

YUZHOU GROUP HOLDINGS COMPANY LIMITED

Sustainability Committee Terms of Reference (with effect from 27 November 2020)

Purpose

1. The purpose of the Sustainability Committee (the “**Committee**”) is to provide assistance and advice to the board of directors (the “**Board**”) of Yuzhou Group Holdings Company Limited (the “**Company**”) in monitoring the decisions and practices of management in achieving the Company’s goal to be a sustainable organization.

Composition

2. The Committee is a committee of the management of the Company.
3. The Committee shall consist of not less than three members, which shall include the chief executive officer. Other members of the Committee shall be such members of the senior management of the Company as may be selected by the chief executive officer.
4. The composition of the Committee shall be reviewed annually by the chief executive officer to ensure an appropriate balance and representation of expertise and experience.
5. The Committee comprises the chief executive officer, and the senior management who are in charge of: President’s Office, Design Management Center, Human Resources Center, Cost Management Center, Management Committee for Tender-based Procurement, Operation Management Center, Sales Management Center, Department of Branding Management, Regulations Governing Auditing and Supervision Center, and Department of Corporate Finance and Investor Relations.
6. The Board shall appoint one member of the Committee as the chairman (the “**Chairman**”).

Meetings

7. Meetings will be held at least twice annually, or more frequently if circumstances require.
8. The secretary of the Committee will be appointed by the Committee from time to time.
9. The secretary of the Committee shall be responsible for circulating the agenda for meetings, together with any relevant papers or reports. The secretary shall also keep minutes of the Committee meetings. Draft and final versions of minutes of the meetings shall be sent to all Committee members for their comments and records within a reasonable time after the meeting.
10. The Committee may invite such persons from within or outside of the Company to attend meetings as it deems appropriate.

Access

11. The Committee shall have full access to management and may invite members of management or others to attend its meetings. The Committee will consult the chairman of the Board and/or the chief executive officer of the Company about their recommendations relating to the environment, health and safety and community relations.

Responsibilities and Duties

12. The Committee shall perform the following duties:–
 - (a) to review, and suggest any changes to, the Company’s strategy in respect of sustainable development (the “**SD Strategy**”) from time to time (including approving targets or key initiatives recommended by the working groups referred to in 12(b) below); ensure that the Company’s operations and practices are carried out in line with the SD Strategy;
 - (b) to review on an annual basis the management approach and performance of the Company in achieving targets or undertaking key initiatives recommended by the following six working groups which are responsible for their respective aspects of sustainable development:–
 - (i) the Employee Safety and Health Working Group;
 - (ii) the Anti-Corruption Management Working Group;
 - (iii) the Environmental Performance Working Group;
 - (iv) the Social Performance Working Group;
 - (v) the Governance Performance Working Group; and
 - (vi) the Sustainable Development Communication and Engagement Committee;
 - (c) to review any significant risks, opportunities or investments in connection with the implementation of the SD Strategy, and approve any material matters (whether financial or otherwise) arising from such review;
 - (d) to review and approve the annual Environmental, Social and Governance Report and any relevant ancillary public documents; and
 - (e) to report relevant matters of significance relating to sustainable development to the Board through its Chairman.