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## **PHOENIX SATELLITE TELEVISION HOLDINGS LIMITED**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 02008)

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

(Adopted on 30 November 2015)

#### **COMPOSITION**

The risk management committee (the “Risk Management Committee”) of Phoenix Satellite Television Holdings Limited (the “Company”) shall comprise a minimum of three directors of the Company. The board of directors of the Company (the “Board”) may appoint any directors of the Company and other persons as the Board thinks fit to the Risk Management Committee as members.

#### **FREQUENCY OF MEETINGS**

Meetings of the Risk Management Committee shall be held at least once a year and otherwise as required.

#### **PROCEEDINGS OF THE RISK MANAGEMENT COMMITTEE MEETING**

1. At all meetings of the Risk Management Committee, any question shall be decided by a majority of votes cast by members of Risk Management Committee on that question.
2. The presence of two members of Risk Management Committee who must be directors of the Company shall constitute a quorum for the transaction of business.
3. Notice of the time and place of each meeting of Risk Management Committee must be given to each member not less than two business days before the time when the meeting is to be held unless such notice is waived by all members of the Risk Management Committee in writing.

4. Except as required by law, a resolution signed by all of members of the Risk Management Committee is as valid as if it had been passed at a meeting of the Risk Management Committee.
5. Any member of the Risk Management Committee may participate in a meeting of Risk Management Committee either in person or through electronic means of communication that permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously.
6. The Risk Management Committee shall appoint a chairman (the “Chairman”), provided that if the Chairman is not in attendance at any meeting of Risk Management Committee, the members in attendance may appoint a chairman of the meeting.

### **DUTIES**

The primary duties and powers of the Risk Management Committee shall include the following:

- (a) to review the Company’s risk management policies and guidelines and monitor the implementation and development of the risk management system of the Company;
- (b) to conduct assessment of the strategic, financial, operational, compliance and other risks of the Company;
- (c) to make recommendation to the Board for the determination of acceptable level of risk of the Company regarding major decisions;
- (d) to consider and adjust the Company’s risk management strategies in accordance with the acceptable level of risk considered and approved by the Board;
- (e) to review at least once per annum the effectiveness of the risk management internal control systems of the Company, and to consider, in particular, the following matters in the annual review under the risk management system:
  - (i) the changes, since the last annual review, in the nature and the extent of significant risks and the Company’s ability to respond to changes in its business and external environment;
  - (ii) the scope and quality of the management’s ongoing monitoring of the risks and the internal control system, and where applicable, the work of its internal audit function and other assurance providers;
  - (iii) the extent and frequency of communication of monitoring results to the Board (or Board committee(s)) which enables the Risk Management Committee to assess control of the Company and the effectiveness of risk management;

- (iv) significant control failings or weakness that have been identified during the period and the extent to which they have results in unforeseen outcomes or contingencies that have had, may have or may in the future have, a material impact on the Company's financial performance or condition; and
  - (v) the effectiveness of the Company's procedures on financial reporting and the compliance of the Listing Rules.
- (f) the review of the effectiveness of the Company's risk management and internal control systems should cover all material controls, including financial, operational and compliance controls.

### **AUTHORITY**

The Company shall provide sufficient resources to the Risk Management Committee to facilitate the performance of its duties. Where necessary, the Risk Management Committee may obtain independent professional advice at the cost of the Company.

### **REPORTING PROCEDURES**

Full minutes of Risk Management Committee meetings should be kept by a duly appointed secretary of the meeting. Draft and final versions of minutes of the meetings should be sent to all committee members for their comment and records within a reasonable time after the meeting.

### **AMENDMENTS**

Any changes to these terms of reference will require the approval of the Board.

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