

Everbright Securities Company Limited

Rules of Procedure of the Risk Management Committee

CHAPTER 1 GENERAL PROVISIONS

Article 1 For the purpose of perfecting the corporate governance structure and improving the capability and level of the Company in controlling systematic risks and system risks, the Company establishes the Risk Management Committee under the Board of Directors and formulates these Rules in accordance with the *Company Law of the People's Republic of China*, the *Regulation on the Supervision and Administration of Securities Companies*, the *Governance Standards of Securities Companies*, the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*, the *Articles of Association of Everbright Securities Company Limited* (hereinafter referred to as the “**Articles of Association**”) and other applicable laws and regulations.

Article 2 The Risk Management Committee is a dedicated working organization established by the Board of Directors, which shall be mainly responsible for supervising the general risk management and controlling the same within the reasonable scope so that the Company may implement effective risk management plan on various risks related to the operation activities of the Company.

CHAPTER 2 COMPOSITION

Article 3 The Risk Management Committee shall be composed of at least three directors and have one convener.

Article 4 The members of the Risk Management Committee shall be appointed by the Board of Directors.

Article 5 The term of office of each member of the Risk Management Committee shall be the same as that of the directors. Each member may serve a consecutive term upon re-election after the expiry of his/her term of office. If any member ceased to be a director of the Company during his/her term of office, he/she will automatically lose his/her qualification as a committee member, and the Board of Directors shall fill the vacancy in accordance with the provisions of Articles 3 and 4 above.

Article 6 The Board Office will coordinate with various departments of the Company to handle the daily contacts, meeting organization, preparation of meeting documents, and meeting minutes for the Risk Management Committee.

CHAPTER 3 DUTIES AND AUTHORITIES

Article 7 The Risk Management Committee shall mainly perform the following duties:

- (I) Considering and giving opinions on the general objectives and basic policies of compliance management and risk management;
- (II) Considering and giving opinions on the organizational setup for compliance management and risk management and their duties;
- (III) Appraising and giving opinions on the risks involved in the major decisions to be considered by the Board of Directors and the resolutions of major risks;
- (IV) Considering and giving opinions on the compliance reports and risk appraisal reports to be reviewed by the Board of Directors;
- (V) Other matters as stipulated by laws, administrative regulations, provisions of the China Securities Regulatory Commission, the listing rules of the place where the shares are listed and the Articles of Association, and as authorized by the Board of Directors.

Article 8 The Risk Management Committee shall be accountable and report to the Board of Directors.

CHAPTER 4 RULES OF PROCEDURE

Article 9 The meetings of the Risk Management Committee shall be convened by the convener and all the members shall be notified seven days in advance; and the meetings shall be presided over by the convener or, if the convener is not able to be present, another member authorized by the convener.

Article 10 No meeting of the Risk Management Committee may be held unless and until more than two-thirds of members attend the meeting; each member has one vote; and the resolutions reached by the meeting shall be passed by more than a half of the members.

Article 11 Show of hands or by poll may be adopted for the meetings of the Risk Management Committee; and the interim meeting may be held by telecommunication means.

Article 12 If it deems necessary, the Risk Management Committee may invite the directors, supervisors and other officers of the Company to attend the meetings as non-voting members.

Article 13 If necessary, the Risk Management Committee may employ intermediaries to provide professional opinions for its decisions at the cost of the Company.

Article 14 The resolutions passed by the meetings of the Risk Management Committee shall comply with applicable laws and regulations, the Articles of Association and these Rules.

Article 15 The Risk Management Committee shall keep minutes of its meetings which shall be signed by the members present at the meetings and kept by the Secretary of the Board of Directors.

Article 16 The resolutions passed and voting results adopted at the meetings of the Risk Management Committee shall be reported to the Board of Directors in writing.

Article 17 All the members of the Risk Management Committee shall keep the matters discussed at the meetings confidential and not disclose the information without authorization.

CHAPTER 5 ARCHIVAL PRESERVATION

Article 18 The meeting archives shall include meeting notices and materials, power of attorney for members attending meetings on behalf of others, meeting minutes signed and confirmed by the attending members and resolutions, etc.

Article 19 The meeting archives shall be kept by the Secretary of the Board of Directors. The retention period for the archives shall be 15 years.

CHAPTER 6 SUPPLEMENTARY PROVISIONS

Article 20 These Rules shall be implemented from the date when the same is passed by the Board of Directors through resolution.

Article 21 Matters not mentioned herein shall be implemented in accordance with the provisions of the relevant laws and regulations of China, the rules of the securities regulatory authority at the place where the stocks of the Company are listed and the Articles of Association; and in case of any conflict between these Rules and the future laws and regulations of China, or the future rules of the securities regulatory authority at the place where the stocks of the Company are listed or the Articles of Association as amended by legal procedures, the relevant laws and regulations of China, the rules of the securities regulatory authority at the place where the stocks of the Company are listed and the Articles of Association shall prevail.

Article 22 These Rules are to be interpreted by the Board of Directors. In case of any discrepancies between the Chinese version of these Rules and their English translation, the Chinese version shall prevail.