



## SUSTAINABILITY COMMITTEE TERMS OF REFERENCE

### 1. Objectives

The objectives of the Sustainability Committee (the “**Committee**”) of Power Assets Holdings Limited (the “**Company**” together with its subsidiaries, the “**Group**”) is to oversee management and advise the board of directors (the “**Board**”) on the development and implementation of the sustainability initiatives of the Group, including reviewing the related policies and practices, and assessing and making recommendations on matters concerning the Group’s sustainability development and risks.

### 2. Membership

- 2.1 The Committee shall be appointed by the Board.
- 2.2 The Committee shall comprise the following members:
  - (1) at least two Executive Directors; and
  - (2) at least one Independent Non-executive Director.
- 2.3 The Chairman of the Committee shall be appointed by the Board.
- 2.4 The Committee may delegate certain of its responsibilities to working teams with such powers as are necessary to discharge the responsibilities of the Committee, including without limitation the Sustainability Management Committee comprising the Chief Executive Officer, Chief Financial Officer, Group Legal Counsel and Company Secretary and selected members of the Company’s management, as appointed by the Chairman of the Committee from time to time.

### 3. Secretary

- 3.1 The Company Secretary shall be the secretary of the Committee.
- 3.2 The Committee may from time to time appoint any other person with appropriate qualification and experience as the secretary of the Committee.

#### **4. Meetings**

- 4.1 The Committee shall meet at least twice a year and additionally as required.
- 4.2 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.
- 4.3 The quorum of the Committee shall be any two Members.
- 4.4 Meetings could be held in person, by telephone or by video conference. 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 are capable of hearing each other.
- 4.5 Resolutions of the Committee at any meetings shall be passed by a majority of votes of the Members present.
- 4.6 A resolution in writing signed by all the Members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.
- 4.7 Minutes shall be kept by the secretary of the 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. Such minutes shall be open for Directors' inspection.

#### **5. Attendance at Meetings**

- 5.1 At the invitation of the Committee, Directors, executives and other persons may be invited to attend all or part of any meetings.
- 5.2 Only Members of the Committee are entitled to vote at the meetings.

#### **6. Responsibility, Powers and Discretion**

The Committee shall have the following responsibilities, powers and discretion:

- 6.1 to propose and recommend to the Board on the Group's sustainability objectives, strategies, priorities, initiatives, goals and targets;

- 6.2 to oversee, review and evaluate actions taken by the Group in furtherance of the sustainability priorities, goals and targets, and ensuring that the Group's operations and practices adhere to the relevant priorities and goals;
- 6.3 to review and report to the Board on sustainability risks and opportunities;
- 6.4 to monitor, evaluate and review emerging sustainability-related issues, trends and best practices that could impact the business operations and performance of the Group;
- 6.5 to oversee and review the Group's sustainability policies, practices, frameworks and management approach, and to recommend improvements;
- 6.6 to consider the impact of the Company's sustainability on its stakeholders (including employees, shareholders and local communities) as well as the environment;
- 6.7 to review and advise the Board on the Company's public communication, disclosure and publications (including the Sustainability Report) as regards to its sustainability performance; and
- 6.8 to perform such further functions related or incidental to the foregoing which the Committee deems appropriate.

## **7. Reporting Responsibilities**

The Committee shall report to the Board on its decisions and recommendations.

## **8. Authority**

- 8.1 The Committee is authorised by the Board to seek any information it requires from the Company's management in order to perform its duties.
- 8.2 The Committee is authorised by the Board where necessary to have access to independent professional advice.

*Note: Arrangement to seek independent professional advice could be made through Company Secretary.*

- 8.3 The Committee shall be provided with sufficient resources to perform its duties.

## **9. Publication of the Terms of Reference**

The terms of reference will be posted on the websites of the Company and Hong Kong Exchanges and Clearing Limited.

*(1 December 2020)*