



## VALUE CONVERGENCE HOLDINGS LIMITED

*(Incorporated in Hong Kong with limited liability)*

Website: <http://www.vcgroup.com.hk>

(Stock Code: 821)

### TERMS OF REFERENCE OF EXECUTIVE COMMITTEE

#### 1. Constitution

1.1 The board (the “**Board**”) of directors (the “**Director(s)**”) of Value Convergence Holdings Limited (the “**Company**”) has established a Committee of the Board known as the Executive Committee pursuant to the provisions of the Articles of Association of the Company.

#### 2. Membership

2.1 The Executive Committee is composed of a minimum of two Executive Directors. In addition, certain members of Management may be co-opted by the Board to the Executive Committee in a non-voting capacity.

2.2 Members of the Executive Committee (the “**Exco Member(s)**”) may only be appointed or removed, and members of Management may only be co-opted to the Executive Committee or removed, in each case, by a decision of the Board.

2.3 The Chairman of the Executive Committee shall be appointed and removed by a decision of the Board.

#### 3. Quorum

3.1 Unless otherwise agreed by all voting Exco Members, two voting Exco Members shall be a quorum.

#### 4. Meetings

4.1 The Executive Committee shall meet as and when required. Unless otherwise agreed by all Exco Members, a meeting shall be called by reasonably notice.

4.2 The Exco Members may participate in any meeting of the Executive Committee by means of a conference telephone or similar communication equipment by means of which all persons participating in the meeting are capable of hearing and speaking to each other throughout the meeting and, for the purpose of counting a quorum, such participation shall constitute presence at a meeting as if those participants were present in person.

- 4.3 Every matter shall be determined by a majority of votes of the Exco Members present in the meeting except for transaction set out in paragraph 5.7, 5.8 and 5.9 below, which shall be approved by unanimous votes by ALL Exco Members. For those Exco Members not present in the meeting, his/her approval shall be evidenced by his/her signing the relevant written resolutions. Each Exco Member shall have one vote on the question arising at any meeting, provided that no Exco Member shall vote on any matter which would constitute a conflict of interest.
- 4.4 In the case of equality of votes, the Chairman of the Executive Committee shall have a second or casting vote.
- 4.5 A resolution in writing signed by all the Exco Members shall be as valid and effectual as if it had been passed at a meeting of the Executive Committee duly convened and held.
- 4.6 All meetings and proceedings of the Executive Committee shall be governed by the provisions of the Articles of Association of the Company regulating proceedings of meetings of the Board unless otherwise provided herein.

## **5. Duties and powers**

The Executive Committee is established with the following duties and powers and on the basis that powers delegated by the Board to the Executive Committee are delegated collaterally with the Board's own powers and subject to revocation or variation under Article 124:

- 5.1 to oversee the implementation of the Company's strategic objectives and risk management policies;
- 5.2 to oversee the business and operations of all of the business units of the Group;
- 5.3 to put in place programs for management development and succession of management personnel;
- 5.4 to oversee the realisation by the Company of the strategic objectives set by the Board;
- 5.5 to discharge such other duties and authorities as may be delegated to it by the Board;
- 5.6 to report to the Board in relation to significant decisions and recommendations of the Executive Committee which ought properly to be brought to the attention of the full Board;

- 5.7 to approve any transaction involving an amount exceeding HK\$5,000,000 but not exceeding HK\$10,000,000\*, provided that the relevant transaction is not a connected transaction, major transaction, very substantial acquisition, very substantial disposal or reverse takeover under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as they may be amended from time to time (the “**Listing Rules**”);
- 5.8 financing decisions involving an amount exceeding HK\$5,000,000 but not exceeding HK\$10,000,000\*, provided that the relevant transaction is not a connected transaction, major transaction, very substantial acquisition, very substantial disposal or reverse takeover under the Listing Rules;
- 5.9 capital expenditure decisions involving an amount exceeding HK\$5,000,000 but not exceeding HK\$10,000,000\*, provided that the relevant transaction is not a connected transaction, major transaction, very substantial acquisition, very substantial disposal or reverse takeover under the Listing Rules;
- 5.10 to approve changes to the Company’s capital structure, including any reduction of capital, share buy back or issue of new securities, other than in accordance with the terms of any share option scheme(s) or other incentive scheme(s) adopted by the Company from time to time;
- 5.11 the appointment or removal of the head of internal audit of the Company;
- 5.12 the appointment or removal of the Company Secretary;
- 5.13 to use the Company’s seal in accordance with article 135(a) of the Articles of Association of the Company and to authorize a person (not being a Director or the Company Secretary of the Company) to sign an instrument to which the seal is affixed;
- 5.14 to develop and review the Company’s policies and practices on corporate governance and make recommendations to the Board;
- 5.15 to review and monitor the training and continuous professional development of Directors and Senior Management;
- 5.16 to review and monitor the Company’s policies and practices on compliance with legal and regulatory requirements;
- 5.17 to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- 5.18 to review the Company’s compliance with the code and disclosure in the Corporate Governance Report.

**6. Management personnel co-opted to the Executive Committee in a non-voting capacity**

Management personnel co-opted to the Executive Committee in a non-voting capacity:

6.1 shall be entitled to receive notices of meetings of the Executive Committee, together with any supporting board papers provided to the Exco Members with the relevant notice, and shall be entitled to participate in discussions at meetings of the Executive Committee, but shall not be entitled to vote on any matter to be decided, or on any recommendation to be made, by the Executive Committee; and

6.2 shall not be considered to be Exco Members for any purpose.

\* *The transaction amount limit abovementioned in this terms of reference does not apply to the underwriting, securities broking and margin financing business of VC Brokerage Limited (the wholly owned subsidiary of the Company), which is governed by the Credit Policy of VC Brokerage Limited, as amended from time to time.*

*(Updated in December 2015)*