



## **China Hanking Holdings Limited**

(the "Company")

Terms of Reference and Operating Model of the  
Health, Safety, Environmental Protection and Community Committee  
(the "Committee")

### **1 Establishment**

1.1 The Committee is established pursuant to a resolution of establishment of a Health, Safety, Environmental Protection and Community Committee passed by the Board at the meeting held on 19 March 2013.

### **2 Constitutions and Membership**

2.1 The Committee is comprised of three existing directors. The members of the Committee shall be nominated by the chairman of the Board of Directors and shall be subject to election by the Board of Directors.

2.2 The Committee shall have one chairman responsible for presiding over the work and convening and presiding over a meeting of the Committee. The chairman shall be elected by the Committee and the result shall be reported to the Board for approval.

2.3 The secretary to the Committee may be acted by the company secretary or a person appointed by the Company.

2.4 Members of the Committee shall have the same term of office as their directorship

and the term of office is renewable upon re-election. During the term of office if members no longer act as directors of the Company, they shall automatically lose their office as members of the Committee and the Board of Directors shall arrange for replacements to fill the vacancies in a timely manner pursuant to the articles of association of the Company and these rules of procedures.

2.5 Where the number of members of the Committee is less than two-thirds of the required number of members of the Committee due to the resignation or removal of members or other reasons, the Board of Directors shall arrange for replacements to fill the vacancies in a timely manner. The Committee shall suspend any exercise of the duties and powers stipulated by these rules of procedures before the number of members of the Committee reaches two-thirds of the required number of members of the Committee.

2.6 The routine working group of the Committee

The Board of Directors office (currently the Investors Relationship Department) is the routine working group of the Committee, which is responsible for the preparation work of the Committee meeting, arranging provision of information and advice from different department and arranging related departments to draft the Environment, Society and Governance Report under the Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) for the Committee to review. Other departments and persons of the Company should cooperate with the office to accomplish the work above mentioned.

### **3. Functions**

The functions of the Committee shall be:

3.1 assist the Board as for settlement of issues concerning the health, safety, environmental protection and community in relation to the operation activities of the Company and its subsidiaries (collectively referred to as the “Group”).

3.2 Risk management with respect to:

- a. employees' health and safety;
- b. environmental impact, efficiency of resources utilization, reduction and prevention of pollution as well as product management; and
- c. harmonious relationship, good values and cultural heritage of the community where the Group operated.

#### **4 Duties**

The duties of the Committee shall be:

4.1 consider problems of the health, safety, environmental protection and community which may affect the strategy, business and goodwill of the Group; make recommendations to the Board on significant decisions and issues concerning the employees' health, safety of the Company and environmental protection as well as community relationships;

4.2 establish long term and annual plans for health, safety and environmental protection and monitor the implementation of the plans;

4.3 make enquiries on the material environment incidents and corresponding responsibilities as caused by employees of the Company or from production and operation, property assets or other facilities as well as reviewing and supervising the treatment of those events.

4.4 adopt policies in relation to health, safety, environmental protection and community and make proposal to the Board as to the alternation of such polices when it considers necessary, and monitor the compliance of approved policies of health, safety, environmental protection and community by the Group;

4.5 assess the standards of health, safety, environmental protection and community of the Group;

4.6 assess the operation of the Group and give advice on how to assess, prevent, eliminate, control and reduce the risks of health, safety, environmental protection and community;

4.7 assess whether the Group has complied with applicable regulations of health, safety, environmental protection and community;

4.8 study and recommend to adopt reasonable practices of health, safety, environmental protection and community of the industry the Group involved in;

4.9 receive accident reports relating to health, safety, environmental protection and community of the Group and monitor the solutions of the management; and

4.10 consider and advice to the Board whether the Company should disclose information pursuant to *Environment, Society and Governance Reporting* under the Appendix 27 of the Listing Rules; if so, the Committee should arrange and guide the routine working group to prepare the *Environment, Society and Governance Report*, which shall be recommended to the Board for approval after the review and adoption of the Committee.

## **5 Powers**

The Committee may exercise the following powers due to its functions:

5.1 to seek any information it requires from any employee of the Group and any professional advisers to require any of them to prepare and submit reports and to attend Committee meetings as well as address questions raised by the Committee;

5.2 make directions to auditors and employees of the Company to attend the meeting of the Committee, and to obtain any files, report, data or information kept by employees or external consultant of the Group to the extent that laws and regulations permitted;

5.3 assign its functions or duties to one or more than one members of the Committee or any director or executive of the Company or a routine working group, but subject to conditions and terms determined by the Committee;

5.4 acquire external legal and other independent professional advisers and assistants at the expense of the Company when the Committee considers necessary; and

5.5 exercise other relevant duties provided or recommended by the Listing Rules and/or relevant applicable laws, regulations and rules that are enforceable from time to time.

