



## **E-COMMODITIES HOLDINGS LIMITED**

### **易大宗控股有限公司**

*(Incorporated in the British Virgin Islands with limited liability)*

**(Stock Code: 1733)**

## **E-COMMODITIES HOLDINGS LIMITED**

**(the “Company”)**

## **TERMS OF REFERENCE OF THE NOMINATION COMMITTEE**

**(the “Committee”)**

### **MEMBERSHIP**

1. The Committee shall consist of not less than three members appointed by the board of directors (“**Directors**”) of the Company (“**the Board**”) from time to time, with the majority of its members being independent non-executive Directors.
2. The Chairman of the Committee shall be appointed by the Board and shall be either the Chairman of the Board or an independent non-executive Director.
3. The appointment of the members of the Committee may be revoked and new members can be appointed in place by resolutions passed by the Board.
4. No alternate member of any member of the Committee may be appointed.
5. The Company Secretary of the Company shall be the secretary of the Committee.

### **FREQUENCY AND PROCEEDINGS OF MEETINGS**

6. The Committee shall meet before the holding of the Annual General Meeting of the Company where the appointment of Directors will be considered. Additional meetings should be held as and when the work of the Committee demands or at the request of the Board.
7. The Chairman of the Committee may convene additional meetings at his discretion.
8. The quorum of a meeting shall be two members of the Committee.
9. The meetings and proceedings of the Committee shall be governed by the provisions of the Articles of Association of the Company (the “**Articles**”) regulating meetings and proceedings of the Board (so far as they are applicable), unless otherwise provided by these terms of reference or agreed by the Committee.

## **ANNUAL GENERAL MEETING**

10. The Chairman of the Board shall invite the Chairman of the Committee to attend the Company's Annual General Meeting. In the absence of the Chairman of the Committee, the Chairman of the Board shall invite another member of the Committee or failing this his duly appointed delegate to attend. Such attendee should be available to respond to shareholders' questions on the Committee's activities at the Annual General Meeting.

## **DUTIES, POWERS AND FUNCTIONS**

11. The purposes of the Committee are to:
  - (a) formulate nomination policy for consideration of the Board and implement the nomination policy laid down by the Board;
  - (b) oversee the composition of the Board to ensure that qualified individuals meeting the criteria of the regulations of The Stock Exchange of Hong Kong Limited ("HKSE") serve as members of the Board and its committees; and
  - (c) develop, recommend to the Board and oversee the implementation of corporate governance principles and policies relating to the operation of the Board and its committees and the Company as a whole.
12. Without prejudice to the generality of the foregoing, the Committee shall have the following duties:
  - (a) consider the selection criteria for Directors, and develop procedures for the sourcing and selection of members of the Board to be elected by shareholders of the Company;
  - (b) identify and nominate individuals suitably qualified to become candidates to the Board and select or make recommendations to the Board on the selection of individuals nominated for directorships in order for the Board to make recommendations to the shareholders of the Company on the appointment or re-appointment of Directors, and to ensure that sufficient biographical details of nominated candidates shall be provided to the Board and shareholders of the Company to enable them to make an informed decision;
  - (c) identify and nominate candidates to fill causal vacancies of Directors for the Board's approval;
  - (d) review the structure, size and composition of the Board at least annually, considering amongst other things the skills, knowledge, experience and length of service, and the breadth of expertise of the Board as a whole, and make recommendations on any proposed changes to the Board to implement the Company's corporate strategy;

