



## Seacon Shipping Group Holdings Limited

### 洲際船務集團控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2409)**

**(the “Company”, together with its subsidiaries, the “Group”)**

## TERMS OF REFERENCE OF THE RISK MANAGEMENT COMMITTEE

### 1. CONSTITUTION

The risk management committee (the “**Committee**”) of the board of directors (the “**Board**”) of the Company was established pursuant to a resolution of the Board at its meeting held on March 2, 2023.

### 2. MEMBERSHIP

2.1 Members of the Committee shall be appointed by the Board from amongst the members of the Board and shall consist of not less than three members.

2.2 The chairperson of the Committee shall be appointed by the Board.

2.3 The company secretary of the Company shall be the secretary of the Committee.

2.4 The appointment of the members or secretary of the Committee may be revoked or additional members may be appointed to the Committee by separate resolutions passed by the Board and by the Committee. An appointment of Committee member shall be automatically revoked if such member ceases to be a member of the Board.

### 3. PROCEEDINGS OF THE COMMITTEE

#### 3.1 *Notice:*

(a) Unless otherwise agreed by all the Committee members (either orally or in writing), a meeting shall be called by at least seven days’ notice.

- (b) A Committee member may and, on the request of a Committee member, the secretary to the Committee shall, at any time summon a Committee meeting. Notice shall be given to each Committee member in person orally or in writing or by telephone or by email or by facsimile transmission at the telephone or facsimile or address or email address from time to time notified to the secretary by such Committee member or in such other manner as the Committee members may from time to time determine.
- (c) Any notice given orally shall be confirmed in writing as soon as practicable and before the meeting.
- (d) Notice of meeting shall state the 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 Committee for the purposes of the meeting. In respect of regular meetings of the Committee to be held as mentioned in clause 3.3 below, and so far as practicable for all other meetings of the Committee, the agenda and accompanying papers shall be sent in full to all the members of the Committee in a timely manner and at least 3 days before the intended date of the meeting of the Committee (or such other period as all the Committee members may agree).

3.2 **Quorum:** The quorum of the Committee meeting shall be two members of the Committee.

3.3 **Frequency:** Meetings shall be held at least once every year.

#### **4. WRITTEN RESOLUTIONS**

A resolution in writing signed by all the members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee and may consist of several documents in like form each signed by one or more of the members of the Committee. Such resolution may be signed and circulated by fax or other electronic communications. This provision is without prejudice to any requirement under the Listing Rules for a Board or Committee meeting to be held.

#### **5. ALTERNATE COMMITTEE MEMBERS**

A Committee member may not appoint any alternate.

#### **6. AUTHORITY OF THE COMMITTEE**

6.1 The authority of the Committee is derived from the Board, therefore the Committee is obliged to report to the Board on its decisions or recommendations.

6.2 The Committee may exercise the following powers:

- (a) to seek any information it requires from any employee of the Group and member of the Board in order to perform its duties and all employees of the Group and members of the Board are directed to cooperate with any request(s) made by the Committee within the scope of these terms of reference;
- (b) to obtain, at the cost of the Company, independent legal or other professional advice from outsiders with relevant experience and expertise on any matters within these terms of reference as it considers necessary and to secure the attendance of such outsiders at its meetings as it considers necessary;
- (c) to review annually these terms of reference and their effectiveness in the discharge of its duties and to make recommendation to the Board any changes it considers necessary; and
- (d) to exercise such powers as the Committee may consider necessary and expedient so that their duties under section 7 below can be properly discharged.

6.3 The Committee should be provided with sufficient resources to perform its duties.

## **7. DUTIES**

The duties of the Committee shall be:

- (a) to oversee the Group's risk management and internal control systems on an ongoing basis;
- (b) to review the effectiveness of the Group's risk management and internal control systems at least annually, which shall cover all material controls, including financial, operational and compliance controls, and shall, in particular, consider:
  - (i) the changes, since the last annual review, in the nature and extent of significant risks, and the Group's ability to respond to changes in its business and the external environment;
  - (ii) the scope and quality of management's ongoing monitoring of risks and of the internal control systems;
  - (iii) the extent and frequency of communication of monitoring results to the Board which enables it to assess control of the Group and the effectiveness of risk management; and

- (iv) significant control failings or weaknesses that have been identified 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 Group's financial performance or condition;
- (c) to make disclosure in the corporate governance report of the Company on how it met its responsibilities in its review of the risk management and internal control systems and the effectiveness of the Group's risk management and internal control systems;
- (d) to conduct research on and make recommendations to the Board on the Group's risk management and internal control system in respect of the Group's operations and business development;
- (e) to liaise with the Board and senior management of the Group to ensure development and maintenance of the Group's system to identify, measure and manage risks in respect of the Group's operations and business development;
- (f) to advise the risk profile and risk management strategy of the Group;
- (g) to consider, review and approve risk management policies and guidelines and to decide on risk levels and related resources allocation;
- (h) to review the risk reporting record of the Group, material risk management updates and reports of material breaches of risk limits, and to make recommendation to the Board;
- (i) to monitor the implementation of risk management measures and procedure;
- (j) to review the Company's compliance with the Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and disclosure in the corporate governance report of the Company; and
- (k) to perform other risk management related duties delegated by the Board.

## **8. REPORTING PROCEDURES**

- 8.1 Full minutes of each of the meetings of the Committee and all written resolutions of the Committee should be kept by the secretary of the Committee and shall be open for inspection at any reasonable time on reasonable notice by any director.

- 8.2 The secretary of the Committee shall send the draft and final versions of minutes of the meeting of the Committee or, as the case may be, written resolutions of the Committee to all members of the Committee for their comment and records respectively within a reasonable time after the meeting or before the passing of the written resolutions.
- 8.3 The secretary of the Committee shall keep record of all meetings of the Committee held during each financial year of the Company and records of individual attendance of members of the Committee, on a named basis, at meetings held during that financial year.
- 8.4 The Committee shall report to the Board on a regular basis. At the next meeting of the Board following a meeting of the Committee, the chairperson of the Committee shall report to the Board on the findings and recommendations of the Committee.

## **9. CONTINUING APPLICATION OF THE ARTICLES OF ASSOCIATION OF THE COMPANY**

The articles of association of the Company regulating the meetings and proceedings of the directors so far as the same are applicable and are not replaced by the provisions in these terms of reference shall apply to the meetings and proceedings of the Committee.

## **10. POWERS OF THE BOARD**

The Board may, subject to compliance with the articles of association of the Company and the Listing Rules (including the Corporate Governance Code set out in Appendix 14 to the Listing Rules or if adopted by the Company, the Company's own code of corporate governance practices), amend, supplement and revoke these terms of reference and any resolution passed by the Committee provided that no amendments to and revocation of these terms of reference and the resolutions passed by the Committee shall invalidate any prior act and resolution of the Committee which would have been valid if such terms of reference or resolution had not been amended or revoked.