



Board Risk Committee Terms of Reference (Charter)

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1. Definitions

1.1 In this Charter, where the context so admits, the following words and expressions shall have the following meanings:

Applicable Law: Any applicable law (whether civil, criminal and administrative), common law, statute, subordinate legislation, regulation, listing rules, decision, by-law, ministerial resolution, order, notice, decree, injunction, judgment or resolution of a government, federal, state or local government, statutory, administrative or regulatory body, stock exchange or court.

Board: The board of directors of Diginex Limited.

Business Day: A day other than a Saturday, Sunday or public holiday on which banks are normally open for businesses in Hong Kong and the United Kingdom.

Director: Any director appointed to the Board.

CEO: Chief Executive Officer of Diginex Limited.

Charter, Terms of Reference: This terms of reference (charter) of the Risk Committee.

Diginex, "We", "we", "Our", "our": All legal entities, including subsidiaries and joint ventures, over which Diginex Limited is able to exercise control, either directly or indirectly, with respect to policies and procedures.

Exchange Act: The Securities Exchange Act of 1934 of the United States.

GRC: The group-level risk committee of Diginex.

Key Risks: This term is defined under section 7.

Nasdaq: The Nasdaq Stock Market.

Professional Advisers: This term is defined under section 4.1.

Risk Committee: The risk committee of the board of directors of Diginex Limited.

Risk Committee Chair: The chairman of the Risk Committee.

Risk Committee Meeting: Any meeting of the Risk Committee.

Risk Committee Member: Any member of the Risk Committee.

SEC: The United States Securities and Exchange Commission, the mission of which is to protect investors; maintain fair, orderly, and efficient markets; and facilitate capital formation.

Staff, "You", "you", "Your", "your": All Diginex directors, officers, agents, employees, temporary workers, interns, consultants, contractors or any other person who is employed by or otherwise works for or on behalf of Diginex, regardless of the duration of such person's employment contract (or any other types of relationship as may be applicable).

1.2 Save where specifically required or indicated otherwise:

- (a) words importing one gender shall be treated as importing any gender, words importing individuals shall be treated as importing corporations and vice versa, words importing the

singular shall be treated as importing the plural and vice versa, and words importing the whole shall be treated as including a reference to any part thereof;

- (b) references to a "person" shall include any individual, firm, body corporate, unincorporated association, government, state or agency of state, association, joint venture or partnership, in each case whether or not having a separate legal personality. References to a "company" shall be construed so as to include any company, corporation or other body corporate wherever and however incorporated or established;
- (c) references to the word "include" or "including" (or any similar term) are not to be construed as implying any limitation and general words introduced by the word "other" (or any similar term) shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things; and
- (d) any reference to "writing" or "written" includes any method of reproducing words or text in a legible and non-transitory form but, for the avoidance of doubt, shall not include e-mail.

2. Purpose

2.1 The Risk Committee is formulated by the Board to:

- (a) advise the Board on the overall risk appetite, profile, tolerance and strategy of Diginex; and
- (b) assist the Board's oversight of matters concerning the risk management framework, policies and systems of Diginex (other than financial policies, systems and controls within the remit of the Audit Committee) and bring to the Board's attention of any issues arising in connection with the foregoing.

2.2 This Charter is effective as of May 27, 2021.

3. Risk Committee Membership

3.1 Composition, appointment and removal

Subject to any additional or contrary requirements pursuant to the Applicable Laws:

- (a) The Risk Committee shall consist of at least three (3) Risk Committee Members, each of whom shall also be a Director.
- (b) A Risk Committee Member may either be a non-executive and executive Director, provided that a simple majority (i.e. more than 50%) of the Risk Committee Members shall be independent non-executive Directors.
- (c) Each Risk Committee Member should be conversant with risk management principles and standards, and should have a sound understanding of the business, operations and affairs of Diginex and the industry in which Diginex operates.
- (d) The Board will appoint a Risk Committee Member or otherwise fill any vacancy on the Risk Committee, provided that such proposed appointment is approved by a simple majority of the Board.
- (e) Any Risk Committee Member may be removed from the Risk Committee by the Board at any time by way of written notice, with or without cause. The removal of any Risk Committee Member shall be subject to prior approval from a simple majority of the Board.

