



Xinjiang Xinxin Mining Industry Co., Ltd.*

新疆新鑫矿业股份有限公司

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

(Stock code: 3833)

**TERMS OF REFERENCE OF
THE STRATEGY AND SUSTAINABLE DEVELOPMENT
(ESG) COMMITTEE (“COMMITTEE”) OF
THE BOARD OF DIRECTORS (“BOARD”) OF THE COMPANY**

1. CONSTITUTION

1.1 The Committee previously known as the “Strategic Development Committee” is established pursuant to a resolution passed by the Board at its meeting held on 19 January 2007, and now renamed as the “Strategy and Sustainable Development (ESG) Committee” on 25 February 2022.

2. MEMBERSHIP

2.1 Members of the Committee shall be nominated by the Chairman of the Board, majority of the independent non-executive directors or one third of the Board members, and appointed by the Board from amongst the members of the Board and shall consist of five members and which should be directors of the Company.

2.2 The Chairman of the Committee shall be the Chairman of the Board.

2.3 The company secretary of the Company shall be the secretary of the Committee.

2.4 The appointment of the members of the Committee may be revoked, or additional members may be appointed to the Committee by separate resolutions passed by the Board and by the Committee.

2.5 The term of the Committee shall align with the term of the session of the Board, unless otherwise decided by the Board, upon retirement, the re-elected director Committee members shall also be re-elected as Committee members.

3. PROCEEDINGS OF THE COMMITTEE

3.1 Notice:

- (a) Unless otherwise agreed by all the Committee members, a meeting shall be called by at least seven days' notice.
- (b) The Chairman of the Committee or any two Committee members or the secretary of the Committee may and, on the request of any two Committee members, shall, at any time summon a Committee meeting. Notice shall be given to each Committee member in person orally or in writing or by telephone or by email or by facsimile transmission at the telephone number or facsimile number or address or email address from time to time notified to the secretary by such Committee member or in such other manner as the Committee members may from time to time determine.
- (c) Any notice given orally shall be confirmed in writing as soon as practicable and before the meeting.
- (d) Notice of meeting shall state the purpose, time and place of the meeting and shall be accompanied by an agenda together with other documents which may be required to be considered by the members of the Committee for the purposes of the meeting.

3.2 Quorum: The quorum of the Committee meeting shall be above one-half of the total number of the members of the Committee. A resolution shall be passed if a majority of the total number of the members of the Committee vote for.

3.3 Frequency: Meetings shall be held at least once a year, and more if required.

4. WRITTEN RESOLUTIONS

4.1 Written resolutions may be passed by all Committee members in writing.

5. PROXY

5.1 A Committee member who is unable to attend the meeting can appoint another Committee member as his proxy to attend the meeting on his behalf or express his views or resolutions to the Committee in writing. Attendance at the meeting by a proxy should not be counted as attendance by the Committee member himself.

6. AUTHORITY OF THE COMMITTEE

6.1 The Committee may exercise the following powers:

- (a) to research and advise on the long-term development strategy and planning of the Company;
- (b) to conduct research on the major investment and financing programs subject to the approval of the Board under the articles of association of the Company, and advise on the same regard;
- (c) to conduct research on the major capital operation and asset operation projects subject to the approval of the Board under the articles of association of the Company, and advise on the same regard;
- (d) to conduct research on and compare the external public policies, laws and regulations where the business operates, strategic information of the industry and industry development of the Company, and advise on the same regard;
- (e) to formulate and conduct research on the policies to protect the rights and interests of minority shareholders in accordance with laws and regulations when the Company conducts external mergers and acquisitions, and put forward suggestions;
- (f) to track and inspect the implementation of strategic planning, make appropriate amendments and improvements to the strategic development plans, research and evaluate the major adjustments involved, provide corresponding recommendations and submit them to the Board for consideration and approval;
- (g) to conduct research and advise on the policies in relation to the areas of sustainability of the Company, including but not limited to, health and safety, community development, community relations, environment, human rights and anti-corruption, to ensure the position and performance of the Company on issues related to global sustainable development being in line with current and international standards;
- (h) to advise on the concern and protection of the Company with regard to female employees, employees from ethnic minorities, disabled employees, non-discrimination against AIDS and LGBT (sexual minorities) employees, and provision of fair employment and development opportunities for different groups of employees on the project sites;

