

These Procedures are prepared in English. In the event that there is any discrepancy or inconsistency between the English version and the Chinese version, the English version shall prevail.



ROYAL DELUXE HOLDINGS LIMITED

御佳控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3789)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE TERMS OF REFERENCE

The board (the “**Board**”) of directors (the “**Directors**”) of Royal Deluxe Holdings Limited (the “**Company**”, which together with its subsidiaries, the “**Group**”) has established a committee of the Board known as the Environmental, Social and Governance Committee (the “**Committee**”) with its constitution and particular duties set out below:

COMPOSITION

1. The Committee is established by the Board according to the articles of association of the Company (the “**Articles of Association**”) and the establishment would be effective from 31 March 2020.

MEMBERS

2. The Committee members must be appointed by the Board and shall consist of not less than three members. The majority of the members must be independent non-executive Directors (the “**INEDs**”).
3. Chairman of the Committee shall be appointed by the Board and must be the Chairman of the Board or an INED.
4. Subject to Rules 2 and 3 above, the Board may, from time to time, at their discretion, change the composition of the members of the Committee.

SECRETARY

5. The Committee may appoint the company secretary of the Company or any other person with appropriate qualification and experience as the secretary of the Committee. Full minutes of the meetings should be kept by the secretary.

FREQUENCY AND PROCEEDINGS OF MEETINGS

6. The Committee shall meet at least once a year. Additional meetings should be held as and when the work of the Committee demands.
7. The quorum of a meeting shall be two members of the Committee.
8. The Committee members could attend the meetings in person, by telephone or by video conference.
9. Resolutions of the Committee shall be passed by more than half of the members of the Committee.
10. A resolution in writing signed by all the members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.
11. Unless otherwise stated herein, proceedings of meeting of the Committee shall be governed by the relevant provisions of the Articles of Association (as amended from time to time).

AUTHORITY

12. All members of the Committee can have access to the advice and services of the secretary who is responsible to the Committee for ensuring that procedures of the Committee, and all applicable rules and regulations, are followed.
13. The Committee shall be provided with sufficient resources to perform its duties and may seek independent professional advice in appropriate circumstances at the Company's expenses to perform its duties.
14. The Committee is authorised by the Board to investigate any activity within its terms of reference and seek any necessary information which is within its scope of duties from the employees of the Company and its subsidiaries (including members of the Board).
15. The Committee may delegate its authority and duties to sub-committees, or individual members of the Committee, as it deems appropriate.

DUTIES

16. Main duties of the Committee should include:
 - (a) to identify the relevant matters that significantly affect the operation of the Group and/or the interests of other important stakeholders in the environmental, social and governance (“ESG”) aspects;

- (b) to make recommendation to the Board on relevant ESG work; and to adopt and update as necessary the Group's policies, key performance indicators and measures on production safety, environmental protection, corporate social responsibility management and corporate governance;
- (c) to review and adopt the risk assessments in respect of the Group's impact on health, safety, environment and society;
- (d) the monitoring of the Group in the areas of health, safety, environmental protection and social responsibility of monitoring the environment (including the organizational structure, reward policy, staff training, social welfare, etc.);
- (e) to review the Group's annual report or special reports (if any) on environmental protection, corporate social responsibility and corporate governance in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"); and
- (f) other matters authorized by the Board in relation to health, safety, environment, corporate social responsibility and corporate governance.

REPORTING PROCEDURES

- 17. The Committee should report to the Board, identifying any matters in respect of which it considers that action or improvement is needed, and making recommendations as to the steps to be taken.
- 18. Full minutes and written resolutions should be kept by the secretary of the Committee. Draft and final versions of minutes of the meetings should be sent to all Committee members for their comments and records, within a reasonable time after the meeting. Written resolutions should be promptly sent to all Committee members for their records after the written resolutions are passed.
- 19. At the next meeting of the Board following a meeting of the Committee, the Chairman of the Committee shall report to the Board on the works and recommendations of the Committee since the last Board meeting (if any). At least once annually, the Committee should present a report in writing to the Board which addresses the work of the Committee during the year.

OTHERS

- 20. The Committee should make available its terms of reference, explaining its role and the authority delegated to it by the Board by including them on the website of the Stock Exchange and the Company's website.
- 21. Any changes to the terms of reference shall be effective after they have been approved by the Board.

Adopted on 31 March 2020