



## DONGYUE GROUP LIMITED

東岳集團有限公司

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

**(Stock code: 189)**

# TERMS OF REFERENCE FOR RISK MANAGEMENT COMMITTEE

## TERMS OF REFERENCE FOR RISK MANAGEMENT COMMITTEE

*(Adopted on 13 August 2015)*

### DEFINITIONS:

For the purpose of these terms of reference (the “**Terms**”)

“ <b>Board</b> ”	means the board of directors of the Company
“ <b>Company Secretary</b> ”	means the company secretary of the Company
“ <b>Directors</b> ”	mean the members of the Board
“ <b>Risk Management Committee</b> ”	means the risk management committee established by the resolution of the Board in accordance with the Terms
“ <b>Shareholders</b> ”	mean the shareholders of the Company
“ <b>Listing Rules</b> ”	means the Rules Governing the Listing of Securities of the Stock Exchange (as amended from time to time)
“ <b>Code</b> ”	means the Code under Appendix 14 to the Listing Rules

### CONSTITUTION

The Board has resolved to establish a committee of the Board to be known as Risk Management Committee. The Risk Management Committee shall comprise a minimum of three members which shall be the directors of the Company.

### MEMBERSHIP

The members of the Risk Management Committee shall be from time to time appointed by the Board. A quorum shall be two members. The chairman of the Risk Management Committee shall be chaired by the chairman of the audit committee of the Company.

## **FREQUENCY AND CONDUCT OF MEETINGS**

Meetings shall be held at least once a year. The chairman of the Risk Management Committee shall convene a meeting.

An agenda and accompanying papers should be sent in full to all members of the Risk Management Committee in a timely manner and at least 3 days before the intended date of a meeting of the Risk Management Committee (or such other period as agreed by its members)

## **ANNUAL GENERAL MEETING**

The chairman of the Risk Management Committee shall, as far as practicable, attend the Company's annual general meetings and be prepared to respond to any Shareholder's questions on the risk management's activities.

## **AUTHORITY**

The Risk Management Committee is authorized by the Board to obtain external independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary. The Risk Management Committee shall be provided with sufficient resources to discharge its duties. The Risk Management Committee should be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any external nomination consultant who advises the Risk Management Committee.

## **DUTIES**

The duties of the Risk Management Committee shall include:

- (a) consider, review and approve the risk management policies, activities and guidelines;
- (b) identify the risk of the Group and decide on risk levels and risk appetite;
- (c) approve major decisions affecting the Group's risk profile or exposure and give such guidelines as it considers appropriate;
- (d) consider the effectiveness of decision making processes in crisis and emergency situations;  
and
- (e) review at least once per annum the effectiveness and resources of the internal control systems of the Company and its subsidiaries.

## **REPORTING PROCEDURES**

Minutes of the Risk Management Committee's meetings shall be kept by a duly appointed secretary of the meeting (who should normally be the Company Secretary), and such minutes shall be available for inspection at any reasonable time on reasonable notice by any Director.

Draft and final versions of minutes of such meetings should be sent to all members of the Risk Management Committee for their comment and records respectively, in both cases within a reasonable time after such meetings.

Without prejudice to the generality of the duties of the Risk Management Committee set out in the Terms, the Risk Management Committee shall report back to the Board and keep the Board fully informed of its decisions and recommendations, unless there are legal or regulatory restrictions on its ability to do so.