- (e) assess the independence of independent non-executive Directors;
- (f) make recommendations to the Board on the appointment and re-appointment of Directors and the succession planning for Directors, in particular the Chairman, the Chief Executive Officer (where different from the Chairman), any Vice-Chairman and the Managing Director;
- (g) recommend to the Board the termination of the directorship of individual Directors where considered appropriate;
- (h) evaluate each year the performance of the Board, the other committees of the Board and each of the Directors;
- (i) develop and review the Group's policies and practices on corporate governance and make recommendations to the Board;
- (j) review and monitor the Group's policies and practices on compliance with legal and regulatory requirements, and to periodically assess the compliance of the Group's businesses and operations with the relevant laws and regulations;
- (k) investigate and rectify any actual or potential non-compliance, and to report to the senior management or the Board in accordance with the reporting guidelines hereunder;
- (l) review the approval documents or permits obtained by a new company to ensure the required procedures are complied with before the new company commences operation;
- (m) monitor any legal and regulatory developments that may be relevant to the Company's business, and to make internal policy recommendations as appropriate based on evaluation of the impact of any change of laws, rules or regulations on the Company's compliance;
- (n) oversee and evaluate compliance by the Company with the Company's corporate governance principles and policies and Appendix 14 to the Rules Governing the Listing of Securities on the HKSE (the "**Listing Rules**") and to review the disclosure in the corporate governance report in the annual report of the Company;
- (o) provide internal training to Directors, senior management and other relevant personnel to ensure continuous compliance with the applicable laws, rules and regulations, and to review and monitor the training and continuous professional development of Directors and senior management;
- (p) develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors;

- (q) do any such things as reasonably necessary to enable the Committee to discharge its powers and functions conferred on it by the Board; and
- (r) perform any other activities required by applicable law, rules or regulations, including the Listing Rules and conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the Articles.

## **NOMINATION OF DIRECTORS**

- 13. The Committee is charged with seeking candidates for the Board who have experience in appropriate areas and disciplines. The criteria that the Committee shall consider in selecting candidates for the Board shall include, in addition to any applicable requirements of law and regulations including the Listing Rules, business experience, specific expertise, strength of character, independence, judgment, factors relating to the current composition of the Board (including its size and structure), and principles of diversity.
- 14. The Committee should re-assess the independence of independent non-executive Directors who have served for more than nine years, and make recommendations to the Board on matters regarding his independence and suitability for re-appointment to be voted upon at the next Annual General Meeting of the Company.
- 15. The Committee has authority on behalf of the Company to engage and terminate any search firm used to identify candidates for nomination to the Board. This authority shall include the authority to approve any such firm's fees and other retention terms.

## **CORPORATE GOVERNANCE**

- 16. The Committee shall develop and propose for consideration by the Board a set of corporate governance guidelines (the "**Guidelines**"), and shall, if deemed necessary by the Board or the Committee, propose from time to time any amendments to such guidelines. Without limitation, the initial set of corporate governance guidelines shall comprise the following:
  - a) Appendix 14 to the Listing Rules (Corporate Governance Code and Corporate Governance Report);
  - b) Model Code for Securities Transactions by Directors, set out in Appendix 10 to the Listing Rules;
  - c) Non-statutory Guidelines on Directors' Duties, issued by the Hong Kong Companies Registry; and
  - d) Guidelines for Independent Non-executive Directors, issued by the Hong Kong Institute of Directors.

17. Subject to any other regulations adopted by the Board in respect of connected transactions (as defined in the Listing Rules) and so far as practicable, the Committee will conduct an appropriate review of all proposed connected transactions to identify potential conflict of interest situations and the Committee will submit the proposed connected transactions to the Board for its approval and implementation of appropriate action to protect the Company from potential conflicts of interest.
18. The full Board, excluding the Committee members, shall conduct an annual performance evaluation of the Committee as a whole.
19. The Committee shall review and approve a statement describing its role and functions and the Company's compliance with the Guidelines (to the extent applicable) for inclusion in the annual Corporate Governance Report of the Company.
20. The Committee is to be provided with sufficient resources to perform its duties. Where necessary, the Committee may seek independent professional advice, at the Company's expense, to perform its responsibilities.

#### **REPORTING PROCEDURES**

21. The Committee should report to the Board on a regular basis on its decisions or recommendations.
22. Full minutes of the meetings of the Committee shall be kept by the secretary of the Committee, who shall send draft and final versions of minutes of meetings and all written resolutions of the Committee to all members of the Committee for their comments and records within a reasonable time after the meeting.
23. At the next meeting of the Board following a meeting of the Committee, the Chairman of the Committee shall report to the Board on the findings and recommendations of the Committee. At least once annually, the Committee should present a report in writing to the Board which addresses the work and findings of the Committee during the year.

#### **PUBLICATION OF THE TERMS OF REFERENCE**

24. A copy of these terms of reference will be posted on the websites of the Company and the HKSE.