

**WONG's INTERNATIONAL HOLDINGS LIMITED**

(the "Company")

**TERMS OF REFERENCE**

**OF**

**RISK MANAGEMENT COMMITTEE**

(the "Committee")

**Membership**

1. The Committee shall consist of three directors appointed by the Company's board of directors (the "Board") from time to time.
2. The Chairman of the Committee shall be appointed by the Board from time to time.
3. The Company Secretary shall act as the Committee's Secretary.
4. The Chief Executive Officer, VP of Corporate Finance and the Manager of Internal Compliance Control of the Company may be in attendance at the Committee's meetings.

**Frequency and Proceedings of Meetings**

5. The Committee shall meet at least four times a year. Additional meetings may be held as the work of the Committee demands.
6. The Committee's Chairman may convene additional meetings at his/her discretion.
7. The quorum of a meeting shall be two members of the Committee.
8. Proceedings of meetings of the Committee shall be governed by the provisions of the By-laws of the Company regulating meetings and proceedings of the Board.
9. The Committee may, from time to time, invite advisors to the meeting, including but not limited to Board members and/or senior management of all employing entity subsidiaries, external advisors or consultants to advise its members.

### **Purpose of the Committee**

10. The purpose of the Committee is to oversee the overall risk management framework of the Company and its subsidiaries (collectively, the “Group”) and to advise the Board on the Group’s risk-related matters.

### **Duties, Powers and Functions**

11. The Committee shall:
  - (a) advise the Board on the Group’s risk appetite statements, risk principles and other risk-related issues;
  - (b) oversee risk management framework to identify and deal with operational, financial, legal, regulatory, technology, business and strategic risks faced by the Group and amend and supplement this from time to time;
  - (c) approve the Group’s risk policies and tolerances;
  - (d) consider emerging risks relating to the Group’s business and strategies to ensure that appropriate arrangements are in place to control and mitigate the risks effectively;
  - (e) review risk reports and breaches of risk tolerances and policies;
  - (f) review and assess the effectiveness of the Group’s risk control/ mitigation tools including the risk management systems, the internal compliance function relating to risk management and the Group’s contingent plans; and
  - (g) monitor stress testing results of the Group’s key risk exposures.

### **Reporting Procedure**

12. The Committee shall report to the Board on a regular basis and at least twice a year.