- (f) Except as otherwise directed by the Board, for as long as Risk Committee Member remains a Director, he shall continue to serve as a Risk Committee Member until (i) his resignation either as a Director or as a Risk Committee Member, or (ii) removal by the Board from the Risk Committee, whichever is earlier.
- (g) The membership of the Risk Committee will be reviewed annually by the Board, and all Risk Committee Members are eligible for reappointment.

3.2 Risk Committee Chair

- (a) The Risk Committee Chair shall be an independent non-executive Director.
- (b) The Risk Committee Chair shall be appointed by the Board from among the Risk Committee Members, failing which the Risk Committee Members may elect, by way of a simple majority vote, the Risk Committee Chair from among themselves.
- (c) Except as otherwise directed by the Board or the Risk Committee, the Risk Committee Chair shall: (i) preside at the Risk Committee Meetings; (ii) have authority to convene and set agendas for the Risk Committee Meetings; and (iii) determine the information needs of the Risk Committee.
- (d) If the Risk Committee Chair is absent at a duly convened Risk Committee Meeting, the Risk Committee Members who are present at such Risk Committee Meeting shall select a temporary substitute from among themselves to serve as the Risk Committee Chair of such Risk Committee Meeting.

3.3 Independence

- (a) Each Risk Committee Member shall comply with all Applicable Laws (including but not limited to the applicable listing requirements imposed by Nasdaq with respect to risk committee members), subject to any exceptions or cure periods as may be applicable pursuant to such legal requirements.
- (b) The validity and effectiveness of any action duly taken by the Risk Committee should not in any way be affected regardless of whether the Risk Committee Members at the time of such action are later determined not to have satisfied the eligibility requirements for membership provided herein.

4. Authority and Resources

- 4.1 The Risk Committee shall have the necessary resources and appropriate authority to discharge its duties and responsibilities, including but not limited to, the sole discretion to retain, obtain advice from, oversee, and/or terminate the engagement of or provision of services by any risk, actuarial, insurance or any consultant, legal counsel or other advisers (collectively, the **"Professional Advisers"**). The Risk Committee shall be directly responsible for the appointment, determination of compensation and oversight of any works and services provided by any Professional Advisers retained by the Risk Committee, and Diginex will provide appropriate funding (as determined by the Risk Committee) for the payment of reasonable compensation to such Professional Advisers.
- 4.2 The Risk Committee may seek any information it requires from any Staff (who shall be directed to cooperate with the Risk Committee's requests) or from any other external parties.

5. Risk Committee Meetings

- 5.1 The Risk Committee shall establish its own schedule of Risk Committee Meetings, provided that such the Risk Committee Members shall meet at least once every quarter and as often as may be necessary for purposes of carrying out their responsibilities.
- 5.2 Notice of any Risk Committee Meeting (which shall set out the agenda items of such Risk Committee Meeting along with all relevant supporting papers) shall be given to all Risk Committee Members in the same manner as required for meetings of the Board. Such notice requirements may also be waived in the same manner as applicable to meetings of the Board.
- 5.3 A Risk Committee Meeting may be held by way of telephone conference or other electronic means through which all attendees of such Risk Committee Meeting can hear and speak with one another.
- 5.4 The quorum of a Risk Committee Meeting shall be a simple majority of the Risk Committee Members. A quorum must be present at the beginning of and throughout each meeting. If within 30 minutes of the time appointed for a meeting a quorum is not present, the meeting shall stand adjourned until the same time and place on the same day in the next week, provided if such day is not a Business Day, the meeting shall be adjourned to the immediately following Business Day.
- 5.5 All Risk Committee Members are expected to attend each Risk Committee Meeting either in person or by way of telephone conference or other electronic means in accordance with section 5.3 above.
- 5.6 Any matters requiring decision by the Risk Committee will generally be decided by consensus of the Risk Committee Members. If consensus is not achievable, the Risk Committee shall act on the affirmative vote of a simple majority of Risk Committee Members present at a Risk Committee Meeting at which a quorum is present. Alternatively, the Risk Committee may act by way of unanimous written consent of the Risk Committee Members in lieu of a Risk Committee Meeting.
- 5.7 The Risk Committee may, if it deems fit and appropriate, invite other Staff to attend any Risk Committee Meeting and consult with such Staff when fulfilling the responsibilities of the Risk Committee. For the avoidance of doubt, any Staff invited to attend any Risk Committee Meeting may take part in the businesses and discussions thereof, but shall have no voting right whatsoever.
- 5.8 The Risk Committee may establish its own rules of procedure to supplement the provisions of this Charter. In the event where there are any discrepancies between such rules and procedure on one hand and this Charter on the other hand, the provisions of this Charter shall prevail, and the Risk Committee shall amend the rules and procedures as may be necessary or otherwise permissible by the Applicable Laws to either remove/resolve such discrepancies or otherwise ensure that the provisions of this Charter shall prevail.

