

# **Nanhua Futures Co., Ltd.**

## **Rules of Procedures for the Strategy Committee of the Board of Directors**

### **Chapter 1 General Provisions**

**Article 1** To cater for the requirements of the strategic development of Nanhua Futures Co., Ltd. (the “Company”), enhance its core competitive edges, determine its development plan, improve its investment decision-making procedures, strengthen the scientific rigor of its decision-making and improve the efficiency and quality of major investment decisions, the strategy committee of the board of directors has been established and these rules of procedures have been formulated by the board of directors of the Company in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Articles of Association of Nanhua Futures Co., Ltd. (the “Articles of Association”) and other relevant requirements.

**Article 2** The strategy committee of the board of directors is a specialized organization under the board of directors, primarily responsible for researching and making recommendations on the Company’s long-term development strategies and major investment decisions.

**Article 3** The provisions of the Company Law, the securities regulatory rules of the place where the Company’s shares are listed, and the Articles of Association concerning the appointment management and conduct standards for directors shall apply to members of the strategy committee.

### **Chapter 2 Personnel Composition**

**Article 4** The strategy committee shall consist of three directors.

**Article 5** Members of the strategy committee shall be nominated by the chairperson of the board of directors, no less than half of the independent directors or no less than one-third of the directors, and are subject to election by the board of directors.

**Article 6** The strategy committee shall have one convener. The convener of the strategy committee shall be responsible for convening and presiding over meetings of the strategy committee. When the convener is unable or incapable of performing his/her duties, a member of the strategy committee jointly nominated by a majority of strategy committee members shall preside.

**Article 7** The term of the members of the strategy committee shall be the same as the term of directors of the board of directors. A member may serve consecutive term if re-elected upon the expiry of his/her term of office. Prior to the expiration of his/her term of office, a member of the strategy committee may be removed from his/her roles by the Company in accordance with statutory procedures. During such period, if any member ceases to hold office as a director of the Company, such member shall be automatically disqualified as a member of the strategy committee.

**Article 8** Where the number of members of the strategy committee is reduced due to the resignation or removal of members or other reasons, the board of directors of the Company shall promptly appoint new members for the Committee.

**Article 9** The office of the board of directors of the Company is responsible for the day-to-day liaison and meeting organization of the strategy committee.

### **Chapter 3 Duties and Powers**

**Article 10** The primary duties and authorities of the strategy committee are:

(I) to study and make recommendations on the Company's long-term strategic development plan, including the its ESG development strategy;

(II) to research and make recommendations on major investment and financing plans that shall be approved by the board of directors as stipulated in the Articles of Association;

(III) to research and make recommendations on major capital operations and asset management projects that shall be approved by the board of directors as stipulated in the Articles of Association;

(IV) to review and recommend on the Company's ESG periodic reports;

(V) to research and recommend on other significant matters affecting the development of the Company;

(VI) to review the implementation of the above matters;

(VII) other matters as stipulated by applicable laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, the Articles of Association, or authorized by the board of directors.

**Article 11** The strategy committee is accountable to the board of directors, and its proposed resolutions shall be submitted to the board of directors for review and decision.

## **Chapter 4 Convening and Notices of Meetings**

**Article 12** Meetings of the strategy committee shall be convened as needed and notice thereof shall be given to all members three days prior to the meeting. The meetings shall be convened and presided over by the convener. In urgent circumstances where the convening of a meeting is required as soon as practical, notice may be given at any time by telephone or other verbal means.

**Article 13** The meetings of the strategy committee shall be convened on site in principle. Provided that all participating directors can fully communicate and express their opinions, such meetings can be held by means of video, telephone or other methods when necessary.

## **Chapter 5 Consideration and Voting Procedures**

**Article 14** A meeting of the strategy committee shall be held only in the presence of two thirds or more of the members. Each member of the strategy committee shall have one vote for a resolution to be approved by the strategy committee. A resolution made at the meeting is valid only with the approval of more than one-half of all the committee members.

**Article 15** If a member of the strategy committee authorizes another member to attend the meeting and exercise his/her voting rights on his/her behalf, he/she shall submit a power of attorney to the chairperson of the meeting no later than the time when voting shall take place at the meeting.

**Article 16** If a member of the strategy committee fails to attend the meeting in person or appoint other member(s) to attend the meeting on his/her behalf, he/she shall be deemed as absent from the relevant meeting. If a member of the strategy committee fails to attend the meeting for two consecutive times, such member shall be deemed to have failed to perform his/her duties properly, and may be removed from his/her office as member of the committee by the board of directors.

**Article 17** A member attending the meeting shall deliberate on the proposals and fully express his/her individual opinions in a serious and responsible manner; the member shall be responsible for his/her own votes.

**Article 18** Voting at regular and extraordinary meetings of the strategy committee shall be undertaken by a show of hands or by poll.

**Article 19** Resolutions and voting results adopted at meetings of the strategy committee shall be submitted to the board of directors of the Company in writing.

**Article 20** Meetings of the strategy committee shall be recorded in writing and shall be signed by the members present and by the person taking the minutes. The members attending the meeting shall have the right to make descriptive records of their speeches at the meeting.

The minutes of meetings of the strategy committee are maintained by the office of the board of directors as part of the Company's archives. During the Company's existence, the retention period shall be ten years.

**Article 21** Members of the strategy committee shall maintain confidentiality of any Company-related information they become aware of before the same are made public.

## **Chapter 6 Supplementary Provisions**

**Article 22** Matters not covered in these rules of procedures shall comply with relevant laws, administrative regulations, departmental regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Should these rules of procedures contravene the laws, administrative regulations, departmental regulations as subsequently promulgated by the State, or securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association as amended, the national laws, administrative regulations, departmental regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association shall prevail.

**Article 23** The term "more than" as used in these rules of procedures shall include the number itself.

**Article 24** The board of directors shall have the right to interpret these terms of reference.

**Article 25** These rules of procedures shall come into effect from the date when the H shares issued by the Company are listed on The Stock Exchange of Hong Kong Limited upon the consideration and approval by the board of directors of the Company.