

YIP'S CHEMICAL HOLDINGS LIMITED

(the "Company")

Nomination Policy

(Adopted by the Board of Directors on 14 February 2019)

Objectives

1. The board of directors of the Company (the "Board") is the highest governing body of the Company. Its duty is to provide leadership to the management by setting the Company's core values and strategic objectives and to oversee management's performance under a conservative and effective control mechanism.
2. To be able to discharge its duty, the Board should possess a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. The responsibility for selection and appointment of directors rests with the entire Board.
3. The Board adopts this Nomination Policy to set out the criteria and procedures for the selection, appointment/re-appointment of directors of the Company.

Selection Criteria

4. The factors listed below would be used as reference by the Board in assessing the suitability of a proposed candidate or re-appointment of any existing member(s) of the Board:
 - Reputation for integrity
 - Accomplishment and experience in the chemical or petrochemical industry, in particular, in the solvents, coatings, inks, lubricants and other related markets
 - Commitment in respect of available time and relevant interest
 - Diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service
 - Independence for the independent non-executive directors ("INEDs") as defined in the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (as amended from time to time) ("Listing Rules")
 - Any other relevant factors as may be determined by the Board from time to time

5. Additional factors listed below would be considered if a senior management or a new candidate is nominated to be an executive director of the Company:
 - Balance representation of different management domain of executive directors
 - Balance representation on the Board by executive directors, non-executive directors and INEDs

Nomination and Selection Procedures

6. The Board shall conduct, at least once every 5 years, a review of the size, composition and structure of the Board. Board succession planning shall be a major consideration of each periodic review. The review may also be conducted at any time at the discretion of the Board to address special circumstances such as resignation of one or more directors and/or change in Company's business or its operating environment.
7. When it is considered by the Board that one or more new directors should be appointed, nominations may come from any Board members. Proposed candidate(s) will be asked to submit the necessary personal information in order for the Board to assess the suitability of the candidate(s) based on the above listed criteria.
8. When any existing member(s) of the Board is subject to re-election according to the articles of association of the Company, the Board shall apply the above listed criteria to the proposed candidate(s) on his/her/their re-appointment.
9. The Board shall ensure the procedures of nomination, selection and appointment/re-appointment to comply with the articles of association of the Company, the laws of the Cayman Islands and the Listing Rules from time to time.

Disclosure and implementation of this Nomination Policy

10. This Nomination Policy and its updated version from time to time shall be promptly uploaded to the Company's website.
11. The Board shall disclose the implementation of this Nomination Policy in the corporation governance report annexed to the annual report of the Company each year.

Review

12. The Board shall review this Nomination Policy once every eight (8) years or subject to specific circumstances to ensure it is operating effectively and make any changes the Board considers necessary.