



**中泰期貨**  
**ZHONGTAI FUTURES**

**ZHONGTAI FUTURES Company Limited**  
**中泰期貨股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 01461)**

**TERMS OF REFERENCE OF  
NOMINATION COMMITTEE OF THE BOARD  
(REVISED DRAFT)**

**CHAPTER 1 GENERAL PROVISIONS**

**Article 1** In order to establish a regulated nomination management system for directors, senior management and relevant personnel of ZHONGTAI FUTURES Company Limited (中泰期貨股份有限公司) (the “Company”), improve the composition of the board of directors (the “Board”), perfect the corporate governance structure, in accordance with the Company Law of the People’s Republic of China, the Futures and Derivatives Law of the People’s Republic of China, the Regulations Governing Futures Trading, the Measures Governing the Supervision of Futures Companies, the Measures for the Administration of Qualifications of Directors, Supervisors and Senior Management of Futures Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”) and the Corporate Governance Code set out in Appendix C1 of the Hong Kong Listing Rules, the Articles of Association of ZHONGTAI FUTURES Company Limited (the “Articles of Association”) and other relevant regulations, the Board of the Company has established the Nomination Committee and formulated these Terms of Reference.

**Article 2** Members of the Nomination Committee shall be diligent and responsible for researching and making recommendations on the selection criteria and procedures for directors and senior management of the Company. The Organization Department of the Party Committee/ Human Resources Department shall assist the Nomination Committee in discharging its duties, and the office of the Board shall be accountable for overall coordination.

## CHAPTER 2 COMPOSITION

**Article 3** The Nomination Committee shall consist of three to five directors, and the members shall possess the professional knowledge and work experience commensurate with the duties of the Committee.

Members of the Nomination Committee (including the chairman of the Committee) shall be nominated by the chairman of the Board or one-third or more of all the directors, and shall be elected by the Board subject to approval of more than half of all the directors. Upon the approval of the resolution for the election of members, the appointment of the newly-elected member shall become effective immediately after such resolution of the Board takes effect. Of which independent non-executive directors shall represent a majority, and the chairman of the Committee shall be an independent non-executive director.

**Article 4** The term of office of the members of the Nomination Committee shall be the same as that of the directors. A member of the Committee may serve consecutive terms if re-elected upon the expiry of his/her term of office. A member who, during his/her term of office, no longer serves as a director or, if in the capacity of independent non-executive director, ceases to have the independence required by laws, administrative regulations, departmental rules, regulatory documents, the Hong Kong Listing Rules and the Articles of Association, shall ipso facto cease to be a member of the Committee from the time he/she ceases to be a director, and the Board shall fill up the vacancy in accordance with the requirements set out in Article 3 above.

**Article 5** The terms of office of members of the Nomination Committee may be adjusted during their terms of office according to the recommendation of the chairman of the Board and upon the consideration and approval of the Board.

## CHAPTER 3 DUTIES AND AUTHORITIES

**Article 6** The Nomination Committee shall be responsible for formulating the selection criteria and procedures as well as succession plans for directors and senior management, searching for qualified candidates for directors and senior management, selecting and reviewing candidates for directors and senior management and their qualifications, and making recommendations to the Board on the following matters:

- (1) nominating or appointing or removing directors;
- (2) appointing or dismissing senior management;
- (3) other matters required by laws, administrative regulations, the CSRC, the Hong Kong Listing Rules and the Articles of Association.

Should the Board fail to adopt or fully adopt the recommendations from the Nomination Committee, the opinions of the Nomination Committee and the specific reasons for non-adoption shall be recorded in the resolutions of the Board and disclosed.

The Nomination Committee is responsible for reviewing the structure, size and composition (including in terms of skills, knowledge and experience) of the Board annually, assisting the Board in preparing a Board skills matrix, and making recommendations on any proposed changes to the Board to complement the Company's strategy. The Nomination Committee is responsible for assessing the independence of the independent non-executive directors and assisting the Company in regularly evaluating the performance of the Board.

**Article 7** The Nomination Committee shall perform its duties in accordance with the Articles of Association and the authorization of the Board. Save as otherwise provided, proposals of the Nomination Committee shall be submitted to the Board for consideration and decision.

The nomination of non-employee directors of the Company proposed by the Nomination Committee shall, upon approval by the Board, be submitted to the general meeting for consideration.

**Article 8** The chairman of the Nomination Committee shall primarily exercise the following duties:

- (1) to convene and chair the meetings of the Nomination Committee;
- (2) to supervise and examine the operations of the Nomination Committee;
- (3) to sign relevant documents of the Nomination Committee;
- (4) to report the operations of the Nomination Committee to the Board;
- (5) other duties as requested by the Board.

