



# OURGAME INTERNATIONAL HOLDINGS LIMITED

## 聯眾國際控股有限公司\*

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

(Stock code: 6899)

### **Terms of Reference of the Risk Prevention and Digital Assets Management Committee**

The Risk Prevention and Digital Assets Management Committee (formerly known as the Risk Management Committee) (the “**Committee**”) of Ourgame International Holdings Limited (the “**Company**”) was established pursuant to a resolution passed by the board of directors of the Company (the “**Board**”) on 12 June 2014 and subsequently ratified on 22 August 2014. The terms of reference (the “**Terms of Reference**”) are available for viewing in English and traditional Chinese. If there is any inconsistency between the English and the traditional Chinese versions of the Terms of Reference, the English version shall prevail.

#### **1. PURPOSE**

1.1 The Committee shall be accountable to the Board and shall assist the Board in providing leadership, direction, and oversight with regard to the Group’s overall risk appetite and tolerance and risk management framework, including risk policies and process and controls, and in managing and supervising the Group’s digital assets (including but not limited to all digital IT tangible and intangible assets developed and used by the Group, such as product backends, IT intangible assets, data assets, information databases, and digital currencies).

#### **2. COMPOSITION**

2.1 The Committee shall comprise at least one Independent Non-executive Director. Independence shall be determined by the Board with reference to relevant legislation, regulation and guidance.

2.2 The Company Secretary or his or her nominee shall act as the Secretary of the Committee.

### **3. MEETINGS**

- 3.1 The Committee shall meet at least once a year and the Chairman of the Committee may call additional meetings to examine and consider such other matters related to its responsibilities as the Committee may consider desirable. Any member of the Committee may request a meeting if they consider it necessary.
- 3.2 The Committee shall meet with the management and other invitees in separate sessions where appropriate to ensure that there are no unresolved issues of concern.
- 3.3 A quorum shall comprise two members of the Committee. In the absence of the Chairman, the deputy chairman shall perform the relevant duties of the chairman of the meeting; in the absence of the chairman and deputy chairman, the remaining members present shall elect one of the other Non-Executive Directors to chair the meeting.
- 3.4 The Committee may invite any other director, executive, or other person to attend any meeting(s) of the Committee as it may from time to time consider desirable to assist the Committee in the fulfilment of its duties.
- 3.5 The Chairman of the Committee shall be responsible for reporting to the Board. The minutes of all meetings and resolutions of the Committee shall be circulated to the members of the Committee and to the Board. The Secretary will retain copies of the minutes and papers.

### **4. ACCESS**

- 4.1 The Committee shall have full access to management and may invite members of management or others to attend its meetings.
- 4.2 The Company shall provide the Committee with sufficient resources to perform its duties, including but not limited to obtaining independent professional advice and assistance from internal or external legal, accounting or other advisors at the expense of the Company if necessary.

### **5. REPORTING PROCEDURES**

- 5.1 The Committee shall evaluate and assess its effectiveness and the adequacy of these Terms of Reference on an annual basis and recommend any proposed changes to the Board.

5.2 The Committee shall report its decision or recommendation to the Board, except when restricted by laws or regulatory restrictions (such as disclosure restrictions due to regulatory requirements).

## **6. AUTHORITY**

The Board authorises the Committee to:

6.1 Investigate any activity within its terms of reference, and make any recommendations to the Board which it deems appropriate on any area within its remit where action or improvement is needed;

6.2 Seek any information that it requires from any director or employee of the Group and the Board or Committee of any subsidiary company, with access to all facilities of the Group, and the Board directs that Directors of all group companies and all employees co-operate with any request made by the Committee;

6.3 Obtain at the Group's expense appropriate external professional advice, through the Company Secretary, and if necessary invite external advisers with relevant experience to attend meetings of the Committee and delegate any of its duties as are appropriate to such persons or person as it thinks fit.

## **7. DUTIES**

The Committee, in carrying out its duties under these Terms of Reference, shall:

### **7.1 Oversight of risk management**

7.1.1 Review the Group's risk, including but not limited to policy risk, economic risk, legal risk (including criminal risk, civil and commercial litigation risk), investment risk, etc., capital and liquidity management framework, the Group's risk tolerance, risk policies and standards, relevant risk limits, including the parameters used and the methodology adopted, and the processes used for identifying and assessing risks. Approve risk policies and standards, referring any material new policies/standards or material changes to existing policies/standards/limits to the Board for approval.

7.1.2 Review material risk exposures of the Group, including market, credit, insurance, operational, liquidity, and economic and regulatory capital risks against the Group's risk measurement methodologies and management actions to monitor and control such exposures.

7.1.3 Review the standard for accurate and timely monitoring of large exposures and certain risk types of critical importance.

7.1.4 Review the Group's capability to identify and manage new risk types.

## **7.2 Oversight of risk tolerance**

7.2.1 Receive reports and recommendations from the management on the Group's attitude to and tolerance of risk, including financial and non-financial risks.

7.2.2 Oversee the Group's processes and policies for determining risk tolerance and review management's measurement and effectiveness of, and compliance with, approved Group risk tolerance levels and policies and standards, and the relevant action in respect of policy breaches.

7.2.3 Review the risks inherent in strategic transactions and business plans and provide the Board with input on the risk/reward trade offs implicit within those plans.

7.2.4 Review the Group's capability to identify and manage new risk types.

7.2.5 Review the Group's stress tests to ensure they are rigorous and the Group responds adequately to the results.

## **7.3 Oversight of Digital Assets Management**

7.3.1 Conduct regular review of the digital assets development and management decisions, and direct and oversee the execution of such management decision.

## **7.4 Governance**

7.4.1 Conduct regular review of its performance and terms of reference, and monitor the Committee to ensure it is provided with sufficient resources to undertake its duties, and that sufficient training is provided to members on appointment and on an on-going basis to enable the Committee to perform its function effectively and in accordance with the relevant professional standards, and recommend any changes it considers necessary to the Board for approval.

## **7.5 Other duties**

7.5.1 Consider any other matters, as referred to it from time to time by the Board.

7.5.2 Make any recommendations with respect to any of the above and other matters within its remit as the Committee deems necessary or appropriate.

7.5.3 Oversee any investigation of activities within its remit.

## **8. ANNUAL GENERAL MEETING**

8.1 The Chairman or in his/her absence, deputy chairman or another member of the Committee or failing this, his or her duly appointed delegate, shall attend the annual general meeting (the “AGM”) of the Company and be prepared to answer enquires at the AGM on the Committee’s work and responsibilities.

\* *for identification purpose only*