



China Polymetallic Mining Limited
中國多金屬礦業有限公司
(the “Company”)

TERMS OF REFERENCE
OF
SAFETY, HEALTH AND ENVIRONMENT COMMITTEE
(Approved by the board of directors of the Company on March 13, 2014)

1 INTRODUCTION

- 1.1 The Safety, Health and Environment Committee (“**Committee**”) of the Board shall oversee the safety, health and environment policies and activities of the Company.
- 1.2 This Terms of Reference is made in compliance with the Rules Governing the Listing of Securities on the Stock Exchange in Hong Kong (“**Listing Rules**”).

2 CONSTITUTION

- 2.1 The Committee is established pursuant to a resolution passed by the Board at its meeting held on June 27, 2013.

3 MEMBERSHIP

- 3.1 The Committee shall be composed of at least two Directors, which shall be appointed by the board of directors.
- 3.2 The Committee shall have one chairperson (convener), who shall be elected by the members of the committee, subject to approval by the board of directors, and who shall be responsible for convening and presiding over meetings of the committee.
- 3.3 The Committee shall have one secretary, which position shall be held by the Board Secretary or the Company Secretary (as defined under the Listing Rules).

4 PROCEEDINGS OF THE COMMITTEE

- 4.1 The Committee must meet regularly, at the times determined by the Committee Chairman and in any event at least two scheduled times a year. A member of the Committee may

request to the Committee Secretary that a meeting of the Committee be convened.

- 4.2 All the members of the Committee shall be notified of a meeting of the committee seven days in advance of it and such notice shall be delivered personally or by fax, express mail, email, or registered airmail. The agenda of such meeting, the proposals to be made thereat, and the documents related thereto shall be delivered together with the notice of it.
- 4.3 A quorum of more than two thirds of the members of the Committee shall be required at a meeting of the committee; each member shall have one vote; and resolutions at such meetings shall be adopted by the affirmative vote of more than half of all the members.
- 4.4 The Committee may invite the directors and other officers of the Company to attend its meeting, as non-voting delegates.
- 4.5 Those members of the Committee who are present at meetings of the committee, those who attend such meetings as non-voting delegates, and the other directors of the Company shall be obligated to maintain the confidentiality of the matters discussed at such meetings and shall not disclose any information thereon without authorization.
- 4.6 The secretary of the Committee shall attend all meetings of the committee and prepare minutes of such meetings. The minutes shall be signed by the chairman of the relevant meeting or by the chairman of the following meeting. The minutes of such meetings and the materials related thereto shall be put in order by the secretary of the Committee and then placed in the files of the board of directors office for ten years.
- 4.7 The proposals adopted at meetings of the Committee and the voting results at such meetings shall be submitted in writing to the board of directors. In addition, the secretary of the Committee shall pass round the minutes and reports of such meetings among all the members of the board of directors.

5 AUTHORITY OF THE COMMITTEE

- 5.1 The Committee may exercise the following powers in accordance with its purpose and in the performance of its functions:
 - 5.1.1 seek any information it requires from any employee of the Company and its subsidiaries (together the “**Group**”) and any professional advisers (including the Company’s auditors), to require any of them to prepare and submit reports and to attend Committee meetings and to supply information and address any questions raised by the Committee;
 - 5.1.2 direct any of the following to attend a meeting of the Committee: (i) the Company’s auditor, (ii) any employee of the Group and (iii) to the extent permitted by law and regulation, access any document, report, material or information in the possession of an employee or external adviser of the Group;
 - 5.1.3 delegate any of its functions or responsibilities to one or more members of the Committee or to any director or executive officer of the Company, subject to conditions and on such terms as the Committee determines;

5.1.4 obtain, at the Company's expense, outside legal or other independent professional advice or assistance as it considers to be necessary; and

5.1.5 conduct any other affairs expressly authorised by the Board.

6 PURPOSE OF THE COMMITTEE

6.1 The purpose of the Committee is to assist the Board in the effective discharge of its responsibilities in relation to safety, health and environment (“**SHE**”) matters arising out of the activities of the Group as they affect employees, contractors and the communities in which the Group operates.

6.2 The purpose of the Committee extends to risk management in respect of:

6.2.1 the health and safety of employees;

6.2.2 environmental impact, efficient use of resources, pollution reduction and prevention and product stewardship; and

6.2.3 the values and cultural heritage of communities in which the Group operates.

7 RESPONSIBILITIES OF THE COMMITTEE

The Committee must:

7.1 adopt policies relating to Safety, Health and Environment Committee matters (“**SHEC Policies**”) and, in respect of crucial decisions or problems that affect such SHEC Policies, or otherwise, when it considers necessary, recommend changes to the Board of those policies;

7.2 monitor the Group's compliance with the approved SHEC Policies on behalf of the Board to ensure the Committee is in compliance with appropriate laws and legislations;

7.3 assess the SHEC standards of the Group;

7.4 assess the operations of the Group and make recommendations for assessing, avoiding, eliminating, controlling and minimising SHEC risks;

7.5 adopt an annual plan and a long term plan on the Company's SHEC;

7.6 encourage, assist, support and counsel management in developing short and long term policies and standards and provide proper training continuously to all concerned employees and contractors to ensure that the principles set out in the SHEC Policies are being adhered and achieved;

7.7 assess compliance by the Group with applicable SHEC legislation;

7.8 research and recommend the adoption of acceptable SHEC practices in the industries in which the Group operates;

- 7.9 receive and review monthly reports concerning SHEC incidents within the Group (the monthly report should have standard format with all the key metrics, including important incidents and responsibilities of the Company in relation to its operations, productions, assets, employees, facilities and all those concerning fatalities and serious injury) and review the actions taken by management as a result of such incidents and responsibilities;
- 7.10 ensure the Directors are kept advised of their duties and responsibilities related to the scope of the Committee;
- 7.11 consider SHEC issues that may have strategic, business and reputational implications for the Group;
- 7.12 make periodic visits to corporate locations in order to become familiar with the nature of the operations, and to review relevant objectives, procedures and performance with respect to SHEC of the Company;
- 7.13 investigate, or cause to be investigated, any extraordinary negative SHEC performance where appropriate;
- 7.14 comply with any laws, regulations and the Listing Rules; and
- 7.15 take any actions as requested and authorised by the Board from time to time.

8 REPORTING PROCEDURES

- 8.1 The Committee shall report to the Board as follows:
 - 8.1.1 the chairman of the Committee must report the findings and recommendations of the Committee at the next Board meeting following each meeting of the Committee;
 - 8.1.2 the chairman of the Committee must submit an annual report to the Board summarising the Committee's activities during the year and the related significant results and findings; and
 - 8.1.3 the Committee must approve the details to be published in the Company's annual report, management information circular to shareholders, or any other statutory report or any other statutory, report or document with respect to the activities and responsibilities of the Committee.
- 8.2 The Committee may call a meeting of the Board to consider any matter of concern to the Committee.

9 COMMITTEE REVIEW

9.1 The Committee must review its performance every two years.

10 POWERS OF THE BOARD

10.1 The Board may, subject to compliance with the articles of association of the Company and the Listing Rules, amend, supplement and revoke these terms of reference and any resolution passed by the Committee provided that no amendments to and revocation of these terms of reference and the resolutions passed by the Committee shall invalidate any prior act and resolution of the Committee which would have been valid if such terms of reference or resolution had not been amended or revoked.

11 LANGUAGE

11.1 This Terms of Reference is written in both Chinese and English, and the English version shall prevail