



**OSL GROUP LIMITED**

**OSL 集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock code: 863)**

## **Risk Management Committee Terms of Reference**

### **1. ORGANIZATION**

The board (“**Board**”) of the directors of the Company (“**Directors**”) has resolved to set up a risk management committee (“**Committee**”).

### **2. OBJECTIVE**

The Committee is responsible for advising the Board on the overall risk appetite/tolerance and risk management strategies of the Company and its subsidiaries (“**Group**”), and overseeing senior management’s implementation of those strategies established and approved by the Board and aligned with the Company’s overall business objectives.

### **3. COMPOSITION**

Chairman and members of the Committee shall be appointed by the Board from time to time and shall consist of not less than three members. The majority of the members of the Committee shall be directors of the Company.

### **4. SECRETARY**

The Company Secretary of the Company shall be the secretary to the Committee.

## **5. MEETINGS OF THE COMMITTEE**

### **5.1 Number of meeting**

The Committee shall meet at least twice a year and at such other times as the Chairman of the Committee may determine.

### **5.2 Notice of meeting**

Unless waived by all Committee members on notice, the secretary to the Committee shall give 14 days prior notice to all Committee members for any meeting to be convened and circulate the meeting agenda to the Committee members.

### **5.3 Quorum**

The quorum for meetings of the Committee shall be three members, one of whom should be the chairman of the Committee, unless he or she is unable to attend due to exceptional circumstances.

### **5.4 Conducting the meetings**

Committee meetings shall be convened by (or at the request of) the chairman of the Committee. Committee meetings may also be called at the request of the chairman of the Board.

Meetings could be convened by attending in person, telephone or video conference. Committee members could attend the meetings through telephone conference or similar arrangements which Committee members could communicate to each other.

### **5.5 Resolutions**

Questions arising at any meetings of the Committee shall be decided by a majority of votes, and in case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

A written resolution signed by all Committee members shall be as valid and effectual as a resolution passed at a meeting of the Committee duly convened and held.

## **5.6 Invitations**

The Committee may invite other persons (including directors, senior management and external advisers) to attend all or part of the Committee meetings from time to time upon such conditions as the Committee members consider desirable. However, only the Committee members shall be entitled to vote at the Committee meetings.

## **5.7 Minutes of the meetings**

Full minutes of meetings should be kept by the secretary to the Committee. Minutes shall record matters considered and decisions reached by the Committee members in details, including the names of Committee members and any doubt or disagreement raised by the Committee members. Draft and final versions of the minutes of the meetings should be sent to all Committee members for their comment and records, within a reasonable time after the meetings. The secretary to the Committee shall pass the final draft version of the minutes to the directors of the Company for record.

## **6. THE APPLICATION ON THE ARTICLES OF ASSOCIATION**

Meetings and proceedings of the Committee shall be governed by the provisions for regulating the meetings and proceedings of the Board as stipulated in the Company's Articles of Association for the time being in force so far as the same are applicable thereto and are not replaced by any regulations imposed by the Board.

## **7. TERMS OF REFERENCE**

- 7.1 The Committee is authorized by the Board to investigate any activity within its terms of reference. It is authorized to obtain any information it requires from any employee and all such employees are directed to co-operate with any reasonable request by the Committee.
- 7.2 Subject to prior discussion as to likely costs, the Committee shall be provided with sufficient resources to perform its duties. It is also authorized by the Board to seek independent professional advice at the Company's expense to perform its responsibilities as it shall deem appropriate and shall be responsible for selection and appointment of consultants to advise it on risk management matters.

## 8. DUTIES

The Committee shall have the following duties, responsibilities and discretion:

- 8.1 To discharge its duties within these terms of reference including the creation, and necessary approval of any terms of reference, of risk management committees as the Committee deems fit.
- 8.2 To review and recommend for the Board's approval on the overall risk management strategies and risk appetite/tolerance statement(s) of the Group which should be commensurate with its operations and strategic goals, taking into account all relevant risk-related matters encountered by the Group.
- 8.3 To review and assess regularly the adequacy and effectiveness of the Group's risk management framework, internal control systems and risk management policies and procedures in identifying, measuring, monitoring and controlling risk, and oversee their effective operation, implementation and maintenance.
- 8.4 To ensure that the staff members responsible for implementing risk management systems and controls perform those duties independently of the Group's risk-taking activities.
- 8.5 To regularly communicate with the risk management function without the executive directors of the Company to ensure that there are no unresolved issues or concerns.
- 8.6 To advise the Board and/or the remuneration committee of the Company on alignment of remuneration to risk appetite.
- 8.7 To report significant risk management issues to the Board as set out in these terms of reference.
- 8.8 To review and update regularly these terms of reference and recommend to the Board any necessary changes to the Board for approval.
- 8.9 To consider other topics, as defined by the Board from time to time.

**9. REPORT**

Chairman of the Committee who chair the meetings or other Committee member who is authorized by the chairman of the Committee to chair the meetings shall report to the Board after each meeting of the Committee.

**10. INTERPRETATION**

Interpretation of these terms of reference shall belong to the Board.