



Tiande Chemical Holdings Limited

天德化工控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 609)

(the “Company” and together with its subsidiaries, collectively the “Group”)

**Terms of reference
of
the safety and environmental protection committee of the Company
 (“SEP Committee”)**

Revised and approved by the board (the “Board”) of directors (the “Directors”) of the Company on 16 December 2011.

1. Membership

- 1.1 Members of the SEP Committee (“Members”) shall be appointed by the Board.
- 1.2 The chairman of the SEP Committee shall be appointed by the Board.
- 1.3 The appointment of the Members and the secretary of the SEP Committee may be revoked, or additional members may be appointed to the SEP Committee by separate resolutions passed by the Board.

2. Secretary

- 2.1 The company secretary of the Company or his/her delegate shall be the secretary of the SEP Committee.
- 2.2 The SEP Committee may from time to time appoint any other person with appropriate qualification and experience as the Secretary of the SEP Committee.

3. Meeting

- 3.1 Meeting should be held if the SEP Committee shall so request.
- 3.2 Notice of any meetings has to be given at least 14 days prior to any such

meeting being held, unless all Members unanimously waive such notice. Irrespective of the length of notice being given, attendance of a meeting by a member shall be deemed waiver of the requisite length of notice by the Member. Notice of any adjourned meetings is not required if adjournment is for less than 14 days.

- 3.3 Notice of meeting shall be given to each Member orally in person or in writing or by telephone or by facsimile or electronic transmission at the telephone number or facsimile number or e-mail address etc. from time to time notified to the secretary of SEP Committee by such Member or by such other means as Members may from time to time determine. Any notice given orally shall be confirmed in writing.
- 3.4 Meeting of SEP Committee could be held in person or by telephone. Members may participate in a meeting by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting SEP Committee of are capable of hearing each other. Member may not appoint any alternate to attend any meeting of SEP Committee.
- 3.5 The quorum of the SEP Committee meeting shall be two Members.
- 3.6 Full minutes shall be kept by the secretary of the SEP Committee. Draft and final versions of minutes shall be circulated to all Members for their comment and records respectively, in both cases within a reasonable period of time after the meeting. Final versions of minutes shall be open for Directors' inspection.

4. **Attendance of meetings**

- 4.1 At the invitation of the SEP Committee, the other members of the Board, external advisers and other persons may be invited to attend all or part of SEP Committee meeting.

5. **Resolutions**

- 5.1 Resolutions of the SEP Committee shall be passed by a majority of votes.
- 5.2 A resolution in writing signed by all Members shall be as valid and effectual as if it had been passed at a meeting of the SEP Committee duly convened and held.
- 5.3 Only Members are entitled to vote at the meetings.

6. **Attendance of annual general meeting**

- 6.1 The Chairman of the SEP Committee, or in his/her absence, another Member, shall attend the Company's annual general meeting and be prepared to respond to the Company's shareholders' questions on the SEP Committee's activities and their responsibilities.

7. **Duties**

The duties of the SEP Committee shall be:

- 7.1 to formulate the Group's safety and environmental protection policy and regulations and make recommendations to the Board for approval;
- 7.2 to establish and maintain a safety and environmental production environment of the Group;
- 7.3 to examine and supervise the productions and operations of the Group and ensure the Group's safety and environmental protection policy and regulations are implemented effectively;
- 7.4 to ensure the production operations of the Group are complied with all relevant rules and regulations promulgated by the local government authorities from time to time; and
- 7.5 to handle all complaints regarding the safety and environmental aspect of the Group and make recommendations to the Board for improvement.

8. **Reporting Responsibilities**

- 8.1 The SEP Committee shall report to the Board after each meeting.