

These terms of reference are prepared in English. In case of any inconsistency between the Chinese version and the English version, the English version shall prevail.



MEIGU Technology Holding Group Limited

美国科技控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8349)

(the “Company”)

Risk Management Committee Terms of Reference

1. Organization

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

2. Objective

The main objective of the Committee is to assist in overseeing the Company’s compliance with laws and regulations applicable to the Company’s operations as well as the adequacy and effectiveness of its regulatory compliance procedures and system.

3. Composition

3.1 The Committee shall comprise the compliance officer of the Company, the executive Directors and/or the independent non-executive Directors and members shall be appointed or removed by the Board.

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

4. Secretary

Save as otherwise appointed by the Committee, the secretary to the Committee shall be the secretary to the Company.

5. Duties

The duties of the Committee shall include:–

5.1 to review the Company’s risk management policies and standards, as well as the fundamental concepts and scope of compliance management;

- 5.2 to supervise and monitor the Company's exposure to international sanctions and export control risks and its implementation of related internal control policies and procedures;
- 5.3 to supervise and monitor the development of the Company's compliance and risk management systems;
- 5.4 to review the roles and responsibilities of the Company's compliance and risk management function and the adequacy of its resourcing, and to advise on the same;
- 5.5 to review the compliance reports and risk assessment reports that need to be considered by the Board, and to make recommendations on the improvement of the Company's approach to compliance and risk management;
- 5.6 to assess and review the qualifications, experience, and training of Company employees in relation to compliance and risk management;
- 5.7 to monitor the effective implementation of compliance and risk management by the management of the Company, and to evaluate the performance of the senior management responsible for compliance and risk management;
- 5.8 to continuously monitor the use of proceeds from the placing, as well as any other funds raised through the Stock Exchange of Hong Kong Limited, to ensure that such funds will not be used to finance or facilitate, directly or indirectly, activities or business with, or for the benefit of persons and entities listed on OFAC's Specially Designated Nationals and Blocked Persons List, OFAC's Sectoral Sanctions Identifications (SSI) List, or other restricted parties lists maintained by the U.S., the European Union, the United Nations or Australia ("**Sanctioned Persons**");
- 5.9 to evaluate international sanctions risks prior to determining whether the Company should embark on any business opportunities in any country which is the target of economic sanctions administered by the US, the EU, the United Nations or Australia ("**Sanctioned Country**") and/or with any Sanctioned Person;
- 5.10 as and when the Committee considers necessary, to engage external international sanctions legal advisers with necessary expertise and experience in international sanctions matters for recommendations and advice, and to provide training sessions relating to the international sanctions laws to the Directors, senior management and other relevant personnel to assist them in evaluating the potential sanctions risks in the Company's daily operations;
- 5.11 with the assistance of the Company's external international sanctions legal advisers (if necessary), the internal audit team and the in-house legal team, to prepare a list of Sanctioned Countries ("**List**") and provide a copy of the same to the sales team;
- 5.12 with the assistance of the Company's external international sanctions legal advisers (if necessary), to regularly review and update the List and notify the sales team of any changes as soon as possible;

- 5.13 to draft and support the implementation of a policy for the sales team to follow when they encounter any business with customers or potential customers from countries identified in the List or who are Sanctioned Persons. The policy will include a procedure for screening counterparties against the various lists of restricted parties maintained by the US, the EU, the United Nations or Australia;
- 5.14 to review and approve all relevant business transaction documentation related to customers or potential customers from Sanctioned Countries;
- 5.15 to review and evaluate the effectiveness of the internal control policies and procedures with respect to international sanctions risk from time to time; and
- 5.16 to implement and supervise an annual audit of the Company's compliance with international sanctions and the effectiveness of the Company's internal controls.

6. Meetings of the Committee

6.1 Number of meeting

There shall be at least one meeting of the Committee annually to be convened and held by attending in person, by telephone or video conference. If required, an extraordinary meeting may be convened.

6.2 Notice of meeting

Unless waived by all members of the Committee (each a "**Member**") on notice, the secretary to the Committee shall give at least seven days prior notice to all Members for any meeting to be convened and circulate the meeting agenda to the Members.

6.3 Quorum

Meetings of the Committee shall be attended by more than one-half of the Members to be effective.

6.4 Conducting the meetings

Meetings may be convened by attending in person, telephone or video conference. Members may attend the meetings via telephone conference or similar arrangements which allows the Members to communicate with each other.

6.5 Resolutions

Any resolution shall be passed by the majority votes of the Members who attend any given meeting.

Resolutions of the Committee will be passed as written resolutions.

6.6 Invitations

The Committee may invite any executive Directors, external advisers or other individuals to attend the Committee meetings, but such executive Directors, external advisers or other individuals are not entitled to vote at the meetings. If required, the Committee may seek independent professional advice, the fees of which will be paid by the Company.

6.7 Minutes of the meetings

Full minutes of meetings should be kept by the secretary to the Committee. Minutes shall record in detail matters considered and decisions reached by the Members, including the names of Members who attend the meetings and any doubt or disagreement raised by any Member. Draft and final versions of the minutes of the meetings should be sent to all Members for their comment and record, within a reasonable time after the meeting.

7. Report

The Chairman of the Committee who chairs the meeting, or any other Member who is authorised by the Chairman of the Committee to chair the meeting, shall report to the Board after each meeting of the Committee.

8. Interpretation

The interpretation of these terms of reference shall belong to the Board.

(Adopted by the Company pursuant to the Board's resolutions passed on 16 December 2016)