

# **Asia Cement (China) Holdings Corporation**

## **Sustainability Committee Articles of Association**

### **Article 1 Basis for the Establishment of the Charter**

To fulfill corporate social responsibility and achieve its mission as a sustainable Corporation. The Company hereby establishes the Sustainability Committee (hereinafter referred to as “the Committee”), and the Committee Charter (hereinafter referred to as “the Charter”).

### **Article 2 Scope**

Unless otherwise specified in the laws or the Company’s Articles of Association, the Charter shall govern matters concerning the composition, number, term of office and authorities of Committee members; the rules of procedure of meetings; the resources to be provided by the Company when the Committee exercises its authorities.

### **Article 3 Purpose**

The operation of the Committee shall adhere to the principle of corporate sustainability:

1. Exercise corporate governance
2. Foster a sustainable environment
3. Maintain public welfare
4. Enhance disclosure of corporate sustainable development information

### **Article 4 Composition**

The Board of Directors (“the Board”) shall designate and remove members of the Committee by resolution. The Committee shall comprise of no fewer than three members (“the member(s)”), over 50% of whom shall be directors.

The Committee shall elect one member as the convener and chairperson of the Committee meetings. Such member must also be the chairperson of the Board/independent executive director of the Company.

In the absence of the chairperson and/or their designated representative, the Committee shall elect a person to chair the meeting among the remaining attending members.

Unless otherwise specified in the laws or the Company's Articles of Association, the terms of the members of the Committee shall commence on the day of the Board resolution, and terminate on the day when the director resigns from the Committee or the Board; the Board replaces the director's role as a member of the Committee. The terms of the members of the Committee shall coincide with the terms of the directors, who may continue the next term once reelected.

The appointment of Committee member may be revoked, and a deputy may be appointed through board resolution and appointment by the Committee. The Board shall fill such vacancy during the Board meeting that immediately follows the said vacancy.

In the event of appointment of and changes in the Committee members, the Company may report and declare such appointment or changes on the website designated by the competent authority.

#### **Article 5            Responsibilities**

To achieve the purposes set forth in Article 3 of the Charter, the Committee has a fiduciary duty to the Board when fulfilling the following responsibilities:

1. Promote and strengthen the Company's corporate governance and integrity;
2. Implement and develop matters related to corporate sustainable development;
3. Supervise other matters related to corporate sustainable development approved by the Board.

#### **Article 6            Conventions of Meetings**

The Committee meetings shall be held at least twice a year. Shall the Committee deems necessary, the Chairperson of the Committee may at his/her discretion convene additional meetings.

Unless agreed otherwise, members of the Committee and other attendees (if applicable) to the Committee meetings shall be notified of the date, location, agenda and information relevant to the meeting seven days in advance. However, emergency meetings are exempted from this requirement. The notification may be delivered in the

form of written notice, email or facsimile. Relevant documents shall be delivered to members of the Committee and other attendees (if applicable) at least three days in advance.

The convener shall set the agenda for the Committee meeting. Other Committee members may also submit proposals for discussion.

## **Article 7 Rule of Procedure**

The Secretariat of Administration Office shall be responsible for the notification, agenda setting, proceeding and minutes of the Committee meeting.

Members of the Committee shall personally attend the Committee meetings. In the event that a Committee member is unable to do so, the said member may appoint another member as his/her proxy. Attendance through video conferencing shall be deemed as attendance in person.

A member of the Committee appointing another member as his/her proxy for the Committee meeting shall issue a written proxy statement for each instance and state the scope of authorization regarding the items on the agenda. Each proxy may act on behalf of one Committee member only.

Attendance register shall be provided for members of the Committee to sign in when Committee meetings are held and the register shall be kept on file for future reference.

Resolutions of the Committee shall be adopted with the approval of more than 1/2 of the entire Committee with a quorum of 2/3 of the Committee members. If no member objects to the adoption of a resolution upon the chairperson's inquiry, the resolution shall be deemed adopted to the same effect as member votes. The result of the vote shall be announced during the meeting and made part of the minutes.

The Committee may request the presence of managers or personnel from applicable departments; corporate sustainable development consultants or other personnel from the

Company, including its subsidiaries, for the Committee meeting to provide necessary information.

Resolutions adopted through member voting or discussion by the Committee shall be evaluated by applicable departments, subsidiaries or task forces for implementation, and the result shall be reported at the next meeting.

The rules of procedure of the Committee included hereinabove are governed by the Corporation's Articles of Association.

## **Article 8 Meeting Minutes**

The minutes of Committee meetings shall document the following with accuracy and in detail:

1. The session, year, month, day, time and location;
2. The name of the chairperson;
3. Attendance, including the number and names of those who are in attendance, excused and absent;
4. Attendees' names and job titles;
5. The name of the minute taker;
6. Matters to be reported;
7. Matters to be discussed: The method through which the motion is decided and the outcome, summary of comments from experts or other personnel; name of the Committee members with conflict of interest; key details of the conflict of interest; reason for the said members to recuse or not to recuse themselves; details on the recusal; objections or reservations expressed;
8. Provisional motions: The name of the person making the motion; the method through which the motion is decided and the outcome, summary of comments from experts or other personnel; name of the members of the Committee with conflict of interest; key details of the conflict of interest; reason for the said members to recuse or not to recuse themselves; details on the recusal; objections or reservations expressed;
9. Other matters to be recorded.

The attendance register shall be deemed as part of the minutes. In the event that the Committee meeting is held in the form of video conferencing, the video recording shall also be deemed as part of the minutes.

The meeting minutes, upon approval of the Chairperson of the Committee, shall be distributed to members of the Committee within reasonable time, presented to the Board, filed under important documents and preserved permanently.

The production, distribution and filing of the minutes may be conducted in electronic format.

**Article 9                    Recusal during discussions**

Members of the Committee must report important information regarding their conflict of interest connected to any matters to be discussed during the Committee meeting. If the conflict is against the interest of the corporation. Such members must not personally participate (or by proxy) in the discussion and voting, and must recuse themselves from the discussion and voting.

**Article 10                  Appointment of experts**

The Committee is authorized to retain professional experts to provide advisory service regarding matters within the Committee's authority. All costs associated with such services shall be borne by the Company.

**Article 11                  Implementation and Amendment**

Implementation of the Charter shall commence upon approval by the Board. So shall the amendment.