



Bestway Global Holding Inc.

榮威國際控股有限公司

(the “Company”)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3358)

Risk Management Committee Terms of Reference

(Adopted by the Board on October 18, 2017)

1. Constitution

The board of directors of the Company (the “**Board**”) hereby constitutes and establishes a risk management committee (the “**Risk Management Committee**”) with authority, responsibility, and specific duties as described below.

2. Membership

- 2.1 The Risk Management Committee shall be appointed by the Board and shall consist of not less than three (3) members. The constitution of the Risk Management Committee shall comply with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) as amended from time to time.
- 2.2 The members of the Risk Management Committee shall be consisted of the chief executive officer, vice president and general counsel of the Company.
- 2.3 The Risk Management Committee shall be chaired by the chief executive officer of the Company (the “**Chairman**”).
- 2.4 The quorum for a meeting of Risk Management Committee shall be two (2) members. A duly convened meeting of the Risk Management Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Risk Management Committee. The members of the Risk Management Committee shall attend the meeting in person or through electronic communications of, including but not limited to, telephone or video conference.

3. Secretary

The company secretary of the Company or his/her nominee shall be the secretary of the Risk Management Committee.

4. Authority

- 4.1 The Risk Management Committee is granted the authority to act within these terms of reference. The Risk Management Committee is authorised to seek any information it requires from any employee of the Company and all employees are directed to co-operate with any request made by the Risk Management Committee.

- 4.2 The Risk Management Committee is authorised by the Board, at the Company's expense but subject to prior discussion with the Board on costs, to obtain outside legal or other independent professional advice as necessary to assist the Risk Management Committee if it considers necessary.
- 4.3 The Risk Management Committee shall be provided with sufficient resources to perform its duties.

5. Duties

The duties of the Risk Management Committee shall include:

- 5.1 considering the overall objectives and policies of the Company's comprehensive risk management and internal control systems;
- 5.2 conducting periodic assessments of the Company's risk profile and risk management capabilities, and making recommendations to the Board on improving the risk management and internal control systems;
- 5.3 considering findings of significant investigations on risk management matters as delegated by the Board or on its own initiative and management's responses to these findings;
- 5.4 monitoring the Company's exposure to material risks, including market risks and exchange rate risks;
- 5.5 monitoring the Company's exposure to international sanctions law risks, its implementation of the related internal control procedures and ensuring the Company's compliance with relevant sanctions law, which shall include:
- (a) ensuring no sales activities or other business transactions are entered into with customers in countries subject to comprehensive sanctions programs;
 - (b) reviewing all relevant business transaction documentation received from and entered into with all suppliers, customers and potential customers in countries or territories subject to targeted sanctions programs (the "**Relevant Counterparty**"), and ensuring that no business transactions are entered into with any Relevant Counterparty without the approval of the Risk Management Committee;
 - (c) reviewing the information (such as identity and nature of business) relating to the Relevant Counterparty to the contract/transaction along with the draft business transaction documentation;
 - (d) checking the Relevant Counterparty against the various lists of restricted parties and countries maintained by the United States of America, the European Union, Australia, including, without limitation, any government, individual or entity that is the subject of any publicly available lists of the United States Department of Treasury's Office of Foreign Assets Control, and determining whether the Relevant Counterparty is, or is owned or controlled by, a person located in any country that is subject to sanctions or a sanctioned person;

- (e) ensuring compliance with the undertakings made to the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in respect of the use of proceeds for money raised from offerings made through the Stock Exchange;
 - (f) reviewing on a semi-annual basis internal control policies and procedures with respect to sanctions law matters;
 - (g) overseeing the Company’s training and compliance programs in respect of sanctions law risks;
 - (h) monitoring the use of proceeds of any transaction by the Company through the Stock Exchange, as well as the compliance with the Company’s undertakings to the Stock Exchange relating to sanctions matters; and
 - (i) if any potential sanctions risk is identified, or if the Risk Management Committee considers necessary, retaining external international legal counsel with necessary expertise and experience in sanctions law matters for recommendations and advice.
- 5.6 monitoring the Company’s anti-money laundering (“**AML**”) internal controls systems, which has been designed to mitigate the risks of money laundering and ensuring compliance with AML regulations, supervising and monitoring all third party payments received and reviewing the associated risks, and obtaining regular reports from the accounts department on suspicious payment or payment that cannot be reconciled;
- 5.7 ensuring no third party payment are used to settle any receivables unless a tri-party agreement has been entered by the Company, the relevant customer and the respective third party payer; and
- 5.8 considering any other matters in relation to risk management responsibilities to be performed by board committee under the Listing Rules.

6. Notice of Meetings

- 6.1 A meeting of the Risk Management Committee may be convened by any of its members through the company secretary of the Company.
- 6.2 For regular meetings and as far as practicable for all other meetings, an agenda and accompanying documents should be sent to all members of the Risk Management in a timely manner and at least three (3) days before the intended date of meeting (or such other period as the members may agree).

7. Frequency and Proceedings of Meetings

- 7.1 The Risk Management Committee shall meet at least twice a year, or at such frequency as required under the Listing Rules or other regulatory requirements applicable to the Company from time to time.
- 7.2 The Chairman may convene additional meetings at his discretion.

8. Reporting Procedures

- 8.1 The Risk Management Committee should report to the Board the findings and recommendations after each meeting of the Risk Management Committee, unless there are legal or regulatory restrictions on its ability to do so.

9. Minutes

- 9.1 Minutes of the Risk Management Committee meetings should be kept by a duly appointed secretary of the meeting and should be open for inspection at any reasonable time on reasonable notice by any director.
- 9.2 Minutes of Risk Management Committee meetings shall record in sufficient detail the matters considered by the Risk Management Committee members and decisions reached, including any concerns raised by the Risk Management Committee members and dissenting views expressed. Draft and final versions of minutes of the Risk Management Committee meeting shall be sent to all members of the Risk Management Committee for their comment and records respectively, in both cases within a reasonable time after the meeting.

10. General

- 10.1 These terms of reference shall be updated and revised as and when necessary in light of changes in circumstances and changes in regulatory requirements, including those under the Listing Rules.
- 10.2 The Risk Management Committee should make available these terms of reference to the public, explaining its role and the authority delegated to it by the Board, by including them on the Hong Kong Exchanges and Clearing Limited news website (www.hkexnews.hk) and the Company's website (<http://www.bestwaycorp.com>).

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