



上海匯舸環保科技集團股份有限公司
CONTIOCEAN ENVIRONMENT TECH GROUP CO., LTD.

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2613)

**TERMS OF REFERENCE OF
THE ENVIRONMENTAL, SOCIAL AND
GOVERNANCE (ESG) COMMITTEE**

Chapter 1 General Provisions

- Article 1 Pursuant to the Company Law of the People's Republic of China (the **"Company Law"**), the Articles of Association of ContiOcean Environment Tech Group Co., Ltd. (the **"Articles of Association"**), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the **"Hong Kong Listing Rules"**) and relevant regulations, ContiOcean Environment Tech Group Co., Ltd. (the **"Company"**) has set up an environmental, social and governance (ESG) committee (the **"ESG Committee"**) and hereby formulated these terms of reference, in an effort to enhance the environmental, social and corporate governance (ESG) standard, and promote the sustainable and high-quality development of the Company.
- Article 2 The ESG Committee is a specific committee established under and shall be accountable to the board of directors. Its main responsibilities are to supervise and guide the efficient implementation of the Company's environmental protection, social responsibilities, standardised governance, and to promote the environmental, social and corporate governance development of the Company.

Chapter 2 Composition

- Article 3 The ESG Committee shall consist of at least three directors. The members of the Committee shall be nominated and elected by the board of directors.
- Article 4 The ESG Committee shall have one chairperson (convener) who is responsible for chairing the ESG Committee. The chairperson of the Committee shall be elected from the members of the Committee, subject to the approval of the board of directors.

- Article 5 The term of office of the ESG Committee shall be identical to that of the board of directors. A member may be re-elected upon the expiration of his/her term of office.
- Article 6 Where a member ceases to be a director of the Company during the term, his/her membership shall be terminated automatically, and the vacancy shall be filled up by the board of directors in accordance with these terms of reference.
- Article 7 The ESG Committee shall establish an environmental, social and governance (ESG) working team (the “**ESG Working Team**”), with the Secretary of the board of directors of the Company acting as the head of the ESG Working Team, who shall be responsible for the daily matters of the Committee and the implementation of the resolutions of the Committee, including but not limited to, organising meetings of the Committee and implementation of ESG-specific work for the Company.

Chapter 3 Duties and Authorities

- Article 8 The main duties and authorities of the ESG Committee are as follows:
- (I) To pay active attention to the research of the laws, regulations and policies related to the ESG, and to conduct research and make recommendations on the work direction regarding environmental protection, social responsibility and standardised governance of the Company;
 - (II) To study and formulate the strategic planning, structure of management, system and details of implementation of the Company’s management of ESG;
 - (III) To identify and supervise risks and opportunities related to ESG that may significantly affect the business of the Company, and guide the management to take appropriate countermeasures against such risks and opportunities;
 - (IV) To guide, supervise and review the implementation of environmental, social responsibility and corporate governance efforts of the Company, and to make recommendations accordingly following assessing the Company’s overall performance in the ESG;
 - (V) To review the environmental, social and corporate governance (ESG) related reports of the Company and other significant matters related to the ESG; and
 - (VI) Other matters as delegated by the board of directors.

- Article 9 The rights and obligations of members of the ESG Committee shall be as follows:
- (I) To attend meetings of the Committee on time, express their opinions on matters deliberated at the meetings, and exercise their voting right;
 - (II) To propose topics for discussion at meetings of the Committee;
 - (III) To fully understand the duties and responsibilities of the Committee and those of himself/herself as a member of the Committee, to acquaint themselves with relevant information on the operation and management, business activities and development of the Company to ensure his/her capacity for discharging duties and responsibilities;
 - (IV) To fully ensure that himself/herself has sufficient working hours and energy to fulfill his/her duties and responsibilities;
 - (V) Other duties required or delegated by laws, administrative regulations, regulatory rules of the stock exchange where the shares of the Company are listed, these terms of reference and the board of directors.

Chapter 4 Decision-making Process

- Article 10 The members of ESG Committee is responsible for making preliminary preparation for decision-making by the ESG Committee, providing related information and submitting formal proposals to the ESG Committee.
- Article 11 The ESG Committee holds meetings to review proposals by the council of ESG Committee, and submits the results of review to the board of directors, while giving feedback to the ESG Working Team. The council of ESG Committee carries out specific implementation work in accordance with the instructions.

Chapter 5 Rules of Procedures

- Article 12 The meeting of ESG Committee may be convened when proposed by the chairperson of the Committee or over half of the members of the Committee. Notice of the meeting shall be given to all members of the Committee before a meeting is convened. The meeting shall be presided over by the chairperson of the Committee, and in case the chairperson of the Committee is unable to attend, he or she may appoint another member of the Committee to preside over the meeting on his or her behalf.
- Article 13 The quorum of a meeting of the ESG Committee shall be not less than half of the members of the Committee. Each member shall have one vote. A resolution of the meeting must be passed by more than half of all the members of the Committee.

- Article 14 Meetings of the ESG Committee may be held either physically or by means of communication conference. Methods of communication conference include telephone, video and written resolution.
- Article 15 The Company's directors, supervisors and senior management may be invited to be present at the meetings of the ESG Committee when necessary.
- Article 16 The ESG Committee may, if necessary, engage an intermediary to provide professional advice on its decision-making process and the costs shall be borne by the Company.
- Article 17 The ESG Committee should keep minutes for their meetings. The members of the Committee who attended the meeting should sign on the minutes. The minutes, information and other written documents, and electronic files should be kept by the secretary to the board of directors of the Company as record of the Company.
- Article 18 The resolutions considered at the meetings of the ESG Committee and the voting results shall be reported to the board of directors in written form.
- Article 19 Members of the Committee and all the participants present at a meeting shall keep confidential all matters discussed at the meeting and shall not disclose such information without authorisation from the chairman of the Company or the board of directors of the Company. Otherwise, they shall take all the corresponding legal liabilities arising from that.

Chapter 6 Supplementary Provisions

- Article 20 After consideration and approval by the board of directors, these terms of reference shall come into effective and be implemented upon the initial public offering of the H shares of the Company and from the date of its listing on The Stock Exchange of Hong Kong Limited.
- Article 21 If the relevant provisions of these terms of reference contravene with the national laws, regulations, rules, the Hong Kong Listing Rules, other securities regulatory requirements of the places where the shares of the Company are listed or the Articles of Association as enacted in the future, such relevant national laws, regulations, rules, the Hong Kong Listing Rules, other securities regulatory requirements of the places where the shares of the Company are listed and the Articles of Association shall prevail.