

**Haichang Holdings Ltd.**  
**海昌控股有限公司**  
**(the “Company”)**

**RISK MANAGEMENT AND CORPORATE GOVERNANCE COMMITTEE–  
TERMS OF REFERENCE**

**Constitution**

1. The Risk Management and Corporate Governance Committee (the “Committee”) was established by the board of directors (the “Board”) of the Company on February 23, 2014.

**Membership**

2. The Committee members shall consist of not less than three members with a majority of independent non-executive directors. Quorum for a meeting shall not be less than two members.
3. The company secretary of the Company or such person appointed by the Committee shall act as the secretary of the Committee.

**Duties**

4. The duties of the Committee shall include the followings:
  - (a) to review the Company’s risk management policies and standards, as well as the fundamental concepts and scope of compliance management;
  - (b) to review and provide comment on the overall target and basic policy of the compliance and risk management;
  - (c) to supervise and monitor the development of risk and compliance management system of the Company;
  - (d) to formulate the Company’s corporate governance policies and practices, to monitor its implementation and to make recommendations to the Board;
  - (e) to review the organ settings and responsibilities of the Company’s compliance and risk management, and to advise on the same;
  - (f) to review the compliance reports and risk assessment reports that need to be reviewed by the Board, and to make recommendations on improvement of the Company’s compliance and risk management;
  - (g) to review and monitor the training and continuous professional

- development of the Directors and senior management;
- (h) to review and monitor the Company's policies and practices regarding compliance with laws and regulatory rules as well as the implementation of the same;
  - (i) to formulate, review and monitor the code of conduct and compliance manual (if any) applicable to the employees and Directors;
  - (j) to review the Company's compliance with the Corporate Governance Code as set out in Appendix 14 of The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, together with the information disclosure under the Corporate Governance Report;
  - (k) to monitor the effective implementation of the risk and compliance management by the management of the Company, and to evaluate the performance of the senior management responsible for risk and compliance management;
  - (l) to evaluate and advise on the risks involved in major decisions that need to be reviewed by the Board and solutions to the major risks; and
  - (m) other matters as authorized by the Board.

### **Meetings**

- 5. The Committee may invite any other person to attend its meeting (including senior management of the Company, internal and external auditors, lawyers or consultants) if it considers necessary.
- 6. The Committee shall meet at least four times per annum.

### **Authority**

- 7. The Committee shall have access to such information and advice, whether from sources within or outside the Company and its subsidiaries, as it deems necessary.
- 8. The Committee shall have rights to seek for such opinions from legal and other professional consultants as it considers necessary.

### **Reporting Procedures**

- 9. The secretary shall circulate the meeting minutes of the Committee and the relevant recommendations to all the members of the Board for reference.