

Hotai Finance Corporation

Risk Management Committee Organizational Regulations

Formulated on 2021.9.17

Article 1 (Purpose and reference)

In order to improve the Company's risk and control management, and strengthen the functions of the board of directors, in accordance with Article 21 of the Company's articles of association, the organization rules of the risk management committee (hereinafter referred to as the "organization rules") have been formulated for compliance.

Article 2 (Scope of application)

The matters related to the functions and powers of the Company's Risk Management Committee (hereinafter referred to as the Committee) shall be in accordance with the regulations of the organization, unless otherwise provided by laws or regulations.

Article 3 (Notice for future reference)

The Company should place the contents of the organization's regulations on the Company's website and public information observatory for inquiries.

Article 4 (Committee functions)

The function of the Committee is to evaluate the management and control of the Company's business risks from a professional and objective position, and to provide reference to the Board of Directors in decision-making.

Article 5 (Committee formation)

The number of members of this Committee shall not be less than three, and shall be appointed by the Board of Directors, and more than half of the members shall be independent directors.

Article 6 (The office term and Committee reelections)

The term of office of the members of this Committee is the same as the term of the appointed Board of Directors.

If the members of this committee are dismissed for some reason and the number of members is less than three, the Board of Directors shall be convened to make a supplementary appointment within three months from the day when the facts occur. If the independent directors are dismissed and there are no other independent directors, persons who are not qualified as independent directors may be appointed as members of this committee, and they shall be appointed after the independent director by-election.

Article 7 (Scope of Responsibilities)

The committee should faithfully perform the following functions and powers with the attention of managers, and submit the results of the implementation to the Board of Directors for report or discussion:

1. Regularly review the Company's risk management policies and procedures, and propose proposals for discussion by the board of directors.
2. Every six months, the Company will review the quality changes, risks and trends faced by the company's financial assets, and report the review results

to the Board of Directors.

3. Regularly review the requirements of the authority and the Board of Directors on various risk management-related systems, management mechanisms and other issues, and report the review results to the Board of Directors.
4. Other major risks specified by the Company or the authority.

Article 8 (Meeting in session and convention)

The Committee is convened at least twice a year, and the reason shall be stated at the time of convening, and the members of the committee shall be notified seven days in advance. However, those who have an emergency are not limited to this.

All members of this Committee shall elect an independent director to serve as the convener and chairman of the meeting. If the convener asks for leave or is unable to convene the meeting for some reason, he shall designate other members of the Committee to act on behalf of him; if the convener does not appoint an agent, he shall be nominated by other members of the Committee.

Article 9 (Agenda)

The agenda of the Committee meeting is set by the convener, and other members may also provide proposals for the Committee to discuss. The meeting agenda should be provided to the members of the Committee in advance.

When this Committee is convened, the Company shall set up a signature book for attending members to sign in and for examination. The members of this Committee shall attend the Committee in person. If they cannot attend in person, they may entrust other members to attend the meeting on their behalf; those who participate in the meeting by video shall be deemed present.

When a member of this committee entrusts another member to attend the Committee as an agent, he shall issue a power of attorney each time and list the authorized scope of the reason for convening.

The third agent is limited to being entrusted by one person.

Article 10 (Resolution)

The Committee's discussion of risk management issues at the meeting and the important content of the members' interests shall be explained at the meeting. If it is harmful to the Company's interests, the member shall not participate in the discussion and voting, and shall recuse discussion and voting, and may not act for other members to exercise their voting rights.

When this Committee is a resolution, more than half of all members should agree. If there is no objection after consultation by the chairman of the Committee at the time of voting, it shall be deemed as passed, and its effect shall be the same as that of voting.

The results of the voting in the preceding paragraph shall be reported on the spot and recorded.

Article 11 (Meeting Minutes)

The deliberations of this Committee shall be recorded in the minutes, which shall record the following items in detail:

The minutes of Committee meeting convened must be prepared with the following matters documented in details:

1. Meeting term, time, and place;

2. Name of the Chairman;
3. Member attendance, including name of Chairman, on leave, and absentee, and number of persons;
4. Name and title of the attendees;
5. Name of the clerk;
6. Reporting matters;
7. Discussions: The motion resolution methods and results, and the opposition or reservations of the Committee members.
8. Motions: The name of the proposers and the motion resolution methods and results, and the statements, opposition, or reservations of members, specialists, and others;
9. Other important matters

The attendance registry of the Committee is an integral part of the minutes of meeting. For the Committee meeting held by a video conference, the related audio and video data is an integral part of the minutes of meeting. The minutes of meeting must be signed or sealed by the Chairman and the clerk, distributed to all Committee members in 20 days after the Committee meeting adjournment, and should be reported to the Board of Directors, classified as an important file of the Company, and reserved for five years. The preparation and distribution of the minutes of meeting can be processed in an electronic form.

For the litigation filed involving the matters related to the Committee before the expiry of the reservation period, the related video or audio data must be reserved until the end of the proceedings.

Article 12 (Handling of Resolutions)

The Committee may authorize the convener or other members of the Committee to continue the implementation of the resolutions based on the functions and powers of Article 7 or the appointment of professionals in accordance with the resolution of Article 13 paragraph 2, with a written report issued throughout the execution period, when necessary, and to be presented at the next Committee meeting for ratification or reporting.

Article 13 (Resources to Exercise Authority)

When this Committee is convened, the Company's directors, relevant department managers, internal auditors, accountants, legal advisers or other personnel may be invited to attend the meeting and provide relevant and necessary information. However, they should leave the meeting during discussions or voting.

The Committee may, through a resolution, appoint lawyers, accountants or other professionals to conduct necessary inspections or provide consultations on matters related to the exercise of powers, and the relevant expenses shall be borne by the Company.

Article 14 (Implementation)

The Compensation Committee Charter is implemented with the approval of the Board of Directors, so is the amendment.