



JINCHUAN GROUP INTERNATIONAL RESOURCES CO. LTD
金川集團國際資源有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2362)

Terms of Reference – Risk Management Committee

Should there be any discrepancy between the English and Chinese versions of this Term of Reference, the English version shall prevail.

The Risk Management Committee - Terms of Reference

1 Objectives

The purpose of the Risk Management Committee (the “Committee”) of the Board of Directors (the “Board”) is responsible for the oversight of the Company’s risk management activities, as well as to research on risk avoidance policies and measures in order to reduce the Company’s overall risk caused by market fluctuation and other factors.

2 Constitution

The Board hereby resolves to establish a Committee of the Board to be known as the Risk Management Committee.

3 Membership

The Committee shall be appointed by the Board and shall consist of not less than three (3) members.

4 Chairman

The Chairman shall be selected amongst the independent non-executive Directors and shall be appointed by the Board.

5 Secretary

5.1 The Company Secretary or his nominee shall be the secretary of the Committee.

5.2 The Company Secretary is appointed to facilitate communication between the Board and the Committee and to provide access to information required by the Committee members in pursuit of their duties.

6 Quorum

Two (2) members of the Committee shall constitute a quorum.

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7 Frequency of Meetings

- 7.1 Meetings shall be held not less than once a year.
- 7.2 The Committee shall issue a schedule of agenda with foreseeable matters to be discussed in the coming year at the beginning of each year. This agenda shall be delivered to the Board.

8 Proceedings of Meetings

- 8.1 A notice of meeting should be given at least seven (7) days in advance of a regular Committee meeting.
- 8.2 The agenda and the ancillary documents for the meeting should be sent to all Committee members at least three (3) days before the intended date of Committee meeting.
- 8.3 Any member may request for committee meetings by giving notice of not less than seven (7) days in writing to the Chairman of the Committee.
- 8.4 Questions arising at the Committee meeting shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairman shall have a second or casting vote.

9 Minutes

- 9.1 The secretary of the Committee must ensure that full minutes are kept of all Committee meetings.
- 9.2 Draft and final versions of the minutes of the Committee meetings shall be sent to all Committee members for their comment and records respectively within reasonable time after the meeting.
- 9.3 Minutes of the Committee should be formally approved by the Committee before reporting to the Board.
- 9.4 Minutes shall be available for inspection at any reasonable time upon reasonable notice by any Director.

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9.5 Minutes shall record in sufficient detail the matters considered by the Committee and the decisions reached, including any concerns raised by the members or dissenting views expressed.

9.6 The Committee shall circulate its meeting minutes to the Board (within reasonable time after the meeting), to keep the Board informed of the Committee's activities and recommendations on a regular basis.

10 **Authority**

10.1 The Committee is authorized by the Board to investigate into any activity within its terms of reference.

10.2 The Committee is authorized by the Board to obtain legal or other independent professional advice from outsiders and to invite outsiders with relevant experience and expertise to attend the Committee meetings if necessary.

10.3 The Committee shall be provided with sufficient resources to discharge its duties.

11 **Duties**

The duties of the Committee are:

- (a) to enhance and strengthen the system of risk management of the Group (including the Company and its subsidiaries) and provide comments and recommendations thereon;
- (b) identify the risks of the Group.
- (c) to assist management and the Board with respect to matters on risk management and to provide opinions thereon
- (d) to consider other relevant topics raised by the Board.

12 **Reporting**

12.1 The Committee shall report to the Board on a regular basis.

12.2 The Chairman of the Committee shall present periodic written reports of the Committee which address the work and findings of the Committee to the Board. The frequency of submission of these reports varies but, as a minimum, it has to be submitted on an annual basis.

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13 **Appointment of Experts**

The Committee must by resolution to appoint lawyer, accountant or other expert for any necessary audit or consultancy and such expense will be borne by the Company.

- * *For the purpose of the terms of reference, "Senior Management" refers to the same category of persons as referred to in the Company's annual report.*