

BaWang International (Group) Holding limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 01338

TERMS OF REFERENCE OF THE ENVIRONMENTAL, SOCIAL, AND GOVERNANCE COMMITTEE

1. CONSTITUTION

The Board of Directors (the “**Board**”) of BaWang International (Group) Holding limited (“**the Group**”) has resolved to establish a committee known as the Environmental, Social, and Governance (“**ESG**”) Committee (the “**ESG Committee**”) to strengthen the Group’s (hereinafter including the Company and its subsidiaries) governance structure to support greater ESG development.

2. MEMBERSHIP

2.1 The ESG Committee members shall be appointed by the Board and shall consist of not fewer than four members, which should comprise of executive Director(s) and Independent Non-executive Director(s).

2.2 The Chairman of the ESG Committee shall be an Independent Non-executive Director appointed by the Board.

2.3 The quorum of any ESG Committee meeting is two members, of which at least one should be an Independent Non-executive Director.

2.4 Once appointed, the members of the ESG Committee shall last as long as he/she remains as a Director (Executive or Non-executive) of the Group, and the tenure will expire upon the termination or resignation of the member of the ESG Committee as a Director. Notwithstanding the foregoing, the Board may terminate the appointment of any member of the ESG Committee at any time.

2.5 With the approval of the ESG Committee, the Secretary of ESG Committee may recommend staff members, who are drawn from various operational departments of the Group, to form a ESG Working Group (the “**ESG Working Group**”) in dealing with execution of the plans laid down by the ESG Committee and approved by the Board and making recommendations, where appropriate.

2.6 The Company Secretary or his/her designate shall act as the Secretary of the ESG Committee.

3. FREQUENCY OF MEETINGS

Meetings will be held not less than twice a year.

4. DUTIES

The specific duties of the ESG Committee are as follows:

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Terms of Reference – ESG Committee

- (a) to review and advise the Board on ESG-related issues as required to enable the Group to conduct its business and operations responsibly and sustainably for the benefit of its stakeholders, both present and future;
- (b) to oversee the Group's ESG performance, particularly in regard to strategy and reporting as well as the governance structure for ESG matters, as set forth by the Hong Kong Monetary Authority, The Stock Exchange of Hong Kong Limited and/or other regulators from time to time;
- (c) to review and approve ESG strategies, goals, and targets as presented by the ESG Working Group and monitor progress and make recommendations to the Board for approval as appropriate;
- (d) to oversee the assessment of the Group's environmental and social impacts and related risks of ESG issues, and report to the Board for any significant issues;
- (e) to identify and evaluate ESG and climate-related risks and opportunities in the context of the Group's strategic objectives including the extent of the material risks relating to ESG that the Board is willing to take to achieve the Group's strategic objectives, and ensuring that appropriate and effective risk management and internal control systems relating to ESG are in place;
- (f) to determine the ESG issues that are material to the Group and report on these issues to the Board¹;
- (g) to resolve ESG-related matters escalated to the ESG Committee by the ESG Working Group;
- (h) to review and endorse any proposed amendments to ESG-related policies submitted by the ESG Working Group on an annual basis;
- (i) to work closely with other relevant committees of the Board, including but not limited to the Nomination Committee, Audit and Risk Management Committee; and
- (j) to review the annual ESG Report and recommend it to the Board for approval.

¹ Materiality refers to those ESG issues that are relatively important to investors and other stakeholders. Please refer to HKEX Leadership Role and Accountability in ESG: Guide for Board and Directors, 2020.

5. REPORTING PROCEDURES

- (a) The Secretary of ESG Committee will circulate the minutes of meetings of the ESG Committee to all members of the Board.
- (b) Disclosure in the Group's annual ESG Report, which should include information required by Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as may be amended or modified from time to time).

6. FREQUENCY OF REVIEW

The Terms of Reference of the ESG Committee should be reviewed regularly or as required.

In the event of a conflict between the Chinese translation and the English text hereof, the English text will prevail.