

# AGTECH HOLDINGS LIMITED

## 亞博科技控股有限公司\*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8279)

### Terms of Reference for Risk Management and Internal Control Committee

#### A. Constitution

The Risk Management and Internal Control Committee (the “**RMICC**”) was established to take effect from 1 January 2016 pursuant to a resolution passed by the board of directors (the “**Board**”) of AGTech Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on 29 December 2015.

The primary duties of the RMICC are to assist the Board in (i) deciding the Group’s risk level and risk appetite; (ii) considering the Group’s risk management strategies and gives directions where appropriate; (iii) reviewing and monitoring the risk management (“**RM**”) and internal control (“**IC**”) systems of the Group; and (iv) providing advice on the RM and IC systems and reporting any findings (including any deficiencies, failures or risks noted) to the Board via the audit committee of the Company.

#### B. RMICC

##### 1. Membership

1.1 Members of the RMICC shall be appointed by the Board and the RMICC shall consist of at least three members as follows:

- the Compliance Officer of the Company, who shall act as the chairman of the RMICC;
- the Chief Financial Officer/Head of Accounting Department of the Group, and/or the company secretary of the Company, who (or who together) shall be responsible for monitoring the overall RM and IC functions of the Group on an ongoing basis; and
- the internal audit (“**IA**”) manager/senior manager of the Group, who shall be responsible for carrying out IA on different operating units of the Group by rotation on an ongoing basis.

1.2 The appointment of the members may be revoked, or additional members may be appointed to the RMICC by separate resolutions passed by the Board.

\* For identification purposes only

## **2. Proceedings of the RMICC**

### **2.1 Notice**

2.1.1 Unless otherwise agreed by all the RMICC members, a meeting of the RMICC shall be called by at least two working days' notice.

2.1.2 A member of the RMICC may at any time summon a meeting of the RMICC. Notice shall be given to each member of the RMICC in writing or by facsimile or electronic transmission at the facsimile number or address or e-mail address from time to time notified to the company secretary by such member of the RMICC or by such other means as the members may from time to time determine.

2.1.3 Notice of meeting shall state the date, time and place of the meeting and shall be accompanied by an agenda together with other documents which may be required to be considered by the members of the RMICC for the purposes of the meeting.

### **2.2 Quorum**

The quorum of the RMICC meeting shall be two members of the RMICC. Other Board members (who are not members of the RMICC) have the right to attend RMICC meetings, though they shall not be counted in the quorum.

### **2.3 Frequency of meetings**

Meetings shall be held at least four times a year or at any time when necessary or desirable. Any member may request a meeting if he/she considers necessary.

### **2.4 Minutes of meetings**

Draft and final versions of the minutes of the RMICC meetings shall be sent to all RMICC members for their comments and records within a reasonable time after the meetings.

### **2.5 Written resolutions**

In the absence of a physical meeting of the RMICC, written resolutions shall be passed by all members of the RMICC in writing.

### **3. Responsibilities, duties and authorities of the RMICC**

3.1 The responsibilities, duties and authorities of the RMICC include the following:

- i. to consider the Group's RM and IC strategies;
- ii. to consider, review and approve RM and IC policies and guidelines;
- iii. to decide on risk levels, risk appetite and related resource allocation;
- iv. to approve major decisions affecting the Group's risk profile or exposure and give such directions as it considers appropriate;
- v. to approve major risk management activities such as hedging transactions;
- vi. to review and monitor the Group's RM and IC systems, assess their effectiveness and report any findings (including any deficiencies, failures or risks noted) to the Board via the audit committee of the Company at least four times a year or as and when any material deficiency, failure or risk is noted. In its report to the Board via the audit committee, the RMICC should also confirm whether the Group's RM and IC systems are effective and adequate and whether the Group's processes for financial reporting and GEM Listing Rule compliance are effective; and
- vii. to provide advice on the Group's RM and IC systems and recommend any changes or improvements thereto (if necessary) to the Board via the audit committee of the Company.

3.2 Within three days after each monthly closing, the RMICC should be provided with necessary reports or information which it requires to perform its duties.

3.3 The RMICC shall 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.

3.4 The RMICC shall have access to such information, whether from sources within or outside the Group, as it deems necessary.

3.5 The RMICC shall have full access to management of the Group and may invite members of management or others to attend its meetings.

### **4. Casting vote**

4.1 In the case of an equality of votes, chairman of the RMICC shall have the casting vote.

*Note: If there is any inconsistency between the English and Chinese versions of this document, the English version shall prevail.*

Adopted on 29 December 2015.