



**COSCO Pacific Limited**  
*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 1199)**

## **Terms of Reference of Risk Management Committee**

### **Establishment**

During a meeting of the board of directors (the “Board”) of COSCO Pacific Limited (the “Company”) held on 26th March 2003, a Risk Management Committee (the “Committee”) was approved to be established under the Board. The Committee is under the supervision of the Board.

### **Objectives**

1. To minimize the operation risks of the Company, to improve the standard of decision making on risk management and to maximize the shareholders’ value through an effective internal control system and constructive recommendations given by the Committee.
2. To enhance the public confidence on the Company’s risk management.

### **Membership**

1. The Committee shall consist of not less than eight members who shall be appointed by the Board from amongst the executive directors and management who are professionals in the relevant aspect of the Company.
2. The Chairman of the Committee shall be appointed by the Board from amongst the executive directors of the Company.
3. The Secretary of the Committee shall be appointed by the Committee from amongst the members of Committee. The Secretary of the Committee shall be responsible for dispatching notices of meetings to the members of the Committee, taking minutes at the meetings, circulating the minutes to the members present at the meetings for signatures, keeping the minutes thereof for records and copying the minutes to the Company Secretary.
4. The members of the Committee shall have the obligation to keep all matters discussed at the meetings confidential and cannot release any related information to outsiders without the Committee’s permission.

## **Meetings**

1. The quorum of the Committee meeting shall be five. Each member shall be entitled the right of one vote. Any resolution of the Committee shall require a majority of vote.
2. The Committee shall meet regularly and Committee meetings shall be held at least four times a year. Meetings may also be held by at least half of the Committee members as and when required.
3. Seven days' notice shall be given to the Committee members before each meeting (except for special circumstances).
4. Agenda of Committee meeting and accompanying meeting papers should be sent by the Secretary of the Committee to all Committee members at least three days before the intended date of the meeting (except for special circumstances).
5. All meetings shall be chaired by the Chairman of the Committee. In the event of his absence, he may assign another member to hold the meeting on his behalf.
6. Minutes of Committee meetings shall record in sufficient detail the matters considered by the Committee members and decisions reached by the Committee, including any concerns raised or dissenting views expressed by members. Draft and final versions of minutes of Committee meetings shall be sent by the Secretary of the Committee to all Committee members for comments and records respectively, in both cases within a reasonable time after the Committee meeting is held.

## **Authority**

The Committee is authorised by the Board to investigate any activities within the scope of its terms of reference and obtain any information required from relevant parties to facilitate its understanding of the issues.

## **Duties**

Duties of the Committee include:

1. enhance and strengthen the system of risk management of the Group (including the Company and its subsidiaries) and provide comments and recommendations thereon.
2. identify the risks of the Group.

## **Reporting Procedures**

The Committee reports directly to the Board on its decisions or recommendations by way of minutes (in written form) after the Committee meeting has been held.

### **Date of Adoption**

These terms of reference was approved and adopted by the Board on 26th March 2003 and amended by the Board on 1st January 2005, 25th February 2009 and 27th March 2012.

### **Supplementary Provisions**

1. The Board shall be vested with final interpretation power of these terms of reference.
2. In the event of any inconsistency, the English language text of these terms of reference shall prevail over the Chinese language text.