



ZIONCOM HOLDINGS LIMITED

Terms of Reference — Compliance Committee

Constitution

1. The board of directors (the “**Board**”) of Zioncom Holdings Limited (the “**Company**”) has resolved the establishment of the compliance committee (the “**Compliance Committee**”) on 18 December 2017.

Membership

2. The Compliance Committee shall consist of all independent non-executive directors and one executive director. At least one of the independent non-executive directors shall have the appropriate professional qualifications or legal qualifications or compliance experiences.
3. The chairman of the Compliance Committee shall be appointed by the Board and must (a) be an independent non-executive director; and (b) have the appropriate professional qualifications or legal qualifications or compliance experiences.
4. A quorum for the transaction of business of the Compliance Committee shall be five members.
5. The compliance director of the Company (the “**Compliance Director**”), a Hong Kong qualified solicitor with at least three years of relevant experience working as an in-house lawyer or similar experience shall be recruited by the Company.
6. The company secretary of the Company shall be appointed by the Board as the secretary of the Compliance Committee.

Notice of Meetings

7. The Compliance Committee shall meet as when necessary or as requested by any Committee member and at least four times a year. The chairman of the Compliance Committee may convene additional meeting if he/she considers that one is necessary.
8. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Compliance Committee, any other person required to attend, no later than three (3) working days before the date of the meeting. Supporting documents, such as legal advice from legal advisers, if applicable, shall be sent to Compliance Committee members and to other attendees as appropriate, at the same time.

Attendance at meetings

9. The Chief Executive, Financial Controller and the compliance officer of the Company (if any) may be in attendance at the Compliance Committee's meeting.
10. The Compliance Committee may, from time to time, invite external legal advisers to the meeting, including but not limited to Board members and/or senior management of all employing entity subsidiaries, external advisors or consultants to advise its members.
11. Proceedings of meetings of the Compliance Committee shall be governed by the Company's Articles of Association.
12. In the case of an equality of votes at a meeting of the Compliance Committee, the chairman of the meeting shall have the casting vote.

Meeting minutes

13. Full minutes and other meeting materials of the Compliance Committee shall be kept by the secretary of the Compliance Committee.
14. The draft copies and final copies of the meeting minutes shall be delivered to all committee members within a reasonable period of time following the conclusion of any meeting of the Compliance Committee. Members can provide their comments on the draft copies, and final copies will be kept as a record. All meeting minutes will be signed by the members attending the meeting and the secretary of the Board.

Roles, duties and Responsibilities

15. The Compliance Director shall be responsible for the Group's overall legal and compliance matters and the implementation of the Group's internal control procedures to ensure its compliance with the GEM Listing Rules as well as other applicable laws and regulations.
16. The Compliance Director shall have access to external professionals retained by the Group from time to time. He/she shall act as the principal channel communication between members of the Group and the Company in relation to compliance matters of the Group.
17. The Compliance Committee is authorised by the Company to investigate any activity within the scope of these terms of reference and the Group shall provide the Compliance Committee with sufficient resources to perform its duties.
18. The role of the Compliance Committee shall be:
 - (a) oversee the legal compliance aspect of the internal control system and the execution of compliance manual which summarise all internal control measures and policies of the Group;

- (b) monitor the status of the legal compliance aspect of the internal control system by reviewing the monthly report submitted by the Compliance Director and any other specific matters raised by the Compliance Director.
- (c) supervise the implementation and monitoring of the policy and procedures in relation to legal compliance by the Compliance Director, review the monthly report submitted by the Compliance Director and discuss the compliance matters in the Compliance Committee meeting to be held on a quarterly basis with the Compliance Director;
- (d) approve any update or amendment to the internal control system and compliance manual in respect of legal compliance as a result of the changes of relevant laws and regulations or enhancement of internal control system based on investigation of and appropriate measures taken for rectifying any non-compliance incidents;
- (e) review and where appropriate, recommend training to the directors, senior management and relevant employees for upholding legal compliance of the Group's operations;
- (f) receive and handle any actual or suspected non-compliance matters reported by the Compliance Director and employees of the Group and engage external professional advisers to assist in the preparation of reports and recommendations in respect of such actual or suspected non-compliance matters; and
- (g) review the effectiveness of the Group's ongoing measures to prevent future non-compliance incidents annually and provide updates on the applicable laws and regulations related to the Group's business operations with the assistance of the Compliance Director and external professionals including legal advisers, compliance adviser, and internal consultant from time to time.

Reporting procedures

19. The Compliance Committee shall report to the Board on a quarterly basis and issue the compliance report once a month.
20. The Company will report on the work and meetings of the Compliance Committee in its interim and annual reports.

Others

21. The Compliance Committee shall make available, on the Stock Exchange's website and the Company's website, its term of reference, explaining its role and the authority delegated to it by the Board.