

CHINA LESSO GROUP HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2128)
(the “**Company**”)

DIRECTOR NOMINATION POLICY (this “Policy”)

1. Objective

- 1.1 This Policy sets out the approach and procedures the board of the Company (the “**Board**”) adopts for the nomination and selection of directors of the Company (the “**Directors**”), including the appointment of additional Directors, replacement of Directors, and re-election of Directors.

2. Policy Statement

- 2.1 The Company recognises the importance of having a qualified and competent board of directors to achieve corporate strategy for the Company and its subsidiaries (collectively, the “**Group**”) as well as to promote shareholder value within the Group.
- 2.2 The Company believes that a board of directors possessing a balanced skill set, experience, expertise and diversity of perspectives enhances decision-making capability and the overall effectiveness of the Board. The Board is committed to ensuring proper nomination and election processes are in place for the selection and nomination of Directors.
- 2.3 The Board is of the view that the ultimate responsibility for the selection, nomination and appointment of Directors rests with the Board as a whole. The nomination committee of the Company (the “**Nomination Committee**”) is comprised mostly of independent non-executive directors (“**INED**”) and is chaired by the chairman of the Board, which is in compliance with the requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).
- 2.4 When the need to select, nominate or re-elect Directors arises, the Nomination Committee will, as it considers appropriate and having regard to the expertise and skill set required for the new or replacement Director, invite members of the Board with relevant expertise to work with the Nomination Committee in the conduct of the selection and nomination process on a case-by-case basis.
- 2.5 Throughout the process, the Nomination Committee will provide updated information and status of progress to the Board as and when appropriate.

3. Selection Criteria

3.1 In the determination of the suitability of a candidate, the Nomination Committee shall consider the potential contribution such candidate can bring to the Board in terms of his or her qualifications, skills, experience, independence, age, culture, ethnicity and gender diversity etc. The Nomination Committee shall consider the following selection criteria and such other factors that it may consider appropriate for a position on the Board:

- (a) ***Attributes Complementary to the Board:*** The candidate should possess attributes that complement and expand the skill set, experience and expertise of the Board as a whole, having regard to the current structure, size, diversify profile and skills matrix of the Board and the needs of the Board.
- (b) ***Business Experience & Board Expertise and Skills:*** The candidate should have the ability to exercise sound business judgment and also possess proven achievement and experience in directorship including effective oversight of and guidance to the management.
- (c) ***Availability:*** The candidate should have sufficient time for the proper discharge of the duties of a Director, including devoting adequate time for the preparation and participation in meetings, training and other associated activities relevant to the Group.
- (d) ***Motivation:*** The candidate should be self-motivated and have a strong interest in the Company's businesses.
- (e) ***Integrity:*** The candidate should be a person of integrity, honesty, good repute and high professional standing.
- (f) ***Independence:*** The INED candidate must satisfy the independence requirements under the Listing Rules. The INED candidate shall be independent in character and judgement and be able to represent and act in the interest of all shareholders of the Company.
- (g) ***Diversity in all aspects:*** Diversity should be considered including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

The above criteria are not meant to be exhaustive or decisive. The Board shall take into consideration the benefits of a diversified Board when selecting Board candidates. The Board and/or the Nomination Committee shall take into account the transparency and fairness of the selection process, the Board Diversity Policy, and are encouraged to select from a board range of candidates who are outside of the Board's circle of contacts.

4. Nomination Procedures

4.1 Appointment of New and Replacement Directors

- (a) If the Board determines that an additional or replacement Director is required, it will deploy multiple channels for identifying suitable director candidates, including referral from Directors, shareholders, management, advisors of the Company and executive search firms.
- (b) Upon compilation and interview of the list of potential candidates, the Nomination Committee will make recommendation to the Board based on the selection criteria and such other factors that it considers appropriate. The Board has the final authority on determining suitable director candidate for appointment.

4.2 Re-election of Directors and Nomination from Shareholders

- (a) Where a retiring Director, being eligible, offers himself for re-election, the Board shall consider and, if consider appropriate, recommend such retiring Director to stand for re-election at a general meeting. A circular containing the requisite information on such retiring Director will be sent to shareholders prior to a general meeting in accordance with the Listing Rules.
- (b) Any shareholder of the Company who wishes to nominate a person to stand for election as a Director at a general meeting must follow the "Procedures for shareholder(s) of the Company proposing a person for election as a director" which is available on the Company's website.

In any event, the Board shall ensure that the nomination, re-election and/or appointment of the Directors shall be conducted in compliance with the Listing Rules, the memorandum and articles of association of the Company and all other applicable laws, rules and regulations.

5. Review and Monitoring

- 5.1 The Board will from time to time review this Policy and monitor its implementation to ensure its continued effectiveness and compliance with regulatory requirements and good corporate governance practice.

6. Disclosure and Publication

- 6.1 This Policy is available on the Company's website for public information.
- 6.2 A summary of this Policy, and the progress on achieving the objectives set in this Policy, will be disclosed in the Corporate Governance Report of the Company.

7. Confidentiality

- 7.1 Unless required by law or any regulatory authority, under no circumstances shall a member of the Nomination Committee or an employee of the Company disclose any information to or entertain any enquiries from the public with regard to any nomination or candidature before the issuance of any public announcements, circulars or materials by the Company (to the extent required). Following the issuance, the Nomination Committee or the company secretary or other employee of the Company approved by the Nomination Committee may answer enquiries from the regulatory authorities or the public but confidential information regarding the nominations and the candidate should not be disclosed.

Effective on 1 January 2019