



# 基石金融控股有限公司 CORNERSTONE FINANCIAL HOLDINGS LIMITED

(the “Company”)

*(incorporated in the Cayman Islands with limited liability)*

(Stock code: 8112)

## TERMS OF REFERENCE FOR THE EXECUTIVE COMMITTEE

*(Adopted by the Company at a Board meeting held on 26 March 2018)*

*(Amended and restated on 15 October 2018)*

### 1. MEMBERSHIP

- 1.1 The executive committee of the Company (the “**Executive Committee**”) shall be appointed by the board (the “**Board**”) of directors (the “**Directors**”) of the Company from time to time and shall comprise not less than two members (the “**Members**”) of whom are executive Directors, or not less than one-third of the total number of executive Directors from time to time, whichever is higher.
- 1.2 A member of the Executive Committee who ceases to be an executive Director shall immediately and automatically cease to be a member of the Executive Committee.

### 2. CHAIRMAN

The Chairman of the Executive Committee shall be the Chairman of the Board or any such person as nominated by the Chairman of the Board.

### 3. SECRETARY

- 3.1 The company secretary of the Company (the “**Company Secretary**”) shall be secretary of the Executive Committee. In the absence of the Company Secretary, his/her delegate(s) or any person elected by the Members present at the meeting of the Executive Committee shall attend the meeting of the Executive Committee and take minutes.
- 3.2 Notwithstanding any other provisions in these Terms of Reference, the Executive Committee may from time to time appoint any other person with appropriate qualification and experience as the secretary of the Executive Committee.

#### 4. MEETINGS

Unless otherwise specified hereunder, the provisions contained in the articles of association of the Company (as amended from time to time) for regulating meetings and proceedings of directors shall apply to the meetings and proceedings of the Executive Committee.

- 4.1 The Executive Committee shall meet as and when it is necessary. Any one Member may request a meeting if he/she considers necessary.
- 4.2 Notice of any meetings has to be given at least 3 days prior to any such meeting being held, unless all Members waive such notice. If a meeting is called by a shorter notice, it shall be deemed to have been duly called if it is so agreed by a majority of the Members. A Member who attends such a meeting shall deem to agree to the shorter notice. Notice of any adjourned meetings is not required if the adjournment is less than 14 days.
- 4.3 The quorum of the Executive Committee shall be two Members.
- 4.4 Meetings could be held in person, by telephone or by video conference. Members may participate in a meeting by means of a conference telephone or similar communications equipment provided that all persons participating in the meeting are capable of hearing each other.
- 4.5 Resolutions of the Executive Committee at any meetings shall be passed by a majority of votes of the Members present.
- 4.6 A resolution in writing signed by all the Members of the Executive Committee shall be as valid and effectual as if it had been passed at a meeting of the Executive Committee duly convened and held.
- 4.7 Full minutes of Executive Committee meetings should be kept by a duly appointed secretary of the meeting. Draft and final versions of minutes of the meetings should be sent to all Members for their comment and records within a reasonable time after the meeting.

#### 5. DELEGATION OF AUTHORITY

Subject always to any specific directions of the Board of Directors from time to time and without prejudice or relieving the need to abide by and comply with any laws and/or regulations governing any reporting requirements or conduct of business of the Company, the Executive Committee is authorised by the Board to:

- (a) approve and oversee the execution of the normal and current business and investment activities of the Company and its subsidiaries (the “**Group**”) in accordance with the needs of the Company for business development;
- (b) act on behalf of the Board in the day-to-day management of the Group, including but not limited to its purchasing, marketing, financing, personnel and other operating activities;

- (c) on behalf of the Board, to exercise the powers of the Board to require the provision of and explanations from the employees and business partners of the Group as such Members consider necessary or desirable to fulfill the duties and responsibilities of the Executive Committee; and
- (d) seek external legal or other independent professional advice, at the Company's expenses, to perform its proper duties and such advisors may attend meetings of the Executive Committee if it is considered necessary or desirable.

However, such delegated authority shall not include, inter alia, the following:

- (i) announcement, disclosure or approval of quarterly, interim and final results of the Company;
- (ii) declaration, announcement or disclosure of interim dividends, recommendation of payment of final dividends, declaration or recommendation of payment of other distributions;
- (iii) announcement, disclosure or proposal to the shareholders of the Company to put the Company into liquidation;
- (iv) announcement, disclosure or approval of the entering into by the Group of any notifiable transactions as defined under Chapter 19 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”);
- (v) announcement, disclosure or approval of the entering into by the Group of any connected transactions as defined under Chapter 20 of the GEM Listing Rules;
- (vi) any matters which require approval by shareholders of the Company in general meetings in accordance with the prevailing laws and regulations, the GEM Listing Rules and the memorandum and articles of association of the Company; and
- (vii) any other matters specifically require approval of the Board from time to time.

## **6. DUTIES AND RESPONSIBILITIES**

The Executive Committee shall have the following duties and responsibilities:

- (a) to discuss and make decisions on matters relating to the day to day management and operations of the Group;
- (b) to evaluate business and investment opportunities and to make such business and investment decisions;
- (c) to evaluate, determine, and approve the Company's short-term and long-term funding requirements and financial planning, taking into account the funding costs, gearing ratios and cash flow projections (the “**financial/treasury planning**”) and to form and present the appropriate financial/treasury planning strategy to the Board for approval;

- (d) to monitor and oversee the financial and operational performance of the Group;
- (e) to review, assess, negotiate and agree the required facilities with banks and/or financial institutions in accordance with the financial/treasury plan approved by the Board, to approve the authorised signatories and their respective signing limits, and authorise the executive Director(s) to execute any relevant documents for and on behalf of the Company with such banks and/or financial institutions, including but not limited to those for making the facilities available to the Group; for the opening/closing of accounts maintained with any local or offshore banks and/or financial institutions; and/or for the change of the authorised signatories and their operating limits (if applicable);
- (f) to assess and make recommendations to the Board on operational issues, acquisitions of or investments in business or projects, and disposal of assets and/or business, which are of significance to the Group;
- (g) to assess and approve the remuneration for employees of the Group, other than those for Directors and/or senior management which require the approval of Remuneration Committee and the Board;
- (h) to assume such other responsibilities as from time to time may be delegated by the Board;
- (i) to approve announcements for compliance with the requirements of the GEM Listing Rules on monthly returns and notices of meetings, after checking and satisfaction of the details; which approval shall be presented for ratification and affirmation by the Board of Directors; and
- (j) to bring to the attention of the Board and to provide relevant information all sensitive information or matters which ought to be brought to the attention of the full Board.

## **7. REPORTING PROCEDURE**

The Executive Committee shall report to the Board on its decisions or recommendations on a regular basis as the Board may determine or as members of the Board may from time to time require. If no such period and frequency is determined, copies of minutes and/or resolutions of the Executive Committee shall be circulated to the Board for information or discussion (if necessary) at the next following Board meeting.

## **8. PUBLICATION OF THE TERMS OF REFERENCE**

These Terms of Reference (as amended from time to time), explaining the role of the Executive Committee and the authority delegated to it by the Board, will be posted on the websites of the Company and The Stock Exchange of Hong Kong Limited.

*Notes:*

1. If there is any inconsistency between the English and Chinese versions of these Terms of Reference, the English version shall prevail.
2. In the event that any provisions of these Terms of Reference are in contravention of the prevailing laws and regulations, the GEM Listing Rules and the Memorandum and Articles of Association of the Company, the later shall prevail.