



**CHINA QINFA GROUP LIMITED**

**Environmental, Social and Governance Committee**

Terms of Reference

China Qinfu Group Limited (the “Company”) has established the Environmental, Social and Governance Committee (the “Committee”) pursuant to a resolution passed by the Company’s board of directors (the “Board”). The terms of reference of the Committee are set out below.

## **1. Purpose**

1.1 The purpose of the Committee is to assist the Board in guiding and monitoring the formulation and implementation of the environmental, social and governance (“ESG”) policy and work of the Company and its subsidiaries (the “Group”), and to regularly review the results to ensure compliance with relevant laws, regulations, standards and regulatory requirements.

## **2. Composition of the Committee**

2.1 Members of the Committee are appointed or removed by the Board and must include at least one executive director. The Committee may invite other Board members or employees to attend meetings when appropriate and set up sub-committees from time to time for handling special tasks according to the Group’s needs.

2.2 The Board shall appoint a member of the Committee (who shall be an executive director) to be chairman of the Committee (the “Chairman”).

2.3 The current members of the Committee are Mr. XU Da (Chairman), Mr. BAI Tao (member) and Mr. TAN Yingzhong (member).

## **3. Meetings**

3.1 Unless otherwise specified herein, the rules governing Board meetings and proceedings as set out in the Company’s articles of association (the “Articles”, as amended from time to time) shall apply to the meetings and proceedings of the Committee.

3.2 Members of the Committee may attend its meetings in person or through other means of electronic communication or other means agreed by its members.

3.3 The Committee shall meet at least once a year and additional meetings may be held as necessary.

3.4 The Chairman is responsible for leading the Committee, including scheduling

meetings, setting meeting agendas and reporting regularly to the Board.

3.5 A meeting can be convened by any member of the Committee.

3.6 The quorum for a meeting of the Committee shall be two members.

3.7 Unless otherwise agreed by all members of the Committee, regular and all other meetings of the Committee shall be notified within a reasonable time in advance. The Chairman shall determine whether a meeting is regular or otherwise.

3.8 Each member of the Committee shall have one vote. In accordance with the Articles, questions raised at any meeting of the Committee shall be decided by a majority of votes, and in the event of an equality of votes, the Chairman shall have a second or casting vote.

3.9 The company secretary of the Company (the “Company Secretary”) shall prepare minutes of meetings of the Committee and individual attendance records at such meetings and send them to all Board members within a reasonable time after the conclusion of any of its meeting for their comments and records. The minutes of such meetings shall record in detail the matters considered and the decisions reached at such meetings, including any questions or objections raised by the directors.

3.10 The Company Secretary shall keep full minutes of meetings of the Committee and make them available for inspection by any director at a reasonable time on reasonable notice.

#### **4. Reporting**

4.1 The Committee shall regularly assess the effectiveness and adequacy of the Group’s ESG-related matters and measures and recommend any proposed changes to the Board.

4.2 Unless restricted by law or regulation, the Committee shall report its decisions or recommendations to the Board.

#### **5. Scope**

The Committee shall help the Group to identify, and obtain updates on, ESG-related laws, regulations, responsibilities and other requirements and confirm their applicability.

## **6. Duties of the Committee**

6.1 Subject to any requirements of the Corporate Governance Code and the ESG Reporting Guide, the duties of the Committee include the following:

- a. To formulate and review the Group's ESG responsibilities, vision, objectives, strategies, frameworks, principles and policy, and enhance its materiality assessments and reporting processes to ensure the implementation of the ESG policy approved by the Board;
- b. To review and monitor the Company's ESG policy and practices to ensure compliance with laws and listing regulatory requirements, and to review and monitor the Company's ESG risk management and internal control systems to ensure the effectiveness and appropriateness of its internal controls;
- c. To monitor the channels and methods used by the Company for communication with stakeholders, and ensure that relevant policies are in place to enhance the relationship between the Company and its stakeholders and safeguard the Company's reputation;
- d. To review the major trends in ESG issues and related risks and opportunities, and assess the adequacy and effectiveness of the Company's ESG structure and business model, and improve relevant measures and procedures to ensure that the Company's ESG policy remains up-to-date and complies with regulatory requirements;
- e. To lead the Company's ESG taskforce, which is composed of representatives from different departments, coordinate the data collection and related work for the preparation of the Company's annual ESG report, and ensure that the report complies with the ESG Reporting Guide (including its amendments as effected from time to time);
- f. To review the annual ESG report and recommend it to the Board for approval, and recommend specific actions or decisions for the Board to consider in order to maintain the integrity of the report;
- g. To oversee and review the efforts of the Group's ESG taskforce, assess and compare goals, review and evaluate the Group's ESG performance, and report to the Board and make recommendations for improvement; and
- h. To promote a top-down culture and ensure that ESG considerations are

incorporated into the Company's decision-making processes.

## **7. Review and revision**

7.1 The Committee shall review and revise the Company's ESG policy annually based on factors such as business changes, regulatory requirements, results of stakeholder engagement and the effectiveness of the Company's ESG measures. Any material revisions to this document must be approved by the Board.