



YIXIN GROUP LIMITED

易鑫集团有限公司

*(incorporated in the Cayman Islands with limited liability and
carrying on business in Hong Kong as “Yixin Automotive Technology Group Limited”)*

(Stock Code: 2858)

TERMS OF REFERENCE OF THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

The environmental, social and governance committee (the “**Committee**”) of Yixin Group Limited 易鑫集团有限公司 (the “**Company**”) and together with its subsidiaries and consolidated affiliates entities, the “**Group**”) was established by the board (the “**Board**”) of directors (the “**Directors**”) of the Company. Set out below are the terms of reference (the “**Terms of Reference**”) of the Committee. The Terms of Reference are available for viewing in English and traditional Chinese. If there is any inconsistency between the English and the traditional Chinese versions of the Terms of Reference, the English version shall prevail over the traditional Chinese version.

1. PURPOSE

1.1 The purpose of the Committee is to review and monitor the Group’s environmental, social responsibility and corporate governance (the “**ESG**”) policies and practices to ensure compliance with the relevant legal and regulatory requirements, monitor and respond to emerging ESG issues and make recommendations to the Board where appropriate to improve the Group’s ESG performance.

2. COMPOSITION

2.1 The Committee shall comprise a minimum of three members consisting of the chairman of the Board (the “**Board Chairman**”) and the Company’s Chief Executive. Members of the Committee shall be appointed by the Board. They need not be Directors.

2.2 The Board Chairman shall act as the chairman of the Committee (the “**Committee Chairman**”).

2.3 The company secretary of the Company or his nominee shall act as the secretary (the “**Committee Secretary**”) of the Committee.

3. MEETINGS

3.1 Unless otherwise specified hereunder, the provisions contained in the Company’s articles of association (the “**Articles**”) (as amended from time to time) for regulating meetings and proceedings of directors shall apply mutatis mutandis, to regulate the meetings and proceedings of the Committee.

- 3.2 Members of the Committee may attend meetings of the Committee either in person or through other electronic means of communication or in such other manner as the members may agree.
- 3.3 The Committee shall meet at least once every year, or more frequently if circumstances require.
- 3.4 Members of the Committee may be represented at a meeting of the Committee by an alternate appointed by him or her.
- 3.5 The Committee Chairman shall be responsible for leading the Committee, including scheduling meetings, preparing agendas and making regular reports to the Board.
- 3.6 A meeting of the Committee may be convened by any of its members.
- 3.7 A quorum shall be two members of the Committee.
- 3.8 Each member shall have one voting right. Subject to the Articles, questions arising at any meeting of the Committee shall be decided by a majority of votes, and in case of an equality of votes, the Chairman shall have a second or casting vote.
- 3.9 Minutes of meetings of the Committee and the record of individual attendance at such meetings shall be prepared by the Committee Secretary which shall be sent to all members of the Committee within a reasonable time after the conclusion of any meeting of the Committee for their comment and records. For the purposes of recording attendance only, the attendance of an alternate of members of the Committee will not be counted as attendance by the relevant member of the Committee himself or herself. The minutes of meetings shall record details of the matters considered and decisions reached, including any concerns raised by directors or dissenting views expressed.
- 3.10 Without prejudice to any requirement under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), a resolution in writing signed by all of the members of the Committee (or their respective alternate) shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.

4. REPORTING PROCEDURES

- 4.1 The Committee shall evaluate and assess its effectiveness and the adequacy of these Terms of Reference from time to time/on an annual basis and recommend any proposed changes to the Board.
- 4.2 The Committee shall report to the Board on their decisions or recommendations, unless there are legal or regulatory restrictions on their ability to do so (such as a restriction on disclosure due to regulatory requirements).

5. AUTHORITY

- 5.1 The authorities and responsibilities of the Committee shall include such responsibilities and authorities set out in the relevant code provisions of the Corporate Governance Code (the “**CG Code**”) and Environmental, Social and Governance Reporting Guide (the “**ESG Guide**”) as contained in Appendix 14 and Appendix 27, respectively, to the Listing Rules (as amended from time to time).
- 5.2 The Committee is authorized by the Board to investigate any activity within these Terms of Reference. It is authorized to seek any information it requires from any employee and all employees will be directed to co-operate with any request made by the Committee.

6. DUTIES

- 6.1 The duties of the Committee shall include the following:
- i. develop and review the Company’s ESG vision, strategy, framework, principles, policies, purposes and values, ensure that these and the Company’s culture are aligned and make relevant recommendations to the Board, and implement the ESG policies laid down by the Board;
 - ii. review and monitor the Company’s ESG policies and practices to ensure compliance with legal and regulatory requirements;
 - iii. pursue initiatives to promote the Company’s ESG, and set corporate objectives, targets, key performance indicators and measures to ascertain performance against prioritised ESG areas as appropriate;
 - iv. develop, review and monitor the code of conduct and compliance manual in relation to ESG matters (if any) applicable to the Directors and employees;
 - v. review the Company’s compliance with the CG Code and ESG Guide;
 - vi. review the Group’s annual report or special reports (if any) on environmental protection, social responsibility and corporate governance;
 - vii. develop the procedures for a Board (including its committees and individual members) performance evaluation and conduct a Board performance evaluation regularly, and provide the evaluation report (if any) to the Board for its consideration and approval;
 - viii. develop, review and monitor the implementation of the shareholders communication policy of the Company to ensure its effectiveness, and make recommendations to the Board where appropriate to enhance shareholder relationship with the Company;

- ix. review and monitor the training and continuous professional development of the Directors and senior management. Training means participating as speakers, members, or attendees, in conferences, seminars, tutorials, meetings, and workshops on any topics which are relevant to the development of the financial markets, including but without limitation, companies laws, relevant rules and regulations, accounting standards, environmental, social and governance issues, risk management, and information technology. For those Directors or senior management who are members of professional bodies, the training they received for fulfilling membership requirements would count towards the training as prescribed by the CG Code. The Committee may provide guidelines to the Directors/senior management in respect of training;
 - x. monitor and respond to emerging ESG issues and make recommendations to the Board where appropriate to further the Company's ESG performance;
 - xi. support local and overseas external ESG-related initiatives where appropriate to help promote ESG;
 - xii. do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board in relation to health, safety, environment, social responsibility and corporate governance; and
 - xiii. conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the Company's constitution or imposed by legislation or the Securities and Futures Commission.
- 6.2 The Committee shall be provided with sufficient resources, including the resources for seeking independent legal and other professional advisors, as well as consultants with ESG expertise, to perform its duties.

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