

## CLP HOLDINGS LIMITED

Board Committees	SECTION
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A. Functions

The objective of the CLP Group Sustainability Committee (**Committee**) is to oversee management and advise the Board on matters required to enable:

- (a) the CLP Group to operate on a sustainable basis for the benefit of current and future generations;
- (b) sustainable growth by maintaining and enhancing CLP Group's economic, environmental, human, technological and social capital in the long term; and
- (c) the effective management of CLP Group's sustainability risks.

In this context **Sustainable and Sustainability** encompass the following elements (which are all of equal importance):

- social;
- environmental;
- health and safety;
- security;
- relationships with employees;
- relationships with communities and other stakeholders; and
- ethical,

elements affecting, or relevant to, the CLP Group business or operations.

B. Authority and resourcing

The Committee is authorised by the Board, at CLP's expense, to investigate all matters that fall within these Terms of Reference.

The Committee may employ, instruct, appoint or retain, at CLP's expense, any professional advisor as it considers necessary and appropriate in connection with its purposes and secure the attendance of those advisors at Committee meetings as appropriate.

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The Committee will have available to it sufficient resources, as determined by the Committee, to run effectively, including to:

- engage and remunerate professional advisers to assist the Committee to carry out its work; and
- pay any expenses of the Committee that are necessary or appropriate to assist it in carrying out its work under these terms of reference.

In discharging its responsibilities, the Committee is entitled to have unrestricted access to personnel, records and senior management as appropriate. All CLP employees are directed to cooperate with any request made by the Committee.

### C. Responsibilities

The Committee has the following responsibilities in support of the fulfilment of this Objective.

#### Sustainability goals, priorities, policies and frameworks

1. To review, endorse and report to the Board on CLP's Sustainability standards, priorities and goals and to oversee CLP group-level strategies, policies and practices on Sustainability matters to attain those standards and goals.
2. To review and evaluate the adequacy and effectiveness of CLP group-level frameworks insofar as they relate to Sustainability matters including:
  - (a) CLP's Value Framework;
  - (b) CLP's Sustainability Framework;
  - (c) CLP's Climate Vision 2050;
  - (d) CLP's HSE Framework; and
  - (e) The Responsible Procurement aspects of CLP's Procurement Framework.
3. To review and report to the relevant Board committees (as appropriate) on:
  - (a) key international trends in legislation, regulation, litigation and public debate as regards social, environmental and ethical standards of corporate behaviour;

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- (b) the standards set and the performance of CLP in Sustainability matters, relative to comparable utilities or other benchmarked companies, including on a regional and global basis;
- (c) the relevance of Sustainability stock indexes, the performance of CLP in Sustainability matters relative to the requirements of those indexes and the desirability of CLP's inclusion in those indexes;
- (d) Sustainability risks and opportunities.

Sustainability performance

4. To oversee, review and evaluate:
  - (a) actions taken by CLP in furtherance of CLP's Sustainability goals, priorities, policies and frameworks;
  - (b) CLP Group's performance against the metrics determined in C.6.(a) below;
  - (c) the impact of the CLP Group's activities on employees, third parties, the communities in which CLP has operations, the reputation of CLP and in general on CLP's social licence to operate.
5. To recommend strategies for improvements in CLP's Sustainability performance.

Sustainability reports

6. To review and advise the Board on CLP's public reporting as regards its performance on Sustainability matters, including, without limitation:
  - (a) determining the appropriate international or national standard (if any) on Sustainability that we will monitor and report to on an annual basis;
  - (b) preparing an annual report on its activities for inclusion in the CLP Annual Report to shareholders;
  - (c) reviewing and recommending to the Board for approval of the annual Sustainability Report, and making recommendations on specific actions or decisions the Board should consider in order to maintain integrity of the Sustainability Report.

Note: Assurance of the accuracy of metrics and reporting is the responsibility of the Audit & Risk Committee.

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Communities, charities and environmental partnerships

7. To oversee CLP's community, charitable and environmental partnerships, strategies and related group-level policies and make recommendations to the Board on any changes to those partnerships, strategies and policies.

Miscellaneous

8. To perform such further functions related or incidental to the foregoing which the Committee deems appropriate.
9. To report to the Board and management (as appropriate) on decisions or recommendations made, unless there are legal or regulatory restrictions to do so.

D. Reporting

The Committee reports to the Board and as specified in C.3. above.

The following committees report to the Committee:

- HSSE Committee;
- ESG Reporting Committee, and
- any other committee that is established to address a Sustainability matter.

E. Membership of the Committee

The Committee shall be comprised of at least 5 members, being:

- CEO, CLP Holdings;
- Independent Non-Executive directors (no less than 3); and
- Chief Corporate Development Officer

The Chairman of the Committee shall be the CEO, CLP Holdings.

The Board may from time to time appoint additional members to the Committee from among the directors and such other persons the Board considers to be of relevant experience and expertise.

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The Committee may invite any executive(s) to attend any meeting(s) of the Committee as it may from time to time consider necessary or desirable to assist the Committee in the attainment of its objective.

Members

(as from 1 January 2020)

- |    |   |          |
|----|---|----------|
| 1. | Mr. Richard Kendall Lancaster, Chief Executive Officer          | Chairman |
| 2. | Mr. Nicholas Charles Allen, Independent Non-executive Director  | Member   |
| 3. | Mrs. Law Fan Chiu Fun Fanny, Independent Non-executive Director | Member   |
| 4. | Ms. May Siew Boi Tan, Independent Non-executive Director        | Member   |
| 5. | Mr. Andrew Clifford Winawer Brandler, Non-executive Director    | Member   |
| 6. | Mr. Philip Lawrence Kadoorie, Non-executive Director            | Member   |
| 7. | Ms. Chong Wai Yan Quince, Chief Corporate Development Officer   | Member   |

F. Meetings and meeting procedures

Meetings of the Committee are to be held as frequently as required but not less than twice a year. Any Committee member may call a meeting of the Committee. The meetings and proceedings of the Committee are governed by the provisions contained in the Company's Articles of Association and the CLP Code on Corporate Governance for regulating the meetings and proceedings of Directors.

Minutes of each meeting shall be prepared by the Secretary, who shall be Company Secretary, CLP Holdings (or their designate). The Secretary shall prepare and distribute the minutes of Committee meetings to all members of the Committee for approval. The Secretary shall ensure that the minutes of the meetings are signed by the Chairperson at the next Committee meeting following their approval. A summary of the minutes shall be submitted to the Board and a copy of the minutes shall be made available upon request to members of the Board.

G. Review of Terms of Reference

These Terms of Reference shall be reviewed by the Committee every two years and the Committee shall recommend to the Board any necessary changes.