



Lygend Resources & Technology Co., Ltd.

宁波力勤资源科技股份有限公司

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

(Stock Code: 2245)

Terms of Reference and Working Rules of the Environmental, Social and Governance Committee

1. Organisational Structure

The Environmental, Social and Governance Committee (the “**Committee**”) is a sub-committee of the board of directors (the “**Board**”) of Lygend Resources & Technology Co., Ltd. (the “**Company**”) to which the Board has delegated its authority to consider the matters set out in paragraph 4 below on its behalf.

2. Purpose

2.1. The Committee shall assist the Board to guide and monitor the development and implementation of works in relation to corporate social responsibility of the Company and its subsidiaries (the “**Group**”), including:

- (i) corporate sustainability initiatives;
- (ii) environmental protection initiatives; and
- (iii) charity and community investment initiatives.

2.2. Unless the context otherwise requires, the Committee shall perform its duties in every aspect under the terms of reference set out herein.

3. Administrative Structure

(a) Composition

The Committee shall be appointed by the Board and shall include 1 or more member(s) of the Board, including the chief legal officer, the chief human resources officer and person-in-charge of each of the subsidiary of the Company. Only members of the Committee have the right to attend meetings. However, other members of the Board or senior management¹ may be invited by the chairman of the Committee (the “**Chairman**”) to attend meetings, as appropriate. External advisers may also be invited to attend meetings of the Committee.

¹ In this context, senior management refers to all members of the Management Committee, the managing director who reports directly to the chief executive officer of the Group and/or the Board, the Company Secretary and the Head of Audit of the Group.

(b) Chairman

The Chairman shall be appointed by the Board and the chairman of the Board shall serve as the Chairman generally. In the absence of the Chairman and/or an appointed deputy chairman at any meeting, the Committee will elect one of the members present to act as acting chairman. The Chairman should attend the annual general meeting of the Company to answer shareholders' questions on the Committee's activities.

(c) Reporting Procedures and Frequency of Meetings

- i. Notice of the meeting together with an agenda of items to be discussed shall be forwarded to each member of the Committee at least three days before the date of the meeting. Meeting documents shall be sent to the members of the Committee and other appropriate attendees at the same time.
- ii. Minutes will be taken for all meetings and kept by the secretary of the Committee and submitted to the meetings of the Board when the Chairman deems appropriate. Draft and final versions of minutes of the meetings shall be circulated and sent to all members of the Committee for their comment and records within a reasonable time after the meeting.
- iii. The Committee shall meet at least 2 times every year. Additional meetings shall be held at the request of the Chairman. Meetings shall be summoned by the secretary of the Committee.
- iv. The company secretary of the Company or his/her nominee shall be the secretary of the Committee.
- v. The Chairman shall report regularly and formally to the Board at the next meeting of the Board following a meeting of the Committee, on matters within its remit.

(d) Quorum

The quorum for meetings shall be 5 members. Decisions shall be determined by simple majority, and in case of an equality of votes, the Chairman shall have the casting vote. Proceedings of meetings of the Committee shall be governed by the Environmental, Social and Governance Policies of the Company.

4. Scope of Duties

4.1. The duties of the Committee shall include the followings:

- i. to assist the Board in formulating, reviewing and implementing the Group's environmental, social and governance framework, strategies, policies and procedures;

- ii. to regularly evaluate the Company's risk and internal control systems in relation to environmental, social and governance;
 - iii. to continuously monitor the Listing Rules and applicable laws and regulations on environmental, social and governance, and to report and make recommendations to the Board regularly (e.g. semi-annually), and update each of the environmental, social and governance framework, strategies, policies and procedures in real time upon discussion with the Board and submit the same to the Board for approval and implementation;
 - iv. to oversee and guide the implementation of environmental, social and governance policies and procedures among all departments;
 - v. to promote various environmental, social and governance works (such as emission reduction, environmental greening, community activities, etc.);
 - vi. to conduct internal and external materiality assessment for improving the Group's environmental, social and governance policies and to report and make recommendations to the Board;
 - vii. to collect information required and conduct data analysis for the Environmental, Social and Governance Report from all departments, branches and subsidiaries in accordance with the requirements of the Listing Rules and working plans;
 - viii. to prepare the annual Environmental, Social and Governance Report;
 - ix. to organize training and continuous professional development initiatives on environmental, social and governance issues for directors, senior management and members of the Committee;
 - x. to meet semi-annually to prepare and follow up reporting matters and report annually to the Board on the performance in respect of environmental, social and governance. The Committee is required to submit a work plan to the Board every year, describing the work in relation to environmental, social and governance aspects in the coming year, as well as recommendations on whether environmental, social and governance advisors or engineering technical advisors or environmental experts should be hired.
- 4.2. In performing its duties, the Committee shall cooperate and coordinate with other committees of the Board and give due consideration to all relevant laws, rules, regulations and regulatory requirements and guidance applicable to the Group.

5. Authorities and Powers

- (a) The Committee may:
 - (i) delegate certain of its duties and authorities to sub-committees comprising one or more of its members, and grant such powers as are necessary to the sub-committees to discharge the relevant responsibilities;
 - (ii) delegate to the Chairman the authority to make decisions on matters which may need to be addressed between meetings of the Committee, with such decisions to be reported or ratified in the next meeting of the Committee; and
 - (iii) review or consider matters beyond the terms of reference herein as requested by the Board.
- (b) The Committee is authorised to:
 - (i) have access to such training and resources (including employees) in order to carry out its duties as it may consider appropriate;
 - (ii) obtain, at the Company's expense, any advice or support from external advisers or experts including corporate social responsibility consultants and legal advisers; and
 - (iii) have access to any information, record or report from any employee of the Group in order to perform its duties and request any employee to attend meetings of the Committee and answer questions as and when required.