

In case of any inconsistency between the English version and the Chinese version, the English version shall prevail.



IWS Group Holdings Limited
國際永勝集團控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(the “Company”)

RISK MANAGEMENT COMMITTEE – TERMS OF REFERENCE

Approved and adopted by the board of directors of the Company (the “Board”) on 20 September 2019.

1. Constitution

1.1 The Committee is established pursuant to a resolution passed by the Board at its meeting held on 20 September 2019.

2. Membership

2.1 Members of the Committee shall be appointed by the Board from amongst the Directors of the Company and shall consist of not less than two members.

2.2 The Chairman of the Committee shall be appointed by the Board.

2.3 The company secretary of the Company shall be the secretary of the Committee. In the absence of the secretary of the Committee, Committee members present at the meeting may elect among themselves or appoint another person as the secretary for that meeting.

2.4 The appointment of the members of the Committee may be revoked, or additional members may be appointed to the Committee by separate resolutions passed by the Board and by the Committee. An appointment of Committee member shall be automatically revoked if such member ceases to be a member of the Board.

3. Proceedings of the Committee

3.1 Notice:

(a) Unless otherwise agreed by all the Committee members, a meeting shall be called by at least seven days’ notice. Irrespective of the length of notice being given, attendance of a Committee member at a meeting constitutes a waiver of such notice unless the Committee member attending the meeting attends for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the grounds that the meeting has not been properly convened.

- (b) A Committee member may and, on the request of a Committee member, the secretary to the Committee shall, at any time summon a Committee meeting. Notice shall be given to each Committee member in person orally or in writing or by telephone or by email or by facsimile transmission at the telephone or facsimile or address or email address from time to time notified to the secretary by such Committee member or in such other manner as the Committee members may from time to time determine.
- (c) Any notice given orally shall be confirmed in writing as soon as practicable and before the meeting.
- (d) Notice of meeting shall state the purpose, time and place of the meeting. An agenda together with other documents which may be required to be considered by the members of the Committee for the purposes of the meeting should generally be delivered to all Committee members seven days (and in any event not less than three days) before the intended date of the Committee meeting (or such other period as all the Committee members may agree).

3.2 **Quorum:** The quorum of the Committee meeting shall be two members of the Committee.

3.3 **Frequency:** The Committee shall meet at least four times a year as appropriate and otherwise as required and the Committee chairman shall convene a Committee meeting upon the request of any Committee member who considers it necessary, subject to satisfaction of the quorum of two members as is required for the transaction of Committee business.

3.4 Meetings may be held in person, or by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

4. Written resolutions

4.1 A resolution in writing signed by all the Committee members shall be as valid and effectual as if it had been passed at a meeting of the Committee and may consist of several documents in like form each signed by one or more of the Committee members.

5. Alternate Committee members

5.1 A Committee member may not appoint any alternate.

6. Authority of the Committee

6.1 The Committee may exercise the following powers:

- (a) to seek any information it requires from any employee of the Company and its subsidiaries (together, the “**Group**”) and any professional advisers in order to perform its duties, to require any of them to prepare and submit reports and to attend Committee meetings and to supply information and address the questions raised by the Committee;

- (b) to review annually these terms of reference and their effectiveness in the discharge of its duties and to make recommendation to the Board any changes it considers necessary; and
- (c) to exercise such powers as the Committee may consider necessary and expedient so that their duties under section 7 below can be properly discharged.

6.2 The Company should provide the Committee sufficient resources to perform its duties. Where necessary, the Committee should seek independent professional advice, at the Company's expense, to perform its responsibilities.

7. Duties

7.1 The duties of the Committee shall be:

- (a) to oversee the Group's risk management and internal control systems on an ongoing basis to identify and deal with financial, operational, legal, regulatory, compliance, technology, business and strategic risks faced by the Group;
- (b) to conduct research on and make recommendations to the Board on the Group's risk management and internal control system in respect of the Group's operations and business development;
- (c) to liaise with the Board and other senior management of the Group to ensure development and maintenance of the Group's system to identify, measure and manage risks in respect of the Group's operations and business development;
- (d) to advise the risk profile and risk management strategy of the Group; to consider, review and approve risk management policies and guidelines and to decide on risk levels and related resources allocation;
- (e) to review the risk reporting record of the Group and material risk management updates and reports of material breaches of risk limits and to assess the adequacy of proposals. To undertake an annual review of the risk management framework, including confirming to the Board that the risk management is independent of business units, and to ensure adequate resources and authority to operate effectively and deliver timely, accurate and detailed information; and
- (f) to monitor the implementation of risk management measures and procedure and to review the effectiveness of the Group's risk management system.

8. Minutes and records

8.1 The secretary shall, at the beginning of each meeting, ascertain and record the existence of any conflicts of interest and minute them accordingly. The relevant member of the Committee shall not be counted towards the quorum and he must abstain from voting on any resolution of the Committee in which he or any of his associates has a material interest.

- 8.2 Full minutes of Committee meetings shall be kept by a duly appointed secretary of the meeting (who should normally be the company secretary). Draft and final versions of minutes of the Committee meetings should be sent to all Committee members for their comment and records within a reasonable time after the meeting (generally, meaning within 14 days after the meeting). Once the minutes are signed, the secretary shall circulate the minutes and reports of the Committee to all members of the Board.
- 8.3 The secretary of the Committee shall keep record of all meetings of the Committee held during each financial year of the Company and records of individual attendance of members of the Committee, on a named basis, at meetings held during that financial year.

9. Reporting responsibilities

The Committee shall report to the Board after each meeting.

10. Annual general meeting

- 10.1 The chairman of the Committee or in his absence, another member of the Committee or failing this, his duly appointed delegate, shall attend the annual general meeting of the Company and be prepared to answer questions at the annual general meeting on the Committee's activities and their responsibilities.

11. Continuing application of the articles of association of the Company

- 11.1 The articles of association of the Company regulating the meetings and proceedings of the Directors so far as the same are applicable and are not replaced by the provisions in these terms of reference shall apply to the meetings and proceedings of the Committee.

12. Powers of the Board

- 12.1 The Board may, subject to compliance with the articles of association of the Company and the Rules (the "**GEM Listing Rules**") Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited ("**Stock Exchange**") (including the Corporate Governance Code set out in Appendix 15 to the GEM Listing Rules or if adopted by the Company, the Company's own code of corporate governance practices), amend, supplement and revoke these terms of reference and any resolution passed by the Committee provided that no amendments to and revocation of these terms of reference and the resolutions passed by the Committee shall invalidate any prior act and resolution of the Committee which would have been valid if such terms of reference or resolution had not been amended or revoked.

13. Publication of the terms of reference of the Committee

The Committee should make available its terms of reference, explaining its role and the authority delegated to it by the Board by including them on the website of the Company and on the website of the Stock Exchange.