



濱海投資有限公司

**BINHAI INVESTMENT COMPANY LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 2886)**

**Binhai Investment Company Limited  
(the “Company”)  
Risk Committee – Terms of Reference**

**Constitution**

1. The Risk Committee (the “**Committee**”) is to assist the Company’s board of directors (the “**Board**”) to deal with Company’s matters in relation to risk management.
2. The Committee is established with these terms of reference adopted pursuant to the Corporate Governance Code under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

**Membership**

3. The Committee shall consist of not less than 4 members (“**Members**”) appointed by the Board from amongst the directors of which a majority of whom must be independent non-executive directors.
4. The Chairman of the Committee shall be an independent non-executive director appointed by the Board.
5. The Company Secretary of the Company shall act as the Secretary of the Committee. The Committee may from time to time appoint any other person with appropriate qualification and experience as the Secretary of the Committee.

**Meetings**

**6. Frequency**

The Committee shall meet at least once every year. Additional meetings may be held as the work of the Committee demands.

The Committee’s Chairman at his/her discretion or any 2 Members jointly may convene additional meetings.

7. **Quorum**

The quorum of a meeting shall be two Members or 50% of the Members who are entitled to vote at the meeting, whichever is the higher.

8. **Resolutions**

Resolutions of the Committee at any meetings shall be passed by a majority of votes of Members present.

Meetings can also be held in person, by telephone or by tele-conferencing or any other telecommunications facility provided that all participants are thereby able to communicate contemporaneously by voice with all other participants.

A resolution in writing signed by all the Members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.

The Secretary of the Committee shall keep full minutes of all Committee meetings. Draft and final versions of minutes of meetings of the Committee shall be sent to all Members for their comments and records within a reasonable time after each meeting.

9. **Attendance**

The Committee may, from time to time, invite the Chairman of the Board, the General Manager, external advisers and/or other persons as may be considered by the Committee to be appropriate to attend all or any part of any meetings, and such invitation(s) shall be coordinated by the Secretary of the Committee. However, only Members are entitled to vote at the meetings.

10. **Proceedings**

Proceedings of meetings of the Committee shall be governed by the provisions of the Bye-Laws of the Company (as amended from time to time).

**Authority**

11. The Committee is authorized by the Board to investigate any matters within its terms of reference.

12. The Committee is authorized to obtain independent professional advice (including but not limited to engaging external consultants or experts) at the Company's expense in performance of its duties and functions, if necessary.

## Duties, powers and functions

13. The Committee shall:

- (a) oversee the development, implementation and maintenance of the Company's overall risk management framework and its risk appetite, strategy, principles and policies to ensure they are in line with relevant requirements under the Listing Rules and ensure review of such on at least an annual basis; such risks would include, amongst others, material risks relating to climate and ESG;
- (b) review the changes, since the last review, in the nature and severity of material risks, and the Company's ability to respond to changes in its business and the external environment;
- (c) review the scope and quality of the Company's ongoing monitoring of risks management systems;
- (d) review the extent and frequency of communication of monitoring results to the Board (or Board Committee(s)) which enables it to assess the effectiveness of risk management of the Company;
- (e) review significant findings on risk management or control failings or weaknesses that have been identified during the period and also the extent to which they have resulted in unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on the Company's financial performance or condition;
- (f) identify the material environmental, social and governance ("ESG") risks and opportunities for the Company, including climate change issues, and formulate the ESG goals, strategies and structure based on the Company's actual circumstances, as well as oversee the implementation of such goals, strategies and structures, keep abreast of the ESG-related policies, and carry out compliance monitoring. It shall have the following specific powers and duties, and shall report to the Board on the following matters:
  - (1) identify ESG factors, determine the risks and opportunities to be brought to the Company from material ESG matters; recommend and regularly review the ESG goals and strategies of the Company for consideration and approval by the Board;
  - (2) identify ESG matters that have a significant impact on the Company's operations and the interests of other significant stakeholders;
  - (3) review the Company's actions taken and achievements against appropriate ESG standards as indicators;

- (4) monitor the communication channels and means with the stakeholders of the Company, and to ensure that relevant policies are in place to effectively promote the relationship between the Company and its stakeholders and protect the Company's reputation;
- (5) continuously review key ESG trends and related risks and opportunities, assess the adequacy and effectiveness of the ESG framework of the Company in this regard, and adopt and update the ESG policies of the Company as necessary and ensure that such policies are up-to-date and in compliance with applicable laws, regulations and regulatory requirements and international standards;
- (6) review the annual ESG report, and recommend specific actions or decisions for consideration by the Board to maintain the integrity of the ESG report;
- (7) ensure that the ESG report has made appropriate disclosure on the ESG risks faced by the Company, the measures taken and the progress of achieving the goals in accordance with the relevant listing rules, and recommend the Board to approve the ESG report; and

(g) consider or advise the Board on any other risk-related matters of the Company.

14. The Chairman of the Committee or in his/her absence, another member (who must be an independent non-executive director of the Company) of the Committee shall attend the Company's annual general meeting and be prepared to respond to shareholders' questions on the Committee's activities and responsibilities.

### **Reporting procedure**

15. The Secretary of the Committee shall ensure that full minutes are kept of all Committee meetings and circulate the minutes of meetings of the Committee to all members of the Board.

16. The Committee shall report to the Board on a regular basis on its works, advice and recommendation.