



共创 共享 共成长

Guangdong Join-Share Financing Guarantee Investment Co., Ltd.*

廣東中盈盛達融資擔保投資股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1543)

TERMS OF REFERENCE OF THE RISK MANAGEMENT COMMITTEE UNDER THE BOARD OF DIRECTORS

Chapter 1 General Provisions

- Article 1** In order to enhance the risk management ability and improve the corporate governance of Guangdong Join-Share Financing Guarantee Investment Co., Ltd.* (the “**Company**”), the Company has established a risk management committee (the “**Risk Management Committee**”) under its board of directors and formulated this terms of reference in accordance with the Company Law of the People’s Republic of China, the articles of association of the Company (the “**Articles**”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and other relevant regulations.
- Article 2** The Risk Management Committee is a specialised operating division established by the Board pursuant to the resolution of the general meeting and shall be answerable to the Board and perform relevant duties in accordance with the Articles, the Listing Rules, the working rules of the Risk Management Committee under the Board and other relevant laws and regulations.

Chapter 2 Composition of the Risk Management Committee

- Article 3** The Risk Management Committee shall comprise five Directors, at least one of whom is an independent Director. Risk Management Committee members shall undertake fiduciary duties with diligence.
- Article 4** Risk Management Committee members shall be nominated by the chairman of the Board, more than half of the independent Directors or one-third of all Directors, and elected by affirmative votes of more than half of the members of the Board.
- Article 5** The Risk Management Committee shall have a convenor, being responsible for overseeing the work of the Risk Management Committee; the convenor shall be elected among Risk Management Committee members and such appointment shall be approved by the Board.

Article 6 All Risk Management Committee members shall be directors of the Company. The term of office of a Risk Management Committee member shall be the same as that of the Director. Upon expiry of his/her term of office, a committee member may serve consecutive terms if re-elected.

If a committee member ceases to be a director of the Company during his/her term, he/she shall be automatically be disqualified to be a committee member. The Board shall appoint new committee members to fill the vacancy in accordance with the Articles and this terms of reference.

Article 7 The Risk Management Committee has established a working group, being responsible for the day-to-day operations of the Risk Management Committee.

- (1) The working group shall comprise at least two persons (whether full time or part time);
- (2) Members of the working group shall attend the Risk Management Committee meeting at the request of the Risk Management Committee to allow sufficient time for the performance of their duties;
- (3) Relevant expenses of the Risk Management Committee and the working group shall be included in the annual budget of the Company as part of the expenses of the Board of the Company upon approval by the chairman of the Board. The incurrence of additional expenses not being included budget shall require the approval of the chairman of the Board.

Chapter 3 Duties and Power of the Risk Management Committee

Article 8 Duties of the Risk Management Committee:

- (1) to revise the relevant policies of the Company in a timely manner in accordance with relevant laws, regulations or notices promulgated by the regulatory authorities to ensure that the business operations and development plan of the Company are in compliance with laws and regulations;
- (2) to review the risk management regime and risk management policies of the Company, supervise their implementation and evaluate effect thereof and submit proposals to the Board in accordance with the general strategy of the Company;
- (3) to review annual risk management indicators of the Company and evaluate relevant implementation;
- (4) to examine the risk classification standard and provisioning policy of the Company and examine write-offs and annual contingency allowances;
- (5) to deal with other matters as authorised by the Board.

Article 9 Power of the Risk Management Committee:

- (1) The Risk Management Committee shall have the right to request the Company to furnish relevant information below:
 - (a) the establishment and operation of the risk management mechanism and procedures of the Company;
 - (b) the supervision of risks at the Company.

Apart from the aforesaid information, the Risk Management Committee shall have the right to collect other relevant information from the management team of the Company.

- (2) The Risk Management Committee may engage external advisers to provide services as may be required by its work.

Article 10 The Risk Management Committee shall submit the following deliverables to the board of the Company:

- (1) report and assessment on the development of the risk management mechanism;
- (2) report and assessment on risk analysis and how the risks are being dealt with;
- (3) proposals identify and address significant risks and crisis management;
- (4) other deliverables.

Chapter 4 Terms of Reference of the Risk Management Committee

Article 11 Types of the meetings of the Risk Management Committee include regular meetings and extraordinary meetings. Regular meetings shall be convened at least twice each year, while extraordinary meetings shall be convened upon when called by the Committee members. A notice of 5 days shall be issued to all committee members and working group members before the date of the meeting. The meeting shall be chaired by the convenor. In the absence of the convenor, the meeting may be chaired by another committee member to be appointed by the convenor for such purpose.

Article 12 The meeting of the Risk Management Committee shall be convened only when two-thirds or more of the Risk Management Committee members are present; committee members who cannot attend the meeting in person shall appoint in writing other committee members as proxies to attend and vote on their behalf.

Article 13 Any vote at the Risk Management Committee meeting shall be taken by a show of hands or by poll; each committee member shall be entitled to one vote; resolutions of the meeting shall be passed when votes by more than half of all committee members are cast in favour of such resolutions.

Extraordinary meetings may be attended via electronic means.

Article 14 Where the Risk Management Committee considers necessary, it may invite directors, supervisors, senior management and other relevant personnel of the Company to attend the meeting.

Article 15 Where necessary, the Risk Management Committee may engage advisers at the expense of the Company to provide professional advice for its decision-making.

Article 16 The procedures for convening a committee meeting and the voting methods and resolutions passed at such meeting must be in compliance with the pertinent laws, regulations, the Articles and this terms of reference.

Article 17 Minutes of the Risk Management Committee meeting shall be recorded and signed by the members attending such meeting; the minutes of meeting shall be kept at the office of the Board of the Company.

Article 18 Resolutions passed at the Risk Management Committee meeting and the poll results in relation thereto shall be reported to the Board of the Company in writing.

Article 19 Committee members attending the meeting shall be obliged to keep all matters considered at the meeting confidential and shall not disclose relevant information in an unauthorised manner, or take advantage of information coming to his/her knowledge for insider dealing (whether for his/her own account or otherwise).

Chapter 5 Assessment of the Risk Management Committee

Article 20 The Risk Management Committee shall formulate annual work plans for implementation after review and approval by the Board.

Article 21 The Risk Management Committee shall submit annual summary work reports for the Board's review. The summary work report of the Risk Management Committee shall include:

- (1) major contents of annual work plan of the Risk Management Committee;
- (2) the status of completion of annual work plan of the Risk Management Committee;

- (3) the status on convening, and passing resolutions at, the Risk Management Committee meeting;
- (4) Risk Management Committee members' participation in training and discussion;
- (5) what specialised training for Risk Management Committee members has achieved.

Article 22 The Board shall assess and evaluate the Risk Management Committee based on the implementation of its annual plan.

Chapter 6 Supplemental Provisions

Article 23 All documents of the Risk Management Committee shall be kept at the office of the Board for a period of not less than 10 years.

Article 24 Matters not covered by this term of reference shall be dealt with in accordance with relevant national laws, regulations, the Articles and other regulations.

Article 25 This terms of reference shall come into effect on the date of approval by the Board of the Company, and the power of interpretation thereof shall be vested in the Board.

Article 26 In case of any discrepancy between this terms of reference and national laws, regulations or the Articles promulgated or coming into effect in future, such national laws, regulations and the Articles shall prevail, and the board of the Company shall forthwith procure the amendment of this terms of reference and adopt the same after approval by the Board.

Remark: The terms of reference are available in both Chinese and English versions. In case of inconsistencies between the two versions, the Chinese version shall prevail.

* For identification purposes only