



CHINA AEROSPACE INTERNATIONAL HOLDINGS LIMITED

中國航天國際控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 31)

Environment, Social and Governance Committee Terms of Reference

Establishment

The Environment, Social and Governance Committee (the “Committee”) is established pursuant to a resolution passed by the Board of Directors of China Aerospace International Holdings Limited (the “Company”) on 30 March 2021, with reference to the requirements of the Listing Rules from time to time, for deciding the matters relating to environmental (including climate-related), social and governance (the “ESG”) of the Company.

Composition and Quorum

There shall be at least three members of the Committee who shall be the directors appointed by the Board from time to time.

Quorum of meeting : at least two members of the Committee attending the meeting
Chairman : appointed by the Board
Secretary : being the Company Secretary

Meetings and proceedings of the Committee shall be regulated under the procedure of board meetings as stipulated in the Articles of Association of the Company.

Meeting

1. Meetings shall be held by the ESG Committee at least once annually and at any other time under the instruction of the Committee’s Chairman.
2. Meetings may be held by ways of physical attendance, telephone conference, video conference etc. However, mutual and direct communications during the meetings shall be ensured.
3. Resolutions put forward to the meeting of the ESG Committee shall be passed by majority votes of the attending Committee members. In case of an equality of votes, the Chairman of the meeting shall have a second or casting vote.
4. Written resolutions being signed by all members of the ESG Committee shall be deemed as valid and effective as the same of being passed in a physical meeting.
5. If required, the Chairman of the ESG Committee may request the attendance of the relevant management, or if necessary, invite the attendance of external professionals with relevant experience and expertise.

Authority

1. The authority of the Committee is authorized by the Board. Therefore, unless constrained by laws or regulatory requirements, the Committee shall report its decisions or recommendations to the Board. Being authorized by the Board, the Committee may obtain independent professional advice if it considers necessary.
2. The Company shall ensure the Committee with the provision of sufficient resources. The Board also authorizes the Committee to seek legal or other independent professional advice, or engage relevant professional institutions for assistance, if necessary, at the cost of the Company.
3. A working group will be established under the Committee (as attached herein) and is responsible for the Committee, and its work requirements and other related affairs are decided by the Committee.

Duties

The duties of the ESG Committee are as follows: -

1. to formulate and review the responsibilities, vision, strategies, structure, principles and policies in relation to ESG (including climate-related) of the Company's and each of the relevant subsidiaries ("Relevant Subsidiaries"), which are covered in the scope of disclosures in the ESG reports from time to time, enhance a materiality assessment and reporting process to ensure actions are well followed through and implemented continuously on the ESG (including climate-related) policies which approved by the Board;
2. to promote the top-down culture to ensure ESG (including climate-related) considerations are part of the business decision-making process;
3. to monitor channels and means of communication between the Company's and each of Relevant Subsidiaries and its relevant stakeholders, and ensure that relevant policies are in place to effectively promote the relationship between the Company and each of the Relevant Subsidiaries and its stakeholders;
4. to review key ESG (including climate-related) trends and related risks and opportunities, and assess the adequacy and effectiveness of the Company's and each of Relevant Subsidiaries' ESG (including climate-related) structure and business model accordingly, and, where necessary, adopt and update the Company's and each of Relevant Subsidiaries' ESG (including climate-related) policies to ensure such policies are up to date and in compliance with applicable laws, regulations, regulatory requirements and international standards;
5. to oversee assessment of the environmental (including climate-related) and social impacts with the Company's and each of Relevant Subsidiaries' business activities, inspect the performance in respect of ESG (including climate-related) of the Company and each of Relevant Subsidiaries regularly and make recommendation to the Board;
6. to review and recommend to the Board for approval of the ESG reports of the Company, and make recommendations on specific actions or decisions for the Board to consider in order to maintain integrity of the ESG reports;

7. to ensure that the ESG reports of the Company is prepared in accordance with the Environmental, Social and Governance Reporting Code as set out in Appendix C2 of the Hong Kong Listing Rules (amended from time to time), including extending or reducing the scope of disclosures of Relevant Subsidiaries ;
8. to examine the duties of this term of reference as and when appropriate for being consistent with the Appendix C2 of the Listing Rules (amended from time to time), to keep it up to date with continuous improvement; and
9. to research other topics relating to the ESG (including climate-related) defined by the Board.

Reporting Responsibility

1. The Chairman or his/her designated member(s) of the ESG Committee shall report to the Board of what has been discussed in each Committee meeting in the next Board meeting.
2. The Chairman or his/her designated member(s) of the ESG Committee has the responsibility of attending each general meeting and answering any questions relating to the matter of the ESG Committee.

Minutes of the meeting

1. The Company Secretary shall circulate the minutes of the meeting approved by the ESG Committee to all members of the Board for filing and review.
2. The Company Secretary shall keep all minutes of the meetings.

Annex

Environmental, Social and Governance Committee Governance Structure of the Subordinate Working Group

Membership

There is a working group being set up under the Committee, which is accountable to the Committee, and the members are as follow:

1. Working group's leader: being the management personnel appointed by the Company;
2. Working group's members:
 - 2.1.being the relevant personnel of the Company, if necessary, and appointed by the Company;
 - 2.2.being the personnel of the Relevant Subsidiaries and appointed by their respective Relevant Subsidiaries; and
 - 2.3.Working group's secretary: being the Company Secretary.

Duties

1. Working group's leader: responsible for implementing various ESG tasks assigned by the Committee and coordinating members of the working group to perform various tasks related to the ESG, and reporting the implementation of various tasks to the Committee;
2. Working group's members:
 - 2.1. relevant personnel of the Company: responsible for assisting the leader of the working group to perform various tasks related to the ESG of the Company;
 - 2.2. the personnel of the Relevant Subsidiaries: responsible for the implementation of their respective company's ESG tasks according to the requirements of the working group leader;
3. Working group's secretary: responsible for reviewing the ESG reporting requirements of the Listing Rules from time to time, and providing advice to the Committee and working group leader in the ESG working process, so as to make the Company's ESG reports complying with the requirements of the Listing Rules; drafting the Company's ESG reports and submit it to the Committee and the Board for review and approval; publishing the Company's ESG reports on time; recording, drafting and keeping the minutes of the Committee meetings.