



WH GROUP LIMITED

萬洲國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 288)

(the “**Company**”, together with its subsidiaries, collectively referred to as the “**Group**”)

TERMS OF REFERENCE OF THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE ADOPTED BY THE BOARD ON NOVEMBER 13, 2020

1. Membership

- (a) The Environmental, Social and Governance (“**ESG**”) Committee (the “**Committee**”) shall be appointed by the board of directors of the Company (the “**Board**”) and shall consist of not less than three (3) members. The constitution and terms of reference of the Committee shall comply with the requirements, and take into consideration the recommendations, of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Exchange**”) (the “**Listing Rules**”) as amended from time to time.
- (b) The chairman of the Committee (the “**Chairman**”) shall be appointed by the Board.

2. Attendance at Meetings

- (a) At all times the members of the Committee shall be notified of and be invited to all meetings of the Committee in advance.
- (b) The quorum of a meeting of the Committee shall be two members of the Committee.

- (c) The Committee may, if necessary, invite other advisors to attend the meetings of the Committee, including but not limited to external professional advisors or consultants to advise its members.
- (d) The company secretary shall be the secretary of the Committee and shall attend all meetings of the Committee.
- (e) Members of the Committee may participate in a meeting of the Committee by means of a conference telephone or other communications equipment through which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.

3. Frequency and Proceedings of Meetings

- (a) Meetings of the Committee shall be held not less than twice a year. The Chairman or any two members of the Committee may request a meeting if they consider it necessary. Upon the receipt of such request, the secretary of the Committee shall convene a meeting as soon as reasonably practicable and having regard to the convenience of all members.
- (b) Unless otherwise agreed by all the members of the Committee, a meeting shall only be called with at least 7 days' prior notice.

4. Committee's Resolutions

A resolution in writing signed by all the members of the Committee shall be as valid and effective as if it had been passed at a meeting of the Committee and may consist of several documents in like form each signed by one or more of the members of the Committee. Such resolution may be signed and circulated by facsimile or other forms of electronic communications. This provision is without prejudice to any requirement under the Listing Rules for a Board or Committee meeting to be held.

5. Authorisation

- (a) The Committee is authorised by the Board to review, assess and make recommendations on any issue in these terms of reference of the Committee.
- (b) The Committee is authorised by the Board, and at the reasonable expense of the Company, to obtain external legal or other independent professional advice and to secure the attendance of other persons with relevant experience and expertise in the meetings of the Committee if it considers this necessary.
- (c) The Committee should make available its terms of reference explaining its role and the authority delegated to it by the Board by including them on the Exchange's website and the Company's website. The terms of reference of the Committee shall be provided upon request and the role and function of the Committee shall be explained in the corporate governance report in the annual report of the Company.
- (d) The Committee shall be provided with sufficient resources to perform its duties.

6. Duties

The duties of the Committee shall include:

To give recommendations about the group's ESG strategies and identify significant ESG risks and opportunities

- (a) To recommend and review the group's ESG management policies, vision, strategies and goals for the Board's approval;
- (b) To determine the criteria of selecting material ESG factors, identify and continuously review the list of material ESG factors, and determine the risks and opportunities that material ESG factors will bring to the Group (the "**materiality assessment**") with the assistance of the ESG Working Group. When conducting

materiality assessment, the Committee shall fully consider the group's strategy and the current business environment;

- (c) To monitor the ESG Working Group to develop and implement external stakeholder engagement plans, as well as review and conduct materiality assessment on the basis of investors' and stakeholders' opinions;

To approve and review ESG-related policies

- (d) To approve ESG-related policies at the Group level drafted by the ESG Working Group or other internal personnel;
- (e) To review and monitor the Company's policies in relation to material ESG topics and ensure that they are appropriate in the context of the size, business nature and scope of the Company;
- (f) To evaluate and review the applicability of policies related to material ESG topics of the Group once a year or as and when required, report to the Board and provide amendment suggestions;

To monitor the effectiveness of ESG risk management

- (g) To review the progress of various works in accordance with ESG-related goals set out in Item 6 (a) of these terms of reference, with the assistance of management;
- (h) To provide advice on the actions to be taken to enhance the effectiveness of ESG management based on the progress of work set out in Item 6 (g) of these terms of reference;

To review the ESG Report

- (i) To review the annual ESG Report (the "**Report**") to ensure that the Report has properly disclosed ESG risks facing the Group, the measures taken and the progress of goals achieved in compliance with the Listing Rules, and recommend the Board to approve the Report;

General

- (j) To take appropriate actions to enable the Committee to discharge its powers and functions conferred on it by the Board; and
- (k) To take appropriate actions, as the Committee may deem reasonable, to conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the constitution of the Company or imposed by the Listing Rules or any applicable law.

7. Reporting Procedures

- (a) The Committee shall report back to the Board on its decisions or recommendations, unless there are legal or regulatory restrictions on its ability to do so (such as a restriction on disclosure due to regulatory requirements). At the next meeting of the Board following a meeting/written resolution of the Committee, the company secretary shall submit to the Board copies of the minutes/written resolutions setting out the findings, recommendations and decisions of the Committee.
- (b) Full minutes of meetings of the Committee shall be kept by the secretary of the Committee. Draft and final versions of minutes of meetings of the Committee shall be sent to all members of the Committee for their comment and records respectively, in both cases within 7 days after the meeting is held.

- (c) The Committee shall make arrangements for the Chairman (or in his absence, at least one of its members) to attend the Company's annual general meeting to answer shareholders' questions.

8. Revision of the Terms of Reference

These terms of reference shall be updated and revised as and when necessary in light of changes in circumstances and changes in regulatory requirements and recommendations (such as the Listing Rules, etc.). Any amendment to these terms of reference shall be by way of resolution of the Board and shall be in full compliance with the Listing Rules and any other regulatory requirements.