6. Delegation

The Risk Committee may, by resolution approved by a simple majority of the Risk Committee Members, form and delegate any of its responsibilities to a subcommittee (“**Risk Subcommittee**”) so long as (i) such Risk Subcommittee is solely comprised of one or more Risk Committee Members, and (ii) the formation of such Risk Subcommittee and any delegation by the Risk Committee thereto do not contravene any Applicable Laws.

7. Role

- 7.1 The Risk Committee is not a policy making body, nor does it have any substantive executive function in its own right. Instead, the role and duties of the Risk Committee include providing independent and objective review, advice and assistance for the Board to:

- (a) properly understand, evaluate and mitigate risks (whether regulatory, commercial, financial and operational) which may: (i) impede Diginex from achieving its goals and objectives, or may otherwise impact Diginex's performance or operation; (ii) affect the health, safety or welfare of the Staff, or Diginex's shareholders, investors and/or clientele; (iii) threaten Diginex's ability to comply with all Applicable Laws; (iv) impact the community and the environment in which Diginex operates; (v) impact Diginex's reputation and that of its Staff, shareholders, investors and/or clientele; and/or (vi) result in legal liability on the part of Diginex or its Staff arising out of or in connection with Diginex's operations (collectively, the "Key Risks");
- (b) exercise due care, diligence and skill in relation to assessments, treatments, strategies and monitoring of the Key Risks;
- (c) develop and formulate Board-level policies regarding Diginex's corporate governance, the Key Risks and any other matters within the remit of the Risk Committee; and
- (d) making recommendations and proposing resolutions regarding actions to be considered, approved and adopted by the Board that are consistent with the risk appetite of Diginex in relation to assessments, treatments, strategies and monitoring of the Key Risks.

8. Responsibilities

- 8.1 Set out below is a general overview of the Risk Committee's responsibilities, which is intended to serve as illustrative examples only and should not be interpreted to limit the scope of responsibilities which the Risk Committee deems appropriate to take on for purposes of fulfilling its role and functions as set out in sections 5 and 7 above:

Oversight of the Risk Framework, Risk Appetite and Key Risk Exposures

- (a) Oversee the development and maintenance of Diginex's risk management framework, including Diginex's risk management policies, risk appetite and risk strategy, as well as the channels of communication throughout Diginex to ensure effective risk management is embedded as part of Diginex's corporate culture.
- (b) Ensure that there are adequate group-wide processes and systems for identifying, reporting, and mitigating all relevant risk exposures, including regulatory, commercial, financial and operational risks.
- (c) Assess the internal process for assessing and managing Key Risks including the degree to which they comply with relevant laws, regulations, standards and best practice guidelines.
- (d) Oversee the setting of Diginex's risk appetite, risk tolerance and future risk strategy, and assist in determining appropriate risk limits in respect of exposures to Key Risks.
- (e) Review Key Risk reports and risk registers and provide oversight of the Key Risks that Diginex is exposed to, and assess the adequacy and effectiveness of the mitigation measures in place to manage such Key Risks and the degree to which Diginex is operating within its stated risk appetite.
- (f) Monitor the alignment of the risk framework to Diginex's growth strategy, and develop a culture of risk-taking within sound risk governance.
- (g) Review reports on any material breaches of risk limits and the adequacy of proposed actions being taken, and, where necessary, institute and oversee special investigations. Consider major findings of any relevant internal investigations on control weaknesses, including fraud or misconduct.

Oversight of Compliance Matters

- (h) Review periodic reports from Diginex's Chief Compliance Officer, and other members of management as appropriate, regarding ongoing enhancements to, and overall effectiveness of, Diginex's compliance risk management program and implementation of risk treatment and mitigation policies and procedures.
- (i) Assess effectiveness of, and compliance with, the corporate code of ethical conduct and compliance with internal plans, policies and procedures.

