



IRC Limited 鐵江現貨有限公司
(Incorporated in Hong Kong with limited liability)
(Stock Code: 1029)

IRC Limited (the Company)

TERMS OF REFERENCE FOR

THE HEALTH, SAFETY AND ENVIRONMENT COMMITTEE

In these Terms of Reference the following terms shall have the following meanings:

Board shall mean the Board of Directors of the Company; and

Committee shall mean the Health, Safety and Environment Committee.

1. Introduction

These Terms of Reference have been produced to identify and formalise the roles, tasks and responsibilities of the Committee and to assist the Committee in achieving best practice in corporate governance for the Company and its subsidiaries (the **Group**).

2. Membership and Attendance

- 2.1 The Committee shall be appointed by the Board (other than in respect of the initial members of the Committee as set out in paragraph 2.2 below) from amongst the directors of the Company and shall be made up of at least three members, the majority of whom shall be independent non-executive directors of the Company.
- 2.2 The Board shall appoint the Committee chairman who shall be an independent non-executive director or the chairman of the Board. In the absence of the Committee chairman and/or an appointed deputy, the remaining members present shall elect one of their members to chair any meeting of the Committee from those who would qualify under these Terms of Reference to be appointed to that position by the Board. The chairman of the Board shall not chair the Committee when it is dealing with the appointment of a successor to the chairmanship.
- 2.3 Only members of the Committee shall have the right to attend and vote at Committee meetings. However, other individuals such as the chief executive officer of the Company,

the Company's head of human resources and external advisers of the Company may be invited to attend for all or part of any meeting as and when appropriate and necessary.

- 2.4 Members of the Committee shall be appointed by the Board for a period of up to three years. Such appointment may then be extended by further periods of up to three years, provided the member continues to meet the criteria for membership of the Committee.

3 Secretary

- 3.1 The Company secretary or his/her nominee shall act as the secretary of the Committee (**Secretary**).
- 3.2 The Secretary shall also act as a co-ordinating intermediary between the Board and the Committee.

4 Quorum

The quorum necessary for the transaction of business shall be two. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

5 Frequency of Meetings

The Committee shall meet at least once a year and at such other times as the Chairman of the Committee shall require. Meetings should be organised so that attendance is maximised.

6 Notice of Meetings and Proceedings at Meetings

- 6.1 Meetings of the Committee shall be summoned by the Secretary at the request of the chairman of the Committee.
- 6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors of the Company, no fewer than five days prior to the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.
- 6.3 Meetings of the Committee may be conducted when the members are physically present or in the form of either video or audio conferences.

7 Minutes of Meetings

- 7.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings (including the names of those present and in attendance) and shall ensure the Committee is properly constituted and advised.

- 7.2 The Secretary should ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 7.3 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all other members of the Board, unless it would be inappropriate to do so.

8 Annual General Meeting

- 8.1 The chairman of the Committee shall attend the Company's Annual General Meeting prepared to answer any shareholder questions on the Committee's activities.

9 Duties

The principal duties of the Committee are to:

- Recommend to the Board a Health, Safety and Environment policy for adoption by it and, as the Committee deems necessary, recommend changes to that policy, with an annual review;
- Monitor the Group's compliance with the approved Health Safety and Environment policy;
- Assess compliance by the Group with Health, Safety and Environment legislation;
- Receive and review investigation reports regarding Health, Safety and Environment accidents (fatal, lost working days, and minor) and "near misses" within the Group;
- Monitor performance, having regard to underlying trends and review progress on improving safety performance and safety culture;
- Monitor performance, including rates of absenteeism, having regard to underlying trends, and review progress on improving the occupational health of staff;
- Consider Health, Safety and Environment issues that may have strategic, business and reputational implications for the Group, and recommend appropriate measures, responses and targets; and
- Identify and recognise individuals and business units which have exemplary safety performance.

10 Reporting Responsibilities

- 10.1 The chairman of the Committee shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 10.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 10.3 The Committee shall make available to shareholders these Terms of Reference by placing them on the Company's website.

11 Other Matters

- 11.1 The Committee shall have access to sufficient resources in order to carry out its duties, including access to the Company secretary for assistance as required.
- 11.2 The Committee shall, at least once a year, review its own performance, constitution and these Terms of Reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.
- 11.3 The Committee shall give due consideration to relevant laws and regulations, the provisions of the Hong Kong Corporate Governance Code and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and any other applicable rules as appropriate.

12 Authority

- 12.1 The Committee is authorised by the Board to seek any information it requires from any employee of the Group in order to perform its duties.
- 12.2 In connection with its duties the Committee is authorised by the Board to:
- (a) seek legal or other professional advice;
 - (b) within any budgetary constraints imposed by the Board, commission any reports, surveys or information which it deems necessary to help fulfil its obligations; and
 - (c) secure the attendance of external advisers at its meetings;
- all at the Company's expense.
- 12.3 Although the Committee can seek the advice and assistance of any of the Group's executives, it needs to ensure that this role is clearly separated from their role within the business.

13 Procedure

Subject to the constitutional documents of the Group, the Committee shall determine its own procedures.