## **6 Rules of Procedures**

6.1 The Committee shall convene meetings at least once a year. If necessary, the Committee shall convene additional meetings. The chairman of the Committee may also decide to convene additional meetings at his/her own discretion.

6.2 Meetings of the Committee shall include regular meetings and interim meetings. Regular meetings shall be convened once a year within six months upon conclusion of the previous accounting year. Interim meetings shall be convened upon proposal by the Board of Directors, the chairman of the Committee or more than two members of the Committee.

6.3 Notice of regular meetings of the Committee shall be dispatched five days prior to the meeting whereas notice of interim meetings shall be dispatched three days before the meeting.

6.4 Notice of meetings of the Committee shall at least include the following items:

- (a) Time and venue of the meeting;
- (b) Duration of the meeting;
- (c) Agenda items to be discussed in the meeting;
- (d) Contact person of the meeting and the way of contact; and
- (e) Date of notice of the meeting.

Notice of meetings shall contain complete proposals.

6.5 Notice of meetings of the Committee shall be delivered to all members by facsimile, electronic mail, telephone, direct mail, hand or other means.

6.6 Meetings may be convened in the on-site form or by communication means.

6.7 Members of the Committee may attend the meetings in person or appoint another member to attend and vote on his/her behalf if they can't present due to specific reasons. Each member shall appoint only one other member as his/her proxy to vote on his/her behalf at each meeting. Where any member appoints two or more members to vote on his behalf, such appointment shall be deemed invalid. Members who appoint another member to attend and vote on their behalf shall submit a power of attorney to the chairman of the meeting. The power of attorney shall be submitted to the chairman of the meeting no later than the voting of the meeting.

6.8 Meetings of the Committee shall be held by more than two-thirds of the members attending the meeting.

6.9 The meeting should be chaired by the Chairman or, in the event of the impediment, by an appointed member.

6.10 Members of the Committee should fulfill their duties of care and diligence, and present opinions, advice and proposals as regard to the discussions and resolutions submitted on the meeting and exercise their voting rights.

6.11 Each member has one voting right. The form of voting may be vote on a

registered show of hands at the meetings, and vote by ballot. Interim meetings may vote by communication means.

6.12 Resolutions adopted at the meetings shall take effect upon approval by more than one-half of all members.

6.13 The Committee may invite other directors, senior managers and external independent advisers to attend the meeting for giving a briefing, answering questions or express their opinions if it considers necessary.

6.14 Where an agenda relating to a member is to be discussed at the meeting of the Committee, such related member shall abstain from the meeting. The meeting concerned shall be held by more than one-half of the unrelated members attending the meeting and resolutions adopted shall be passed by more than one-half of the unrelated members. Where the number of unrelated members attending the meeting falls below one-half of the total number of unrelated members of the Committee, such item shall be submitted to the Board of Directors' meeting for consideration.

6.15 The procedures for convening the meeting, means of voting and resolutions passed at the meeting of the Committee shall comply with relevant laws, regulations, the articles of association and the provisions of these rules of procedures.

6.16 The Committee could entitle the Company Secretary to make records and collect opinions of members participated the meeting, and dispatch the draft of the minutes to members of the Committee within 14 day after the closing of the meeting for their approval and review. In case difference was found in the draft minutes delivered to them by members of the Committee, they should send their opinions to the Company Secretary and shall also carbon copy to other members who attended the meeting. The Company Secretary should make relevant amendments in the finalized minutes subsequent to no objections raised within the objection period. If other members of the Committee presented difference, the opinion of the member of the Committee

should be subject to the record of the Company Secretary. After the amendments, the Company Secretary should deliver the finalized minutes to all members attended the meeting for their signature, and the minutes of the meeting should be kept by the Company Secretary.

6.17 Members attended the meeting shall keep confidential of all matters discussed at the meeting. Unauthorized disclosure of the relevant information shall be prohibited.

6.18 The Committee shall report Resolutions and recommendation to the Board, except those are prohibited by relevant law and regulations.

## **7 POWERS OF THE BOARD**

7.1 The Board may, subject to compliance with the articles of association of the Company and the Listing Rules, amend, supplement and revoke these terms of reference and the resolutions passed by the Committee, except any amendments and abolishment to this Terms of Reference and resolutions passed by the Committee which invalidate any prior act and resolution of the Committee.

## **8 Committee review**

8.1 The committee must review its performance once every two years.