



PYI Corporation Limited

(the “Company”)

Terms of Reference

for the Compliance Committee

1. Membership

- 1.1 The members of the Compliance Committee (the “**Member(s)**”) shall be appointed by the board of directors (the “**Director(s)**”) of the Company (the “**Board**”).
- 1.2 The majority of the Members shall be independent non-executive Directors.
- 1.3 The Compliance Committee shall consist of not less than two Members.
- 1.4 The Chairman of the Compliance Committee shall be appointed by the Board.

2. Secretary

- 2.1 The Company Secretary shall serve as the secretary of the Compliance Committee.

3. Meetings

- 3.1 The Compliance Committee shall meet with such frequency and at such times as it may determine. It is expected that the Compliance Committee shall meet at least twice a year.
- 3.2 Meetings may be convened by any Member or by the secretary of the Compliance Committee at the request of a Member.
- 3.3 Notice may be given in writing or by telephone or in such other manner as the Compliance Committee may from time to time determine.
- 3.4 The quorum for meetings shall be any two Members.

- 3.5 Meetings can be held in person, by telephone or by video conference. Members may participate in a meeting by means of a conference telephone or similar communication equipment by means of which all persons participating in the meeting are capable of hearing each other.
- 3.6 Resolutions of the Compliance Committee at any meetings shall be passed by a majority of votes of the Members present.
- 3.7 A resolution in writing signed by all the Members shall be as valid and effectual as if it had been passed at a meeting of the Compliance Committee duly convened and held.
- 3.8 Minutes shall be kept by the secretary of the Compliance Committee. Draft and final versions of minutes shall be circulated to all the Members for their comment and records respectively, in both cases within a reasonable period of time after the meeting. Such minutes shall be open for Directors' inspection.

4. Attendance at meetings

- 4.1 The Compliance Committee may invite any Director, executive or other person to attend any meeting(s) of the Compliance Committee as it may from time to time consider desirable to assist the Compliance Committee in the attainment of its objectives and discharge of its responsibilities and powers.
- 4.2 Only Members are entitled to vote at the meetings.

5. Objective

- 5.1 The Compliance Committee shall have general oversight of the Company's compliance with the legal and regulatory requirements of its business operations (including but not limited to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Codes on Takeovers and Mergers and Share Repurchases), as well as compliance with its code of conduct and/or business ethics policies and prevailing corporate governance practices and standards. This shall not include the Company's financial reporting and disclosure requirements which shall be the responsibility of the Company's Audit Committee.

6. Authority

- 6.1 The Compliance Committee is authorised by the Board to seek any compliance related information it requires from senior management of the Company in order to perform its duties.

- 6.2 The Compliance Committee is authorised by the Board to obtain independent legal or other professional advice if considered necessary to perform its duties.
- 6.3 The Compliance Committee shall be provided with sufficient resources to perform its duties.
- 6.4 The Compliance Committee shall have the authority to conduct such investigations into matters relating to the Company's legal and regulatory compliance as the Compliance Committee may deem necessary in the circumstances and report its findings to the Board for further action.

7. Responsibility and Powers

The Compliance Committee shall have the following responsibilities and powers:

- 7.1 to review and make recommendations to the Board addressing the Company's compliance and corporate governance practices generally;
- 7.2 to meet regularly with the management of the Company to assess the Company's compliance policies, programs and procedures;
- 7.3 to review and approve any code of conduct and/or business ethics of the Company and oversee the implementation by management of procedures intended to ensure compliance with such code; and
- 7.4 to investigate or cause to be investigated any significant instances of non-compliance or potential compliance violations that are reported to the Compliance Committee.

8. Report and review procedures

- 8.1 The secretary of the Compliance Committee shall circulate the minutes of meetings of the Compliance Committee to all members of the Board.
- 8.2 The Compliance Committee shall review annually the Compliance Committee's terms of reference and its own effectiveness and recommend to the Board any necessary changes.