



Boan Biotech
博安生物

Shandong Boan Biotechnology Co., Ltd.

山东博安生物技术股份有限公司

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

(Stock Code: 6955)

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

Chapter 1 General Provisions

- Article 1** Pursuant to the Company Law of the People's Republic of China, the Articles of Association of Shandong Boan Biotechnology Co., Ltd. (the "**Articles of Association**"), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and other relevant regulations, Shandong Boan Biotechnology Co., Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") has set up a Environmental, Social and Governance Committee (the "**ESG Committee**") under the board of directors (the "**Board**"), and hereby formulated these terms of reference, in an effort to identify and manage environmental, social and governance ("**ESG**")-related risks and opportunities, and to address and implement relevant governance strategies and initiatives.
- Article 2** The ESG Committee is a specific committee set up by the Board. The ESG Committee shall be accountable to the Board.
- Article 3** For the purposes of these terms of reference, "senior management" shall refer to the senior management mentioned in the prospectus and interim or annual reports of the Company (whichever is the latest). It is the responsibility of the directors of the Company to determine which individual or individuals constitute senior management. Senior management may include directors of subsidiaries, heads of divisions, departments or other operating units within the group as, in the opinion of the Company's directors, is appropriate.

Chapter 2 Composition

- Article 4** The ESG Committee shall comprise at least two (inclusive) members.
- Article 5** Members of the ESG Committee shall be elected by the Board.
- Article 6** The ESG Committee shall have a chairperson (the“**chairperson**”) to take charge of the work of the ESG Committee. The chairperson shall be appointed by the Board.
- Article 7** The term of office of the ESG Committee shall be the same as that of the Board. Each member of the ESG Committee shall be eligible for re-election upon expiry of his or her term of office. During such period, if any member of the ESG Committee ceases to be a director of the Company, his or her membership in the ESG Committee shall lapse automatically, and the vacancy shall be filled by a person elected by the Board according to these terms.
- Article 8** The ESG Committee shall have a working team to provide the operation information of the Company and the relevant information and to prepare for meetings of and implement the resolutions passed by the ESG Committee.

Chapter 3 Duties and Authorities

- Article 9** The ESG Committee shall have the following primary duties:
- (I) to co-ordinate, identify, assess and manage the ESG matters of the Group and report to the Board on any significant issues;
 - (II) to develop and review the approach and strategy of the Group’s ESG policies, and closely monitor the implementation and effectiveness of ESG policies and initiatives;
 - (III) to set ESG-related objectives according to the actual situation of the Group and to regularly review the progress and performance of the Group against these objectives;
 - (IV) to assist the Board in reviewing the annual ESG Report and to co-ordinate the preparation of the ESG Report;
 - (V) to keep abreast of regulatory requirements and to oversee the Group’s compliance with relevant laws and regulations; and
 - (VI) to co-ordinate any other ESG-related work as may be assigned by the Board.

Article 10 The ESG Committee is authorised by the Board, subject to requirements under applicable laws and regulations:

- (I) to seek any information it requires from any employee of the Group and any professional advisers to perform its duties, to require any of them to prepare and submit reports and to attend ESG Committee meetings and to supply information and address the questions raised by the ESG Committee;
- (II) to collect information from external parties of the Group as may be necessary for preparing the Environmental, Social and Governance Report (the “**ESG report**”) or for the meeting of the ESG Committee; and
- (III) to exercise such powers as the ESG Committee may consider necessary and expedient to discharge its duties.

