

China Fire Safety Enterprise Group Limited

中國消防企業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Terms of Reference for the Risk Management Committee (adopted by the Board on 12 September 2016)

The terms of reference for the Risk Management Committee (the “**Committee**”) of the board of directors (the “**Board**”) of China Fire Safety Enterprise Group Limited (the “**Company**”) are as follows:

1 Composition

- 1.1 The Committee shall comprise a minimum of three members who shall be directors of the Company and one of them must be an independent non-executive director of the Company. Members of the committee shall be appointed by the Board from time to time.
- 1.2 The chairman of the Committee shall be appointed by the Board.
- 1.3 The company secretary of the Company or a person designated by the Committee from time to time shall act as the secretary of the Committee.

2 Meetings and Quorum

- 2.1 The Committee shall meet at least once a year.
- 2.2 The quorum of a Committee meeting shall be two members.
- 2.3 Any member of the Committee may attend any meeting of the Committee by means of telephone conference, electronic or other communication equipment through which all persons participating in the meeting can communicate with each other simultaneously and instantly and, for the purpose of counting a quorum, such attendance shall constitute presence at a meeting as if those attending were present in person.
- 2.4 The proceedings of the meetings of the Committee are governed by the provisions contained in the Articles of Association of the Company for regulating the proceedings of the Board.

3 Authority

- 3.1 The Committee is authorized by the Board to conduct investigations within its terms of reference. It is authorized to obtain any information necessary from any employee of the

Company and its subsidiaries (collectively referred to as the “**Group**”).

- 3.2 The Committee should have access to independent professional advice if necessary and be provided with sufficient resources to perform its duties.

4 Duties

- 4.1 To consider the overall objective and policies of the Group’s comprehensive risk management system;
- 4.2 To review the Group’s risk management system, including but not limited to risk management structure, functions and workflows, and to discuss the risk management system with management to ensure that management has performed its duty to have effective system;
- 4.3 To consider the Group’s risk tolerances and the emerging risks relating to the Company’s business and strategies, and assess whether appropriate arrangements are in place to control and mitigate the risks effectively;
- 4.4 To have periodic assessment on the Group’s risk profile and risk management capabilities, and to make recommendations on the improvement of the Group’s risk management systems and internal controls;
- 4.5 To consider major investigations findings on risk management matters as delegated by the Board or on its own initiative and management’s response to these findings; and
- 4.6 To consider other topics, as defined by the Board

5 Reporting

- 5.1 The Committee shall report to the Board on a regular basis. At the next meeting of the Board following the meeting of the Committee, the chairman of the Committee shall report to the Board its findings and recommendations.
- 5.2 Full minutes of meetings of the Committee shall be kept by the secretary of the Committee. Draft and final versions of minutes of the meetings shall be sent to all Committee members for their comment and records within a reasonable time after the meeting is held.