



中遠海運國際(香港)有限公司
COSCO SHIPPING INTERNATIONAL (HONG KONG) CO., LTD.

Risk Management Committee

Terms of Reference

Revised version dated 30th April 2019



Risk Management Committee Terms of Reference

Constitution

1. The board of directors (the “Board”) of COSCO SHIPPING International (Hong Kong) Co., Ltd. (the “Company”) established a Risk Management Committee on 3rd March 2005 and approved its terms of reference.

Membership

2. The members of the Risk Management Committee shall be appointed by the Board from amongst the directors of the Company and shall consist of not less than three members. A quorum for the meeting shall be two committee members.
3. The chairman of the Risk Management Committee shall be appointed by the Board. In his absence, committee members present may elect another member to chair the committee meeting.

Attendance at meeting

4. In addition to the members of the Risk Management Committee, the Financial Controller/Chief Financial Officer and/or the head of Public Relations Division and/or any other division head(s) or his or her representative shall normally attend the meetings. The Risk Management Committee may, from time to time, invite any Board member or senior management of the Company or any other person to attend any of its meetings so as to ensure that the Risk Management Committee can better perform its duties and obligations.
5. The Company Secretary or his or her delegate or such other person appointed by the chairman of the Risk Management Committee shall be the secretary of the Risk Management Committee.

Frequency and procedure of meeting

6. Meeting(s) shall be held at least once a year. Additional meeting(s) may be held as the work of the Risk Management Committee demands. The members of the Risk Management Committee may, from time to time, adopt the procedure governing the convening of committee meetings, the means and procedure for passing the resolutions at committee meetings.

Authority

7. The Risk Management Committee is authorised by the Board to carry out such related matters in accordance with its terms of reference. It is authorised to obtain any information it requires from any employees of the Company and all the employees of the Company are required to co-operate with any request made by the Risk Management Committee.

8. The Risk Management Committee is authorised by the Board to seek advice from external professionals at the Company's expense, and if necessary, may invite those external professional(s) to attend the meeting of Risk Management Committee.

Duties

9. The duties of the Risk Management Committee are as follows :
 - a. to oversee risk management framework, to identify and deal with the risks faced by the Company and its subsidiaries (collectively the "Group") (including, but not limited to, operational, legal, regulatory and financial risks, information security and cyber risks and risks associated with the strategic direction or initiatives of the Group) and to amend and supplement this from time to time;
 - b. to review and assess the Group's risk management framework (including the risk management programme, the risk management systems and the internal audit function relating to risk management) and internal control system;
 - c. to be responsible for overseeing the implementation of risk control and ensuring appropriate internal risk controls are effectively implemented;
 - d. to ensure the controls and coordination of the internal control in line with the risk acceptable level of the Board;
 - e. to setting the material internal control aspects of any significant problems disclosed in annual report and accounts of the Company;
 - f. to review the changes in the nature and extent of significant risks, and the Company's ability to respond to changes in its business and external environment;
 - g. to monitor continuously the scope and quality of risk management and internal control systems, and where applicable, the work of providers of assurance;



- h. to monitor the incidence of significant control failings or weakness that has been identified at any time during the period and 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 conditions;
- i. to review the Company's compliance relating to financial reporting and compliance of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; and
- j. other matters authorised by the Board.

Other procedures

10. The secretary of the Risk Management Committee, in consultation with the chairman of the Risk Management Committee, should be responsible for drawing up the agenda of each Risk Management Committee meeting. The secretary of the Risk Management Committee shall assist the chairman of the Risk Management Committee and ensure that all committee members shall have sufficient information in timely manner to enhance effectiveness of the Risk Management Committee meeting. The chairman of the Risk Management Committee, with the assistance of the Financial Controller/Chief Financial Officer or the head of Public Relations Division or any other division head(s) or any other person invited by the Risk Management Committee, briefs all the committee members on the issues arising at each Risk Management Committee meeting.
11. The secretary of the Risk Management Committee shall circulate the draft and final versions of the minutes of each meeting to all committee members for their comment and records within seven (7) working days after each meeting. All minutes of the committee meetings shall record in sufficient detail the matters considered, decisions reached, matters of concern raised by committee members and their dissenting views.
12. All decisions reached in the Risk Management Committee meeting must be reported to the Board.

Revised on 12th December 2006
Revised on 30th November 2012
Revised on 15th December 2015
Revised on 24th August 2017
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