

These terms of reference are prepared in English. In case of any inconsistency between the Chinese version and the English version, the English version shall prevail.

FRASER HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8366)

(the “**Company**”)

Legal Compliance Committee Terms of Reference

1. Organization

The board (the “**Board**”) of the directors of the Company (the “**Directors**”) has resolved to set up a legal compliance committee (the “**Committee**”).

2. Objective

The main objective of the Committee is to assist in overseeing the Company’s compliance with laws and regulations relevant to the Company’s operations as well as the adequacy and effectiveness of its regulatory compliance procedures and system.

3. Composition

- 3.1 The Committee shall comprise the compliance office, the financial controller and/or the independent non-executive Directors of the Company and shall be appointed or removed by the Board.
- 3.2 The chairman of the Committee shall be appointed by the Board and shall be the chairman of the Board or an independent non-executive Director.

4. Secretary

Save as otherwise appointed by the Committee, the secretary to the Committee shall be the secretary to the Company.

5. Duties

The duties of the Committee shall include:

- 5.1 to review the effectiveness of the Company's regulatory compliance procedures and system, including operational and compliance procedures and risk management functions;
- 5.2 to assess and review the Company's adequacy of resources, staff qualifications and experience, and training programmes in relation to the Company's regulatory compliance functions;
- 5.3 to assist the Audit Committee of the Company in overseeing the Company's corporate governance functions, which includes (i) developing and reviewing the Company's policies and practices on corporate governance and making recommendations to the Audit Committee on a quarterly basis; (ii) reviewing and monitoring the training and continuous professional development of Directors and senior management; (iii) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements; and (iv) reviewing the Company's compliance with the Corporate Governance Code set out in Appendix 15 to the Rules Governing the Listing of Securities on the Growth Enterprise Market and the disclosure in the Corporate Governance Report;
- 5.4 to receive and handle any actual or suspected non-compliance matters reported by the Company's employees and engage external professional advisers, such as legal advisers and accountants, to assist in the preparation of reports and recommendations in respect of such actual or suspected non-compliance matters; and

5.5 review the effectiveness of the Company's ongoing measures to prevent future non-compliance incidents and provide updates on the applicable laws related to the Company's business operations with the assistance of external professional parties including legal advisers as to Hong Kong law, compliance adviser, and internal control consultant from time to time.

6. Meetings of the Committee

6.1 Number of meeting

There shall be at least one meeting of the Committee annually to be convened and held by attending in person, by telephone or video conference. If required, extraordinary meeting could be convened.

6.2 Notice of meeting

Unless waived by all Members on notice, the secretary to the Committee shall give at least seven days prior notice to all Members for any meeting to be convened and circulate the meeting agenda to the Members.

6.3 Quorum

Meetings of the Committee shall be attended by more than one-half of the Members to be effective.

6.4 Conducting the meetings

Meetings could be convened by attending in person, telephone or video conference. Members could attend the meetings through telephone conference or similar arrangements which Members could communicate to each other. With consent by all Members, resolutions of the Committee could be passed by written resolutions.

6.5 Resolutions

Any resolution shall be passed by the majority votes of the Members who attend the meetings.

6.6 Invitations

The Committee could invite any executive Directors, external advisers or other individuals to attend the meetings but such executive Directors, advisers or individuals are not entitled to vote at the meetings. If required, the Committee could seek independent professional advice, the fees of which should be paid by the Company.

6.7 Minutes of the meetings

Full minutes of meetings should be kept by the secretary to the Committee. Minutes shall record matters considered and decisions reached by the Members in details, including the names of Members and any doubt or disagreement raised by the Members. Draft and final versions of the minutes of the meetings should be sent to all Members for their comment and record, within a reasonable time after the meetings, respectively.

7. Report

Chairman of the Committee who chair the meetings or other Member who is authorised by the Chairman of the Committee to chair the meetings shall report to the Board after each meeting of the Committee.

8. Interpretation

Interpretation of these terms of reference shall belong to the Board.

(Adopted by the Company pursuant to the Board's resolutions passed on 15 October 2015)