Governance and Adequacy of Resources for Risk Management

- (j) Assist the Board to ensure appropriate corporate governance is in place within the scope of the Risk Committee's remit. Report regularly to the Board on the Risk Committee's findings and recommendations, and any other matters as may be deemed appropriate by the Risk Committee or otherwise requested by the Board.
- (k) Undertake such other responsibilities or tasks as the Board may delegate or assign to the Risk Committee from time to time.
- (l) Review the minutes of GRC meetings to consider the key risk topics discussed at the GRC and the adequacy of GRC oversight.
- (m) Approve the remit of all risk and assurance functions and ensure adequate resources for the different lines of defence operating model to perform their tasks effectively.
- (n) Review and monitor management's decisions on findings and recommendations from the second line of defence or audits.
- (o) Appoint and engage Professional Advisers where the Risk Committee deems appropriate, and, prior to retention of any Professional Advisers by the Committee, assess the independence of such Professional Advisers, taking into consideration all relevant factors that the Risk Committee deems appropriate and relevant requirements under Applicable Laws (including the Nasdaq listing rules). Annually, or from time to time as the Risk Committee deems appropriate, assess whether there is any conflict of interest arising from the appointment or engagement of such Professional Advisers.

Financial Reporting and Disclosures

- (p) Review and discuss with Diginex's management regarding the "Risk Discussion and Analysis" disclosure required by SEC regulations and determine whether to recommend Board to include such disclosure in Diginex's annual report as part of the Form 20-F submission.
- (q) Ensure the Chief Executive Office, Chief Operation Officer and Chief Financial Officer are reasonably able to state that their declarations relating to Diginex's financial statements and reports are founded on a sound system of risk management and internal control, and that the system is operating effectively in all material respects in relation to the financial reporting risks.

Ongoing Review of Committee Role and Activities

- (r) Annually review and approve this Charter with regards to the Risk Committee's objectives and goals in relation to risk management, and review and confirm that the responsibilities outlined in this Charter have been carried out by the Risk Committee in all material respects.
- (s) Formulate and appoint members to Risk Subcommittees as may be required for the fulfilment of the Risk Committee's responsibilities.

9. Risk Transfer and Insurance

9.1 The Risk Committee will:

- (a) review whether and the extent to which the Key Risks of Diginex have been mitigated by risk transfer strategies;
- (b) review and analyse the extent to which any risk transfer strategies give rise to new risks which may be material for Diginex's interests;
- (c) oversee management of insurance programs and ensure appropriate coverage by reputable insurers at competitive premium levels in light of the circumstances and needs of Diginex; and
- (d) review (or engage professional insurance broker services to assist in the review of) Diginex's insurance arrangements, such as (i) type of cover; (ii) scope of cover; (iii) duration of cover; (iv) adequacy of cover; (v) cost of cover; (vi) terms and conditions of cover (including exclusions and limitations); and (vii) counterparty risk of insurer.

10. Secretariat

10.1 A secretariat will be appointed by the Risk Committee in accordance with the decision-making process detailed in section 5.

10.2 The secretariat of the Risk Committee shall be responsible for:

- (a) arranging Risk Committee Meetings, and circulating the agenda and relevant documentation for such meetings;
- (b) minuting the attendance, proceedings and decisions of the Risk Committee Meetings;
- (c) circulating the meeting minutes promptly after each Risk Committee Meeting; and
- (d) maintaining all records of the Risk Committee, including meeting minutes and other relevant documentation.

11. Conflicts of Interest

11.1 Each Risk Committee Member will be invited to disclose his conflicts of interest (if any) at the commencement of each Risk Committee Meeting. Ongoing conflicts of interest which have been previously disclosed or otherwise acknowledged need not be disclosed at each Risk Committee Meeting.

11.2 Where a Risk Committee Member and/or any attendee to a Risk Committee Meeting is deemed to have an actual, potential or perceived conflict of interest, such person will be excused from the Risk Committee's discussions and determination as to whether such conflict exists.

12. Reporting to the Board

The Risk Committee Chair shall report on matters within its remit on a regular and formal basis to the Board at the next Board meeting following a Risk Committee Meeting. Such reporting may be done by distribution of a copy of the minutes of the relevant Risk Committee Meeting, supplemented by other necessary information, including recommendations from the Risk Committee which requires the Board's action and/or approval.

13. Other Matters

This Charter may be amended by the Risk Committee in accordance with the decision-making process detailed in section 5, and any such amendment shall only be effective upon the Board's approval.