

CHINA CONCH ENVIRONMENT PROTECTION HOLDINGS LIMITED
中國海螺環保控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 587)

(“the Company”)

Terms of Reference of the Strategy, Sustainability and Risk Management Committee
(the “Committee”) of the Board (the “Board”) of Directors (the “Directors”)

1. Constitution

1.1 The Committee is established pursuant to a resolution passed by the Board of the Company at its meeting held on September 17, 2021.

2. Membership

2.1 Members of the Committee shall be appointed by the Board from amongst the directors of the Company and shall consist of not less than four members.

2.2 The Chairman of the Committee shall be appointed by the Board or elected among the members of the Committee.

2.3 The company secretary of the Company shall be the secretary of the Committee. In the absence of the secretary of the Committee, the members of the Committee present at the meeting may elect among themselves or appoint another person as the secretary for that meeting.

2.4 Additional members may be appointed to the Committee and members of the Committee may be replaced or removed by separate resolutions passed by the Board and by the Committee. The appointment of a member of the Committee shall be automatically revoked if such member ceases to be a member of the Board.

3. Proceedings of the Meeting

3.1 *Notice:*

(a) Unless otherwise agreed by all the Committee members, a meeting shall be called by at least seven days’ notice. Such notice shall be sent to each member of the Committee, and to any other person invited to attend. Irrespective of the length of notice being given, attendance of a Committee member at a meeting constitutes a waiver of such notice unless the Committee member attending the meeting attends for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the grounds that the meeting has not been properly convened.

- (b) Any Committee member or secretary of the Committee may at any time, on the request of any Committee member, summon a Committee meeting. Notice shall be given to each Committee member in person verbally or in writing or by telephone or by email or by facsimile transmission at the telephone or facsimile number or address or email address from time to time notified to the secretary by such Committee member or in such other manner as the Committee members may from time to time determine.
- (c) Any notice given verbally shall be confirmed in writing as soon as practicable and before the meeting.
- (d) Notice of meeting shall state the purpose, time and place of the meeting. An agenda together with relevant documents which may be required to be considered by the members of the Committee for the purposes of the meeting should generally be delivered to all Committee members seven days (and in any event not less than three days) before the intended date of the Committee meeting (or such other period as all the Committee members may agree).

3.2 *Quorum:* The quorum of the Committee meeting shall be three members of the Committee.

3.3 *Attendance:* The Committee may invite other members of the Board or members of the senior management to sit in at the meeting and express opinions as attendees without voting rights. External consultants may also be invited to attend such meeting.

3.4 *Frequency:* Meetings shall be held at least once annually. Additional meetings may be convened if circumstances require.

3.5 The members of the Committee may attend meetings in person, or by telephone, electronic or other means that enable all persons participating in the meeting to communicate with each other simultaneously and instantly, and participation in a meeting in the aforesaid manner shall be deemed to be present in person at such meeting.

4. Written resolutions

4.1 A resolution in writing signed by all the Committee members shall be as valid and effectual as if it had been passed at a meeting of the Committee and may consist of several documents in like form each signed by one or more of the Committee members.

5. Alternate Committee members

5.1 A Committee member may not appoint any alternate.

6. Duties and powers of the Committee

6.1 The Committee shall have the following duties and powers:

(I) Overall duties and powers

- (a) The Committee shall be responsible for formulating or regularly reviewing the development strategies and development plans of the Company and its subsidiaries (hereinafter collectively referred to as the “Group”), supervising enterprise risk management and internal control, examining and inspecting the Group’s sustainable development plans based on the internal and external actual conditions of the Group and putting forward opinions or suggestions regarding improvement of such plans, reviewing the risk management plans, and assisting the Board in fulfilling its management and supervision responsibilities related to sustainable development of the Group.

(II) Strategies of the Group

- (a) to consider and make recommendations on the mid and long-term planning of development strategies of the Group;
- (b) to consider, compare and make recommendations on the Group’s external public policies, laws and regulations in the place where the project is located, industry strategy information, and industry development status;
- (c) to formulate, consider and make recommendations on the Group’s policies on protection of shareholders’ rights and interests in compliance with laws and regulations when carrying out project mergers and acquisitions;
- (d) to follow up and monitor the implementation of the strategic plan, make appropriate amendments and improvement on the strategic development plan, and consider, evaluate and make recommendations on the material adjustments involved, which will be reported to the Board for approval;