**Article 9** The management and relevant departments of the Company shall cooperate with the Nomination Committee in duty performance, and shall, at its request, provide sufficient written materials of the Company to the Nomination Committee on a timely basis, including:

- (1) duty performance of the senior management staff;
- (2) detailed information of the candidates for directors and senior management, including their biographies, educational background, work experience, part-time positions, whether there is any connected relationship with the Company or its controlling shareholders and actual controllers, the number of shares held in the Company, and whether they have been subject to any regulatory penalties;
- (3) other relevant materials.

**Article 10** The Nomination Committee shall, in accordance with the provisions of laws, regulations and the Articles of Association, and taking into account the actual circumstances of the Company, conduct qualification reviews of candidates for directors and senior management, and submit recommendations and relevant materials regarding candidates for directors and senior management to the Board.

**Article 11** The Nomination Committee shall submit an annual performance report to the Board, which shall primarily include the fulfillment of its duties by the Committee and the convening of meetings.

## CHAPTER 4 CONVENING AND NOTICE OF MEETINGS

**Article 12** In any of the following circumstances, a meeting of the Nomination Committee may be convened:

- (1) whenever the chairman of the Nomination Committee deems necessary;
- (2) whenever proposed by two or more members of the Nomination Committee;
- (3) whenever the Board so resolves.

**Article 13** Meetings of the Nomination Committee shall be convened and chaired by the chairman of the Committee. If the chairman is unable or fails to perform his/her duties, the meeting shall be convened and chaired by a member elected by more than half of the members of the Committee. The notice of a meeting shall be despatched to all the members of the Committee two days prior to the date of the meeting. In special circumstances, the notice period may be less than two days provided that consent has been obtained from two-thirds or more of the members of the Committee.

**Article 14** The notice of meeting of the Nomination Committee shall be signed by the chairman of the Committee and issued through, among other things, email. Notice of the meeting shall contain the followings:

- (1) the date and venue of the meeting;
- (2) the duration of the meeting;
- (3) the subject, issue and other related information;
- (4) the date on which the notice is served.

The office of the Board shall be responsible for the notice of meeting and affairs of the Nomination Committee and the notice of meeting may be dispatched by means of fax, email, delivery in person, post or telephone, etc.

**Article 15** Upon the receipt of the notice of meeting, members of the Nomination Committee shall give acknowledgement and reply by providing relevant information (including but not limited to the availability for the meeting and schedule) in a timely and appropriate manner.

**Article 16** The Nomination Committee shall provide each member with sufficient information, and shall endeavor to serve the relevant documents and materials of the meeting to all members as concurrently as the notice of the meeting. They shall be served to all members before the meeting should they cannot be served at the same time as the notice of the meeting. The members shall carefully read the relevant documents received from the Committee and get ready to comment thereon.

## **CHAPTER 5 TERMS OF REFERENCE**

**Article 17** The quorum of the meetings of the Nomination Committee shall be two-thirds or more of the members.

**Article 18** Members of the Nomination Committee shall attend meetings in person (including attending on-site meetings in person or by means of communications). A member who is unable to attend a meeting in person may, by a duly signed power of attorney, appoint another member of the Nomination Committee to attend and exercise relevant powers at the meeting on his/her behalf. The power of attorney shall specify, among others, the names of the principal and the proxy, the scope of authorisation, the restriction of authorisation and the validity period of authorisation, with the signatures or seals of the principal. The member attending the meeting as a proxy shall only exercise the rights within the scope of authorisation. A member may accept the appointment to attend on behalf of up to one member. Any member serving as an independent non-executive director may only appoint another member of independent non-executive director to attend on his/her behalf.

**Article 19** Other directors and senior management staff of the Company may be invited by the Nomination Committee to attend its meeting as non-voting attendees.

Non-voting attendees shall not intervene with the proceedings of the Nomination Committee, nor shall they interfere with the discussion, voting and resolution of the meeting.

**Article 20** During a meeting of the Nomination Committee, the chairman of the meeting shall first announce the issues of the meeting, and then preside over the meeting in accordance with the meeting agenda. The chairman of the meeting is entitled to determine the proceeding time of each of the issues, whether to stop the discussion, whether to jump to the next issue, etc. The chairman of the meeting shall earnestly preside over the meeting, adequately listen to the opinions of attending members and enhance the efficiency of proceedings and rationality of decision-making.

**Article 21** Any issue not stated in the notice of the meeting of the Nomination Committee shall not be discussed. Under special circumstances, any new issue required to be added at the meeting for consideration and approval shall be agreed by two-thirds or more of the members attending the meeting.

**Article 22** A member attending the meeting shall discuss issues within the terms of reference, and shall not discuss with other non-voting attendees, unless the chairman of the meeting decides to listen to the opinions and recommendations of non-voting attendees.

**Article 23** The chairman of the meeting shall control the progress of the meeting in accordance with the proceedings of the attending members, and shall not change the meeting progress or the issues of the meeting due to other people present at the meeting.