- (i) to conduct research, analysis and risk assessment on matters of sustainable development, as well as environmental, social and governance (ESG) of the Company, and propose sustainable development system, strategies and goals;
- (j) to organize or coordinate the supervision and inspection of policies, management, performance and target progress in relation to the sustainable development and ESG matters of the Company, and provide corresponding recommendations;
- (k) to review reports in relation to the sustainable development and ESG matters of the Company, and report to the Board;
- (l) to review the achievement of annual environmental and social responsibility and sustainable development performance targets and link to the management performance compensation;
- (m) to review matters related to the strategies or sustainable development of the Company;
- (n) to conduct research and advise on other major matters affecting the development of the Company;
- (o) to carry out inspection on the implementation of the above; and
- (p) other matters authorised by the Board;
- (q) to exercise such powers as the Committee may consider necessary and expedient so that their duties under article 7 below can be reasonably executed.

6.2 The Committee should be provided with sufficient resources to discharge its duties.

7. DUTIES

7.1 The duties of the Committee shall be:

- (a) to take the main responsibilities to conduct research and advise on the long-term development strategy and major investment decisions, sustainable development and environmental, social and governance policies of the Company;

- (b) to organize, research and formulate the environmental, social and governance vision, strategy, framework, principle and policy of the Company, and ensure that they are in line with the Company's development strategy, major decisions and external regulations;
- (c) to organise each of the departments and units to implement the environmental, social and governance vision and strategies in corporate decision-making, investment and operation, and assess the environmental, social and governance performance and risks;
- (d) to review the environmental, social and governance major trends and related risks and opportunities, assess the adequacy and effectiveness of the business and structural models of the Company in this regard, adopt updated corporate environmental, social and governance policies if necessary, and ensure that such policies comply with applicable laws, regulations, regulatory requirements and international standards;
- (e) to review relevant reports and disclosure documents in the environmental, social and governance areas of the Company, and ensure the preparation and disclosure of environmental, social and governance reports are in compliance with the requirements of the Listing Rules;
- (f) to assign environmental, social and governance tasks to departments and enterprises under their authority (directly affiliated units), with clear responsibilities and time requirements;
- (g) to coordinate the various resources within the Group and resolve difficulties and problems in environmental, social and governance work;
- (h) to convene at least one meeting once a year to analyze environmental, social and governance related work of the Group.

8. MINUTES AND RECORDS

- 8.1 Full minutes of the meetings of the Committee and all written resolutions of the Committee should be kept by the secretary of the Committee.
- 8.2 The secretary of the Committee shall circulate the draft and final versions of minutes of the meeting of the Committee or, as the case may be, written resolutions of the Committee to all members of the Committee for their comment and records respectively within a reasonable time after the meeting or the passing of the written resolutions.

8.3 The secretary of the Committee shall keep record of all meetings of the Committee held during each financial year of the Company and records of individual attendance of members of the Committee, on a named basis, at meetings held during that financial year.

9. POWERS OF THE BOARD

9.1 The Board may, subject to compliance with the articles of association of the Company and the Listing Rules (including the Code on Corporate Governance Practices set out in Appendix 14 to the Listing Rules or if adopted by the Company, the Company's own code of corporate governance practices), amend, supplement and revoke these terms of reference and any resolution passed by the Committee provided that no amendments to, supplementation and revocation of these terms of reference and the resolutions passed by the Committee shall invalidate any prior act and resolution of the Committee which would have been valid if such terms of reference or resolution had not been amended, supplemented or revoked.

10. REPORTING PROCEDURE

10.1 The secretary of the Committee shall circulate the minutes of Committee meetings, reports of the Committee and relevant information to all directors of the Company.

* *For identification purpose only*

Adopted on 25 February 2022.