Chapter 4 Decision-making Process

Article 11 The working team or relevant responsible department (the same below) under the ESG Committee shall be responsible for the duties for the decision-making process of the ESG Committee of the Company:

- (I) to assist the ESG Committee in developing ESG management policies and strategies, and to develop and implement specific ESG work plans in accordance with the Group’s ESG management policies and strategies;
- (II) to assist the ESG Committee in assessing, prioritising and managing key ESG-related issues (including risks to the Group’s business), preparing lists and analyses of key issues and making recommendations for appropriate and effective ESG risk management and internal control measures;
- (III) to assist the ESG Committee in setting ESG-related targets and in developing work plans and reviewing progress against these targets, and report regularly to the ESG Committee on progress against these targets;
- (IV) to communicate with stakeholders (including but not limited to the Board, management, employees, shareholders and investors, government and regulatory bodies, suppliers, peers, the community and the public) on ESG matters and provide feedback to the Board, committees, management or relevant authorities as necessary;
- (V) to integrate and co-ordinate the preparation of the annual ESG report by the relevant departments of the Group and submit it to the ESG Committee for review; and

- (VI) to perform other ESG-related work as requested by the ESG Committee, including but not limited to providing ESG-related training to the Board and the ESG Committee.

Chapter 5 Rules of Procedures

- Article 12** The ESG Committee should meet at least once a year. Any member of the ESG Committee can call for a meeting. The ESG Committee shall also perform an annual review of the Group on (i) the adequacy of resources, staff qualifications and experience, training programmes and budget relating to the Company's ESG performance and reporting; (ii) the changes, since the last annual review, in the nature and extent of significant ESG risks for the Group; and (iii) the scope and quality of management's ongoing monitoring of ESG risks.
- Article 13** For regular meetings and as far as practicable in all other meetings, the notice of meeting, the agenda and the accompanying committee papers should be sent, in full, to all members of ESG Committee at least three (3) days before the intended date of meeting (or such other shorter period as agreed by the members). The meeting shall be presided over by the chairperson of the ESG Committee, and in case the chairperson is unable to attend, he or she may appoint another member of the ESG Committee to preside over the meeting on his or her behalf. Such notice may be waived with the unanimous consent of all members of the ESG Committee.
- Article 14** The quorum of a meeting of the ESG Committee shall be not less than two-thirds of the members. Each member shall have one vote. A resolution of the meeting must be passed by more than half of all the members of the ESG Committee.
- Article 15** A meeting can be attended in person or via telephone or video conferencing. Members of the ESG Committee can attend the meeting via telephone or any similar communication device (all persons attending such meeting should be able to hear from such member via such communication device). Resolutions of the ESG Committee, if to be made at a meeting, shall be passed by more than half of its members present at such meeting.
- Article 16** The ESG Committee may invite directors, supervisors and senior management of the Company to attend its meetings if necessary. Only members of the ESG Committee shall have the right to vote at a meeting of the ESG Committee.
- Article 17** The ESG Committee may, if necessary, engage an intermediary to provide professional advice on its decision-making at the cost of the Company.

- Article 18** The procedures for convening of a meeting of the ESG Committee, its voting methods and the ESG policies to be passed at such meeting must comply with the provisions of relevant laws, regulations, the Listing Rules, the Articles of Association and these terms of reference.
- Article 19** The ESG Committee shall keep minutes of the meetings. Members present at the meetings shall sign the minutes of the meetings that shall be kept by the secretary of the Company.
- Article 20** Resolutions passed and voting results at a meeting of the ESG Committee shall be reported in writing to the Board of the Company.
- Article 21** Members of the ESG Committee present at a meeting shall keep confidential all matters discussed at the meeting and shall not disclose such information without authorization.

Chapter 6 Supplementary Provisions

- Article 22** These terms of reference shall come into effective and be implemented upon the approval of the Board.
- Article 23** In case of any inconsistency with the Chinese version of these terms, the Chinese version shall prevail.
- Article 24** For any matters not covered in these terms of reference, the relevant laws and regulations, the Listing Rules, other requirements of the Hong Kong securities regulatory authority, and the relevant provisions of the Articles of Association shall apply. If the relevant provisions of these terms of reference contravene with the laws and regulations, the Listing Rules, other requirements of the Hong Kong securities regulatory authority and the Articles of Association as enacted or amended in the future, such relevant laws and regulations, the Listing Rules, other requirements of the Hong Kong securities regulatory authority, and the existing or revised Articles of Association shall prevail.
- Article 25** The power of interpretation of these terms of reference shall be vested in the Board of the Company.