

Computer And Technologies Holdings Limited (the “Company”)
(Stock Code: 00046)
Risk Management Committee Terms of Reference
Adopted by the Board on 17 August 2016

1. Constitution

The board of directors of the Company (the “**Board**”) has established a Risk Management Committee (“**RM Committee**”) with immediate effect pursuant to a resolution passed by the Board on 17 August 2016.

2. Membership

- a) The RM Committee shall be appointed by the Board and consist of not less than three members.
- b) The Chairman of the RM Committee shall be appointed by the Board.

3. Responsibilities

The function of the RM Committee is to formulate policies on risk management (“**RM**”) and internal control (“**IC**”) matters relating to the activities of the Company and to submit such policies to the Board and/or Audit Committee for consideration.

4. Authority

The RM Committee is authorized to investigate any matter within its authority, seek any information from any of the Group’s directors and/or employees which is necessary to enable it to satisfactorily discharge its duties and make recommendations to the Board and/or audit committee of the Company (the “**Audit Committee**”) where action or improvement is needed.

The RM Committee shall have access to information, whether from sources within or outside the Group, as it deems necessary. The RM Committee shall also be provided with sufficient resources enabling it to discharge its duties, including but not limited to obtaining advice and assistance from internal or external legal, accounting or other advisors at the expense of the Company if necessary.

5. Duties

The duties of RM Committee are:

- a) to review the Group's RM and IC strategies, policies and guidelines and submit them to the Audit Committee for approval;
- b) to review the Group's risk framework and approved risk policies, standards and limits within the overall appetite and tolerance approved by the Board;
- c) to review the Group's processes for determining risk appetite and tolerance, monitoring compliance with approved risk tolerance levels and policies and the resultant action in respect of policy breaches;
- d) to review the Group's compliance policies and submit them to the Board and/or Audit Committee for approval;
- e) to review the Group's key risks and submit to the Audit Committee for approval half-yearly;
- f) to report to the Audit Committee that, to the best of the RM Committee's belief, the disclosures made in the annual report on its activities, the risk governance and related sections are fair, balanced and understandable;
- g) to consider issues raised by external auditors, the Audit Committee or any member of the Board who has lodged a request for a meeting; and
- h) to liaise with the chairman of the Audit Committee to determine on a case by case basis which RM Committee takes responsibility for undertaking deep dive reviews and keeping the Audit Committee updated on any relevant findings from reviews requested.

6. Frequency and proceeding of meeting

- a) The RM Committee shall meet at least twice a year.
- b) The Chairman of the RM Committee is responsible for reporting to the Board and/or Audit Committee on the RM Committee's activities.
- c) The RM Committee may invite any individual, whether internal or external, to attend all or part of any meeting in whatever capacity as the Chairman of the RM Committee deems appropriate in order to assist the RM Committee in its duties.

- d) The Chairman or committee members may convene additional meetings at any time to deal with matters within the authority of the RM Committee. The internal auditor may also request a meeting if he considers it necessary.

7. Secretary

The Company Secretary of the Company shall act as the secretary of the RM Committee. The secretary will minute the proceedings and retain copies of the papers.

8. Annual General Meeting

The Chairman of the RM Committee shall, as far as practicable, attend the annual general meeting of the Company and be prepared to respond to any shareholder's questions on the RM Committee's activities.

9. Terms available

The RM Committee should make available these terms of reference, explaining its role and the authority delegated to it by the Board by including them on the Stock Exchange's website and the Company's website.