(III) Sustainable development

- (a) to consider and make recommendations on the related policies of the Group in the sustainable development areas including but not limited to health and safety, community relations, environment and anti-corruption so as to ensure that the Group’s position and performance on the sustainability issues are in compliance with laws and regulations;
- (b) to conduct research, analysis and risk assessment on issues related to the sustainable development and the environment, social and governance (“ESG”);
- (c) to develop systems, strategies and objectives for sustainable development, organize or assist in the monitoring and inspection of the policies, management, performance and progress related to the sustainable development and ESG matters;

- (d) to supervise all functional departments and guide them to fully implement the sustainable development strategies, objectives and related actions;
- (e) to review the reports on the sustainable development and ESG matters and report to the Board;
- (f) to identify relevant matters that have a significant impact on the Group's operations and/or the rights and interests of other important stakeholders from the perspective of sustainable development;
- (g) to review and supervise sustainable development policies and practices to ensure their compliance with requirements, adopt and update policies concerning environmental protection, social responsibility management and corporate governance, as necessary;

(IV) Risk management

- (a) to discuss the risk management system with management to ensure that the management has performed its duty to set up effective risk management systems, consistently oversee the Group's risk management measures and systems and review the effectiveness of risk management at least once a year;
- (b) 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;
- (c) to make recommendations to the Board on the improvement of the risk management system.

(V) Internal control

- (a) to oversee the Group's internal control measures and system on an ongoing basis and review the effectiveness of the Group's internal control system at least annually;
- (b) to make recommendations to the Board for the improvement of the Group's internal control system;
- (c) to review the Company's internal control system;
- (d) to discuss the internal control system with management to ensure that management has performed its duty to have effective system. This discussion should include the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function;
- (e) to consider major investigation findings on internal control matters as delegated by the Board or on its own initiative and management's response to these findings;

- (f) to conduct exit interviews with any internal control manager upon their resignation in order to ascertain the reasons for his/her departure; and
- (g) to review arrangements employees of the Company can use, in confidence, to raise concerns about possible improprieties in internal control. The Committee should ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action.

6.2 Saved as the above matters, the Committee is also responsible for considering and reviewing any other matters relating to the corporate strategy, sustainable development, risk management or internal control of the Group.

7. Minutes and reporting procedures

7.1 Full minutes of Committee meetings shall be kept by a duly appointed secretary of the meeting (who should normally be the company secretary). Draft and final versions of minutes of the Committee meetings should be sent to all Committee members for their comment and records respectively within a reasonable time after the meeting (generally, meaning within 14 days after the meeting). Once the minutes are signed, the secretary shall circulate the minutes and reports of the Committee to all members of the Board.

7.2 The secretary of the Committee shall keep records of minutes of all meetings of the Committee held during each financial year of the Company and records of attendance of members of the Committee, by name, at the Committee meetings held during that financial year.

8. Reporting responsibilities

8.1 The Committee shall report to the Board after each meeting of the Committee and shall report back to the Board on their decisions or recommendations, unless there are legal or regulatory restrictions on their ability to do so (such as a restriction on disclosure due to regulatory requirements).

9. Annual general meeting

9.1 The chairman of the Committee or in his absence, another member of the Committee or failing this, his duly appointed delegate, shall attend the annual general meeting of the Company and be prepared to answer questions at the annual general meeting on the Committee's activities and their responsibilities.

10. Continuing application of the articles of association of the Company

10.1 Where there is no specification in previous provisions, the articles of association of the Company regulating the meetings and proceedings of the Board shall, where feasible, apply to the meetings and proceedings of the Committee.

11. Powers of the Board

11.1 The Board may, subject to compliance with the articles of association of the Company and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) (including the Corporate Governance Code set out in Appendix 14 to the Listing Rules or if adopted by the Company, the Company’s own code of corporate governance practices), amend, supplement and revoke these terms of reference and any resolution passed by the Committee provided that no amendments or supplements to and revocation of these terms of reference and the resolutions passed by the Committee shall invalidate any prior act and resolutions of the Committee which would have been valid if such terms of reference or resolutions had not been amended, supplemented or revoked.

12. Publication of the terms of reference of the Committee

12.1 The Committee should make available its terms of reference, explaining its role and the authority delegated to it by the Board by including them on the websites of the Company and The Stock Exchange of Hong Kong Limited.

This document was prepared in English language. In case of any inconsistency between the Chinese version and the English version, the English version shall prevail.

Adopted on May 25, 2022