PAX GLOBAL TECHNOLOGY LIMITED
百富環球科技有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 327)

(the "Company")

RISK MANAGEMENT COMMITTEE

TERMS OF REFERENCE

FOREWORD

Below are the Terms of Reference of the Risk Management Committee of the Company (the "Committee"), and such terms are approved by the board (the "Board") of directors (the "Directors") of the Company, in compliance with the Corporate Governance Code under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

MEMBERSHIP & SECRETARY

1. **Composition:** The Committee shall have at least three members ("Members" and each a "Member").

   The Committee shall be appointed by the Board from amongst the Directors and management who are professionals in the relevant aspect of the Company.

2. **Chairman:** The chairman of the Committee shall be appointed by the Board.

3. **Secretary:** The company secretary of the Company, or in his/her absence, his/her representative, shall act as the secretary of the Committee. The Committee may from time to time appoint any other person with appropriate qualification and experience as the secretary of the Committee.

* *For identification purpose only*

AUTHORITY

4. The Committee is authorized by the Board:

   (a) to investigate any activity within these terms of reference;

   (b) to inspect all accounts, books and records of the Company and its subsidiaries (the "Group"); and

   (c) to seek any information it requires from any relevant parties.

5. The Committee is authorized by the Board where necessary to have access to independent professional advice and to secure the attendance of outsiders with relevant experience and expertise to perform its duties.

6. The Committee shall be provided with sufficient resources to perform its duties.

DUTIES

7. The Committee shall have the following duties:

   (i) to review the Group's risk management systems and internal control systems (including financial, operational and compliance controls), internal audit function, Environmental, Social and Governance's performance and reporting (including the Environmental, Social and Governance report), to ensure that effective and adequate risk management and internal control systems are established and maintained and that sufficient resources are in place for the Group's internal audit function;

   (ii) to consider the effectiveness of the Group's decision-making processes in crisis and emergency situations and to maintain the Group's risk management standards;

   (iii) on an annual basis report to the Board on the effectiveness of the risk management systems and internal control systems (including financial, operational and compliance controls) for the Group, Environmental, Social and Governance report and adequacy of resources of its internal audit functions; and

   (iv) any other duties applicable to the Committee as specified in the Listing Rules (including the code provisions of the Corporate Governance Code) or as delegated to the Committee by the Board from time to time.

ANNUAL GENERAL MEETING & TERMS OF REFERENCE

8. The chairman of the Committee or in his/her absence, another Member or failing which his/her duly appointed delegate, shall attend the Company's Annual General Meeting and be prepared to respond to shareholders' questions on the Committee's activities and responsibilities.

9. The Terms of Reference will be made available on the websites of the Company and The Stock Exchange of Hong Kong Limited respectively.

MEETINGS

10. **Frequency:** The Committee shall meet at least twice a year. Additional meetings should be held if the Committee considers it necessary.

11. **Quorum:** The quorum of a meeting shall be any two Members.

12. **Notice:** Notice of any meetings of the Committee has to be given 14 days prior to any such meeting being held, unless all Members unanimously waive such notice. Irrespective of the length of notice being given, attendance of a meeting by a Member shall be deemed waiver of the requisite length of notice by the Member. Notice of any adjourned meeting is not required if the adjournment is less than 14 days.

13. **Resolutions:** Resolutions of the Committee at any meetings shall be passed by a majority of votes of the Members present. Meetings can also be held in person, by telephone or by video-conferencing or any other telecommunications facility provided that all participants are thereby able to communicate contemporaneously by voice with all other participants.

    A resolution in writing signed by all the Members shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.

    The secretary of the Committee shall keep full minutes of all Committee meetings which shall be open for inspection at any reasonable time on reasonable notice by any Member. The minutes should record in sufficient detail the matters considered and decisions reached, including any concerns raised by Members or dissenting views expressed. Draft and final versions of minutes of meetings of the Committee shall be sent to all Members for their comment and record, within a reasonable period of time after each meeting.

14. **Attendance:** The Committee may, from time to time, invite any appropriate person to attend the meeting whenever it is necessary.

However, only Members are entitled to vote at the meetings.

REPORTING PROCEDURES

15. The secretary of the Committee or his/her representative shall circulate the minutes of meetings of the Committee to the Board to report on any of its decisions or recommendations.

16. The Committee shall report to the Board on its decisions and recommendations on a regular basis.

(Note: The Chinese version of these terms of reference is a translated version of the English version and is for reference only. In case of inconsistency between the two versions, the English version shall prevail).