

ENN ENERGY HOLDINGS LIMITED

(Incorporated in Cayman Islands with limited liability)

TERMS OF REFERENCE FOR THE RISK MANAGEMENT COMMITTEE

(Adopted on 9 December 2015)

ENN ENERGY HOLDINGS LIMITED

Terms of Reference for the Risk Management Committee

Formation

1. The Board of Directors (the “Board”) of ENN Energy Holdings Limited (the “Company”) resolved to establish a committee of the Board to be known as the Risk Management Committee (the “Committee”). The meetings and proceedings are governed by the provisions contained in the articles of association of the Company for regulating meetings and proceedings of Directors.

Composition and Quorum

2. Members of the Committee shall be appointed by the Board, including a minimum of two Executive Directors, one Non-executive Director and a majority of Independent Non-executive Directors. Members of the Committee shall consist of not less than five members. The quorum of any Committee meeting shall be four members, including two Executive Directors.
3. The Chairman of the Committee shall be appointed by the Board, responsible for leading the Committee to ensure the effective functioning of the Committee and perform their duties.
4. The Committee must appoint one of its members or the Company Secretary as the Secretary of the Committee.

Attendance at meetings of Committee

5. The Committee shall invite appropriate person(s) to attend a meeting whenever it is necessary. Other Board members also has the right of attendance, provided that such members should not be counted in the quorum within.
6. When the Secretary of the Committee is unable to attend the committee meeting, members of the Committee present at the meeting shall elect one or appoint another person to act as the Secretary of the meeting.

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Frequency of meetings

7. The Committee meeting shall be held not less than once a year. Any member of the Committee may convene meeting(s) if he or she considers necessary or appropriate.

Authority

8. The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
9. The Committee is authorised by the Board, subject to prior discussion concerning the cost, to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

Duties

10. The duties of the Committee shall be:
 - (a) to review and recommend for the Board's approval the Company's risk appetite which shall take into account all the relevant risks faced by the Company and the prevailing and prospective market and economic conditions;
 - (b) to review and recommend for the Board's approval the Company's risk management strategies taking into consideration the risk appetite and other risk related matters;
 - (c) to review and recommend for the Board's approval the Company's risk management framework, risk management system and corporate governance framework including their appropriateness, effectiveness and independence of risk management functions;

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Duties (Continued)

(d) to review and recommend for the Board's approval the Company Risk Management Policy which governs the identification, assessment, monitoring and reporting of the major risks faced by the Company;

(e) to review the regulatory updates on risk management related issues and consider their material implications to the Company's risk appetite and risk profiles;

(f) to oversee the implementation of risk management policies and the compliance with the respective statutory rules and regulations;

(g) to report any significant risk management issues to the Board and suggest solutions; and

(h) to undertake other duties as required by the Board.

Reporting Procedures

11. The Committee shall report its findings, decisions and / or the recommendations directly to the Board.

12. The Secretary of the Committee or its representative shall circulate the minutes of the Committee meeting to all members of the Committee.

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