**Article 24** Should there be confrontation of opinions leading to failure of voting or equivalency between the affirmative votes and dissenting votes, the chairman of the meeting shall not forcefully announce the resolution, but shall instead continue the proceedings or adjourn the meeting temporarily depending on the conditions of the meeting.

**Article 25** Resolutions of the meeting of the Nomination Committee shall be passed by more than half of the members of the Nomination Committee.

Voting on resolutions of the Nomination Committee shall be conducted on a one member one vote basis.

A member of the Nomination Committee shall be abstained from voting if he/she has an interest in the matters under discussion at the meeting. Where the Committee is unable to form an effective opinion due to the member's abstain, the relevant matters shall be considered directly by the Board.

**Article 26** In principle, a meeting of the Nomination Committee shall be held in the form of on-site meeting, where voting shall be made by a show of hands or by poll in the order of for, against and abstain. The chairman of the meeting shall count the votes and announce the results of each resolution forthwith, which shall be recorded by the recorder of the meeting.

Upon approval of the chairman of the Nomination Committee, a meeting may be held by way of communications, while members of the Nomination Committee shall submit documents of the meeting such as completed votes and signed audit opinions to the office of the Board within the deadline specified in the notice of meeting.

If a meeting of the Nomination Committee is held by electronic communications including teleconference and videoconference, it shall be ensured that the members attending the meeting can clearly hear the speeches delivered by other members and can communicate with one another. The verbal voting instructions made by a member shall be consistent with those in the written record signed after the conclusion of the meeting. In case of any inconsistency between the written record signed and the verbal voting instructions, the written record signed shall prevail. Members participating in a meeting held by electronic communications including teleconference or videoconference shall be deemed as attending such meeting of the Nomination Committee in person.

**Article 27** All members present at the meeting and the non-voting attendees are obligated to keep confidential the matters considered at the meeting, and shall not divulge or disclose relevant information without authorisation.

**Article 28** The Nomination Committee shall, within five days from conclusion of the meeting, submit the resolution(s) approved at the meeting and the poll results to the Board of the Company either in written form or by other electronic means.

**Article 29** Any member of the Nomination Committee failing to attend meetings of the Nomination Committee in person for two consecutive times and without appointing another member to attend on his/her behalf shall be deemed as incapable of performing the duties of a member of the Committee, and shall be subject to replacement by the Board.

**Article 30** The Nomination Committee may engage external professionals to provide services, and the reasonable expenses incurred thereby shall be borne by the Company.

## **CHAPTER 6 MEETING MINUTES**

**Article 31** Meeting minutes shall be prepared for the meetings of the Nomination Committee in accordance with regulations. The meeting minutes shall be complete, truthful and accurate, fully and thoroughly reflecting the opinions expressed by the attendees on the matters under consideration.

Members and the recorder and other relevant personnel present at the meeting shall sign on such minutes for confirmation.

Members attending the meeting shall have the right to request to record in the meeting minutes details of the statements made by them at the meeting.

**Article 32** Meeting minutes of the Nomination Committee shall be kept by the Board office or other designated body as corporate files for at least 10 years.

**Article 33** The meeting minutes of the Nomination Committee shall contain the following information:

- (1) the date and venue of the meeting and the name of the convener;
- (2) the names of the members attending the meeting in person and the names of the members appointed (proxies) to attend the meeting;
- (3) agenda of the meeting;
- (4) summary of members' speech;
- (5) the voting results of each proposed resolution.

## **CHAPTER 7 SUPPLEMENTARY PROVISIONS**

**Article 34** Unless otherwise specified, the terms used herein shall have the same meanings ascribed thereto under the Articles of Association.

**Article 35** The senior management staff mentioned in the Terms of Reference refer to the general manager, deputy general manager, officer-in-charge of financial affairs, chief risk management officer, secretary to the Board and other senior management staff as determined by the Articles of Association.

**Article 36** The terms “or more” and “at least” mentioned in the Terms of Reference shall include the underlying number, while the term “more than half” shall not include the underlying number.

**Article 37** The Terms of Reference shall become effective upon the consideration and approval of the Board of the Company.

**Article 38** Any matters not covered by the Terms of Reference shall be subject to relevant state laws, regulations, rules of securities regulatory authorities and The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) and the requirements of the Articles of Association. In case of any discrepancy between the Terms of Reference and the laws and regulations to be promulgated by the government of China in the future, the rules of securities regulatory authorities and the Hong Kong Stock Exchange, or the Articles of Association as amended according to lawful procedures, the relevant state laws and regulations, rules of securities regulatory authorities and the Hong Kong Stock Exchange and the requirements of the Articles of Association shall prevail, and the Terms of Reference shall be amended immediately for consideration and approval of the Board.

**Article 39** The Terms of Reference are prepared in Chinese. In case of any discrepancy between the Chinese text and English text of the Terms of Reference, the Chinese text shall prevail.

**Article 40** The power of interpretation of the Terms of Reference shall be vested in the Board of the Company.