

Adopted on 2 November 2020

**Terms of Reference for the
Environmental, Social and Governance Committee of
Zhongsheng Group Holdings Limited**

Definitions

1. For the purposes of these terms of reference (the *Terms*):

Board means the board of Directors.

Company means Zhongsheng Group Holdings Limited.

Company Secretary means any one of the joint company secretaries of the Company.

Directors means the directors of the Company.

ESG Committee means the environmental, social and governance committee established by a resolution of the Board in accordance with clause 2 of these Terms.

Group means the Company and its subsidiaries and associated companies at the relevant time or, where the context so requires, in respect of the period before the Company became the holding company of its present subsidiaries and associated companies, the present subsidiaries and associated companies of the Company or the businesses operated by its present subsidiaries and associated companies or (as the case may be) its predecessor.

Senior Management means the chairman, chief executive officer, chief operating officer, chief financial officer, vice presidents, Company Secretaries and any other officer of the Group determined by the Board from time to time as senior management of the Company.

Constitution

2. The ESG Committee was established by resolutions of the Board on 2 November 2020.

Membership

3. The members of the ESG Committee shall be appointed by the Board from amongst the Directors and shall consist of not less than two members. A quorum shall be two members.

4. The chairman of the ESG Committee shall be appointed by the Board from amongst the members of the ESG Committee.

Meetings

5. Meetings of the ESG Committee shall be held not less than once a year.

Authority

6. The chairman of the ESG Committee may invite Directors, relevant Senior Management, or other executives of the Group or external consultants to attend meetings, or parts of meetings.
7. The ESG Committee is authorised by the Board, at the expense of the Company, to obtain outside legal or other independent professional advice and to secure the attendance, at meetings, of outsiders with relevant experience and expertise if it considers this necessary or desirable.

Duties

8. The duties of the ESG Committee shall include:
 - (a) Sustainability goals and strategies oversight**
 - (i) to develop and review the policies of the Board in relation to environmental, social and governance issues for the Board's consideration and approval, including: (A) the Board's oversight role of environmental, social and governance issues; (B) the process used to identify, evaluate and manage material environmental, social and governance-related issues; and (C) how the Board reviews progress made against environmental, social and governance-related goals and targets;
 - (ii) to provide vision, long-term guidance and report to the Board on the Group's sustainability goals, strategies and priorities;
 - (iii) to report to the Board on key domestic trends in legislation, regulation, litigation and public debate as regards social, environmental and ethical standards of corporate behaviour, and recommend anticipatory measures and plans for the Company;
 - (iv) to assess environmental, social and governance risks, advise on those of strategic significance to the Company and provide anticipatory and mitigation plans; and
 - (v) to review material interests of the Company's key stakeholders and report their point-of-views on material issues to the Company in order to secure correct long-term strategic direction;

(b) Sustainability initiatives and performance oversight

- (i) to review and report to the Board on the Company's sustainability performance against declared key performance indicators, standards and goals, relative to comparable peers or other benchmarked companies on a regional and national basis;
- (ii) to review/approve related group-level policies and make recommendations to the Board on any changes to the Company's environmental, social and governance-related-partnerships, strategies and policies; and
- (iii) to provide the Board with any other recommendations; and

(c) Sustainability reporting

to review and advise the Board on the Company's public reporting regarding its performance on sustainability, approving the environmental, social and governance report before submitting to the Board for final endorsement.

Reporting procedures

- 9. Minutes shall be maintained of all the meetings of the ESG Committee and be signed by the chairman of the ESG Committee and kept by a duly appointed secretary of the ESG Committee meeting (who should normally be the Company Secretary or his/her appointed delegate). The meeting minutes or a summary report on the proceedings shall be present to the Board at any subsequent Board meeting.

Terms available

- 10. The ESG Committee shall make available these Terms explaining its role and the authority delegated to it by the Board by including them on the Company's website.