

# **CHINA SHINEWAY PHARMACEUTICAL GROUP LIMITED**

## **TERMS OF REFERENCE OF CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY COMMITTEE**

**(Adopted pursuant to the Board's resolution passed on 4 March 2019)**

The board of Directors (the "Board") of China Shineway Pharmaceutical Group Limited (the "Company") has established a Corporate Social Responsibility and Sustainability Committee (the "Committee") with written terms of reference as follows:

### **A. Composition**

- 1) The Committee shall be composed of three Independent Non-Executive Directors and one Executive Director.
- 2) All committee members shall be appointed and removed by the Board.
- 3) The Chairman of the Committee shall be appointed by the Board.

### **B. Chairman**

- 1) The Board shall appoint one of the non-executive directors of the Company to be the Chairman of the Committee. In the absence of the Chairman and/or an appointed deputy at any meeting, the Committee will elect one of the members present to act as Chairman.
- 2) The Chairman of the Committee should attend the annual general meeting to answer shareholder questions on the Committee's activities.

### **C. Secretary**

- 1) The Company Secretary of the Company, or in his absence, his representative, shall act as the Secretary of the Committee. The Committee may from time to time appoint any other person with appropriate qualification and experience as the Secretary of the Committee.

#### **D. Quorum**

- 1) Two members shall constitute a quorum.
- 2) Decisions shall be determined by simple majority and, in the event of a tie, the Chairman of the Committee shall have the casting vote.
- 3) Proceedings of meetings of the Committee shall be governed by the provisions of Article 114 - 123 of the Articles of Association of the Company.

#### **E. Duties**

The Committee's duties include but not limited to:

- 1) Formulate and review the Company and its subsidiaries' (the "Group") responsibilities, visions, strategies, frameworks, principles and policies of corporate social responsibility and sustainable development (including but not limited to environmental, social and governance issues) and implement relevant policies approved by the Board;
- 2) Set relevant policy targets, key performance indicators and measures that align with the Group's business model and effectively monitor the progress;
- 3) Identify issues related to corporate social responsibility and sustainable development arising from external factors;
- 4) Review and monitor the corporate social responsibility and sustainability policies to ensure their continued effectiveness;
- 5) Monitor staff training related to corporate social responsibility and sustainable development
- 6) Approve the Environmental, Social and Governance Report (the "ESG Report") and report to the Board; and
- 7) Report any new development of matters with its terms of reference to the Board when necessary.

## **F. Responsibilities**

- 1) One Independent Non-Executive Director appointed as committee member is responsible for the overall direction of corporate social responsibility and sustainable development.
- 2) The Executive Director appointed as the committee member is responsible for the overall work of corporate social responsibility and sustainable developments.
- 3) A Corporate Social Responsibility and Sustainability Task Force (the “Task Force”) shall be formed and to be composed of one representative assigned from each of the following departments: the General Manager Office, the Finance Department, the Audit Department, the Purchasing Department, the Quality Assurance Department, the Environment Department, the Administrative Department and the Human Resources Department. The Task Force’s responsibilities include but not limited to:
  - a. Implement the corporate social responsibility and sustainability policies and related measures, and organize relevant trainings for employees; and
  - b. Assist in the preparation of the Group's annual ESG report and submit it to the Committee and the Board for their review and approval for publication.

## **G. Authority and Resources**

- 1) The Committee has the delegated authority of the Board in respect of the functions and powers in these Terms of Reference at the Group’s expense.
- 2) The Committee may employ, instruct, appoint or retain any professional advisor as it considers necessary and appropriate in connection with its purposes.
- 3) In fulfilling its responsibilities, the Committee shall be unrestricted to interview staff at different levels, access the Group’s relevant internal records and approach senior management. All employees of the Group are required to provide full cooperation.

## **H. Committee Meetings**

- 1) The Committee shall meet not less than two times a year, and at such additional times as the Chairman of the Committee shall decide in order to fulfill its duties. Any Committee member may call a meeting of the Committee.
- 2) An agenda and any supporting documents will be circulated to the members of the Committee at least five working days prior to each meeting; and
- 3) Directors of non-committee members are entitled to attend the Committee's meetings if they want to attend the Committee's meetings.

## **I. Reporting Procedures**

- 1) Members of the Committee shall arrange and prepare minutes of all resolutions and proceedings of the Committee, including names of all those present and in attendance at meetings of the Committee. The matters considered by the Committee members and decisions reached, including any concerns raised by the Committee members and dissenting views expressed, shall be recorded in sufficient details in the minutes of the Committee's meetings;
- 2) The minutes of Committee meetings shall be circulated by the Secretary of the Committee to all members in reasonable time for their comments and records by the Committee members. Such minutes shall also be made available, if requested, to other members of the Board; and
- 3) The Committee shall report its deliberations to the Board.

## **J. Review**

- 1) The Board shall review the composition and the terms of reference of the Committee at any time they think fit.