder of the listed issuer may in some circumstances also be considered to be so connected. In such cases, the listed issuer will need to provide the Exchange with all relevant information to enable the Exchange to make a determination.

- (7) is, or has at any time during the two years immediately prior to the date of his proposed appointment been, an executive or director (other than an independent non-executive director) of the listed issuer, of its holding company or of any of their respective subsidiaries or of any core connected persons of the listed issuer; and

Note: An “executive” includes any person who has any management function in the company and any person who acts as a company secretary of the company.

- (8) is financially dependent on the listed issuer, its holding company or any of their respective subsidiaries or core connected persons of the listed issuer.

Independent non-executive directors shall submit to the Exchange a written confirmation which must state:

- (a) their independence as regards each of the factors referred to in rule 3.13(1) to (8);
- (b) their past or present financial or other interest in the business of the issuer or its subsidiaries or any connection with any core connected person (as such term is defined in the Exchange Listing Rules) of the issuer, if any; and
- (c) that there are no other factors that may affect their independence at the same time as the submission of the declaration and undertaking in Form B or H of Appendix 5.

Each independent non-executive director shall inform the Exchange as soon as practicable if there is any subsequent change of circumstances which may affect his independence and must provide an annual confirmation of his independence to the listed issuer. The listed issuer must confirm in each of its annual reports whether it has received such confirmation and whether it still considers the independent non-executive director to be independent.

Notes: 1. The factors set out in rule 3.13 are included for guidance only and are not intended to be exhaustive. The Exchange may take account of other factors relevant to a particular case in assessing independence.

2. When determining the independence of a director under rule 3.13, the same factors should also apply to the director’s immediate family members. “Immediate family member” is defined under rule 14A.12(1)(a).