



**Fu Shek Financial Holdings Limited**

**富石金融控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**Stock Code: 2263**

**(the “Company”)**

## **BOARD DIVERSITY POLICY**

**(the “Policy”)**

### **1. OBJECTIVE**

The Company recognises the importance of board diversity which is an essential element in supporting the attainment of its strategic objectives and its sustainable development and which is beneficial for the enhancement of the Company’s performance. The Policy aims to set out the approach with the objective of achieving diversity on the Company’s board (the “**Board**”) of directors (the “**Directors**”).

### **2. POLICY**

The nomination committee (the “**Nomination Committee**”) of the Company shall review and assess the Board composition on behalf of the Board and make recommendations on the appointment and reappointment of Directors. In addition to its terms of reference, the Nomination Committee will also take into account the following:

- 2.1 in designing and reviewing the Board composition, the Nomination Committee will consider from a wide range of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, industry and regional experience and length of service and other factors the Board may consider relevant and applicable from time to time.
- 2.2 high emphasis is placed on ensuring a balanced composition of skills and experience at the Board level in order to provide a range of perspectives, insights and challenge that enable the Board to discharge its duties and responsibilities effectively, support good decision making in view of the core businesses and strategy of the Company and its subsidiaries (“**Group**”), and support succession planning and development of the Board; and
- 2.2 all Board appointments will be based on meritocracy, and candidates will be considered against measurable and objective criteria and specific diversity targets which may be set and reviewed from time to time, having due regard for the benefits of diversity on the Board.

### **3. MEASURABLE OBJECTIVES**

Selection of candidates will be based on the terms of reference of the Nomination Committee and will take into account this Policy. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board, having regard to the benefits of diversity on the Board and also the needs of the Board without focusing on a single diversity aspect.

The Board would ensure that appropriate balance of gender diversity is achieved with reference to stakeholders' expectation and international and local recommended best practices. The Board also aspires to having an appropriate proportion of directors who have direct experience in the Group's business, with different backgrounds, and reflecting the Group's strategy.

### **4. MONITORING AND REPORTING**

The Nomination Committee will disclose the composition of the Board annually in the corporate governance report of the Company and monitor the implementation of this Policy. A summary of the Policy together with the measurable objectives set for implementing the Policy, and the progress made towards achieving those objectives will be disclosed in the annual corporate governance report of the Company which shall be included in the annual report of the Company.

### **5. REVIEW OF THIS POLICY**

The Nomination Committee will review the Policy, as appropriate, which will include an assessment of the effectiveness of this Policy. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

The Nomination Committee will monitor the implementation of this Policy by conducting review of the Board's composition at least once annually taking into account the benefits of all relevant diversity aspects, and adhering to this Policy when making recommendation on any Board appointments. The Nomination Committee will also ensure that Board diversity is considered as part of the evaluation of the Board's effectiveness

**Effective: 22 January 2020**