



TRADELINK ELECTRONIC COMMERCE LIMITED

貿易通電子貿易有限公司

(the “Company”)

(Incorporated in Hong Kong under the Companies Ordinance with limited liability)

(Stock Code: 536)

**POLICY OF BOARD DIVERSITY, REFRESHMENT &
SUCCESSION AND SIZE**

(the “Policy”)

(Adopted on 23 August 2022 in the place of Board Diversity Policy)

1. Purpose

- 1.1 This Policy aims to set out the Company’s policy and approach to achieve optimum diversity, refreshment & succession and size of the Board of Directors (the “Board”) of the Company.
- 1.2 Upon adoption, this Policy shall immediately supersede the current Board Diversity Policy.

2. Policy statement

- 2.1 The Company recognizes and embraces the benefits of having a diverse Board, and sees diversity at the Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of differences in the talents, skills, industry experience, background, gender and other qualities of the members of the Board. These differences will be considered in determining the optimal composition of the Board and when possible should be balanced appropriately. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

- 2.2 The Company acknowledges that ensuring a strong independent element on the board is key to an effective board. Board makeup should be assessed in line with an evolving business environment and challenges. A more frequent turnover of directors would avoid entrenchment and attract new ideas and perspectives. Periodic board refreshment can foster the sharing of diverse perspectives in the boardroom and the generation of new ideas and business strategies. Accountability can be enhanced by frequent review and refreshment of membership of the board.
- 2.3 While there is no universal agreement on the optimum size of a board of directors, the Company considers that maintaining an optimum board size is fundamental to the effective management, governance and functioning of the Company.

3. Measurable objectives

3.1 Board Diversity

- 3.1.1 Generally, Board members should have a range of diversity perspectives with reference to the Company's businesses and specific needs, including but not limited to gender, age, educational background, experiences, exposures, human relationship networks and work-profile.

3.2 Board Skill Diversity

- 3.2.1 Board members should have a fairly balanced skill set, backgrounds, experiences and exposures that are useful and instrumental to serve the needs and businesses of the Company from time to time.
- 3.2.2 Without prejudice to the generality of the above, such skill set, in professional realms, may be related to audit and accounting, finance and investment, science and technology, public administration & government relationship, legal, regulatory & governance, and in business areas, could be in such businesses as IT, logistics, shipping, supply chain, electronic commerce, retailing, cyber security or any other businesses carried on by the Company from time to time.
- 3.2.3 Based on the board skills matrix, the Board may consider to bring in new talents with skills and experience relevant to the Company's new businesses from time to time as appropriate.

3.3 Board Gender Diversity

3.3.1 The Board should maintain diversity in genders on the board that is broadly in line with prevailing market average in Hong Kong.

4. BOARD REFRESHMENT & SUCCESSION

4.1 All directors are subject to rotation as provided in the Company's Articles of Associations or other applicable law.

4.2 Independent Non-executive Director ("**INED**")

4.2.1 As a general rule and unless the Board otherwise determines, the maximum tenures of all INEDs shall not exceed 9 years from appointment (or such shorter period as provided in the Listing Rules or other applicable law) ("**Maximum Tenure**").

4.3 Non-executive Director ("**NED**")

4.3.1 NEDs are usually appointed to represent a shareholder who holds a material interest in shares of the Company and as such, they are not subject to Maximum Tenure, unless the Board otherwise resolves, but such NEDs should generally resign if the shareholder he/she represents ceases to hold such material interest. The Board shall be entitled to determine at its sole discretion what constitutes material interest in shares for the purpose of this paragraph.

4.4 Executive Director ("**ED**")

4.4.1 ED shall not, as a director, be subject to Maximum Tenure.

4.4.2 However, as an employee of the Company, ED is subject to the rule of retirement age applicable to him/her as the Company's employee which practically means he/she will have to retire as ED when he/she retires or ceases to be an employee of the Company.

5. Board size

5.1 The size of the Board should be maintained at such a level as to be adequate to ensure effective management and governance of the Company, sound and swift decision-making and responsiveness to the changing business and operational needs, having regard further to the following non-exhaustive factors: -

5.1.1 size of the Company (including its revenue, profits and market capitalisation);

5.1.2 nature and complexity of its businesses and operations;

5.1.3 geographical coverage of the Company's businesses and operations;

5.1.4 average board size of comparable companies in local market.

6. Board's general discretion

6.1 The Board, on the recommendation of the Nomination Committee or of its own accord, may relax or exempt the operation of any of the rules in this Policy, having regard to such factors as scarcity of skills possessed by an existing director, substantial change in shareholding structure (such as change of substantial shareholders or the emergence of a controlling shareholder), the need to maintain continuity or inability to find the right candidates.

7. Relationship with nomination policy

7.1 Nothing in this Policy shall affect the Nomination Policy.

7.2 Wherever possible, this Policy and the Nomination Policy should both be complied with in selecting, nominating and appointing directors or their candidates.

8. Monitoring and reporting

8.1 The Nomination Committee will report annually, in the Corporate Governance Report, on the Board's composition under diversified perspectives, and monitor the implementation of the Policy and progress on achieving those measurable objectives.

9. Disclosure of policy

9.1 The Policy will be published on the Company's website for public information.

9.2 A summary of the Policy together with any measurable objectives that it has set for implementing the Policy, and the progress on achieving those objectives will be disclosed in the Corporate Governance Report contained in the Company's annual report.

10. Review of the policy

- 10.1 The Nomination Committee will review this Policy, as appropriate, to ensure its effectiveness. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

(In case of inconsistencies between the English and Chinese versions, the English version shall prevail.)