



# SoftMedx Healthcare Limited

京玖醫療健康有限公司

*(Incorporated in Hong Kong with limited liability)*

(Stock Code: 648)

## **RISK MANAGEMENT COMMITTEE TERMS OF REFERENCE**

### **1. COMPOSITION**

- The Risk Management Committee shall consist of not less than 3 members, who must be Directors and the majority of whom must be Non-executive Directors.
- The Chairperson of the Risk Management Committee shall be an Independent Non-executive Director.
- The Board should review the term of office and performance of the Risk Management Committee and its members at least once every three years to determine whether committee has carried out its duties in accordance with the Terms of Reference.

### **2. SECRETARY**

- The Secretary to the Risk Management Committee shall be the Company Secretary or his/her representative.

### **3. MEETINGS**

- The Risk Management Committee shall meet at least once a year. A member may at any time and the Secretary shall on the requisition of a Director summon a meeting of the committee.
- 2 members present shall form a quorum for meetings.
- In the absence of the Chairperson, the remaining members present shall elect one of their members as Chairman of the meeting.
- Questions arising at any meeting of the Risk Management Committee shall be decided by a majority of votes and a determination by a majority of members shall for all purposes be deemed a determination of the committee. In the case of an equality of votes, the Chairperson of the meeting shall have a second or casting vote provided that where only 2 members form a quorum, the Chairperson of the meeting shall not have a second or casting vote.
- Any resolution in writing, if signed or assented to by all the members of the Risk Management Committee shall be as valid and effectual as if it had been passed at a meeting of the committee duly convened and held, and may consist of several documents in the like form, each signed by one or more members of the committee.

#### 4. RESPONSIBILITIES AND DUTIES

- The Risk Management Committee is responsible for the overseeing the risk governance and internal audit function of the Company and shall have the following responsibilities:
  - (1) determining the level of risk exposure that is considered acceptable in pursuit of the Company's objectives;
  - (2) determining the approach to risk governance;
  - (3) setting and instilling the right culture throughout the Company for effective risk governance;
  - (4) ensuring that the risks relevant to the Company are properly identified, including those risks inherent in the Company's business model and strategy, and risks from external factors as the Company pursues its strategic business objectives;
  - (5) monitoring the Company's exposure to the risks identified especially the ones that could significantly impact the Company's risk profile, business strategy and reputation;
  - (6) monitoring the internal audit function of the Group to ensure an independent evaluation of the effectiveness of the compliance, internal controls, risk management and governance process in safeguarding the Group's assets, enhancing the accuracy and reliability of its records and promoting operational efficiency;
  - (7) ensuring that the management has put in place adequate risk management and internal controls to mitigate the risks identified; and
  - (8) providing an oversight of the risk management system and reviewing its adequacy and effectiveness at least on an annual basis.