



**SANERGY**

**SANERGY GROUP LIMITED**

**昇能集團有限公司**

*(Incorporated in Cayman Islands with limited liability)*

**(Stock code: 2459)**

## **Terms of Reference of the ESG Committee**

### **1. Constitution**

The Environmental, Social and Governance Committee (the “**ESG Committee**”) of Sanergy Group Limited (the “**Company**”) is established pursuant to a resolution passed by the board of directors of the Company (the “**Board**”) to support the Board on environmental, social and governance (“**ESG**”) matters.

### **2. Membership**

- 2.1 Members of the Committee shall be appointed by the Board from amongst the directors of the Company and shall consist of not less than three members, a majority of whom shall be independent non-executive directors of the Company.
- 2.2 The Chairman of the Committee (the “**Chairman**”) shall be appointed by the Board and shall be an independent non-executive director of the Company.
- 2.3 The appointment of the members of the Committee may be revoked, or additional members may be appointed to the Committee by separate resolutions passed by the Board and by the Committee.
- 2.4 The constitution of the Committee shall comply with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) as amended from time to time.

### **3. Proceedings of the Committee**

#### **3.1 Notice of Meeting**

- (a) Unless otherwise agreed by all the Committee members, a meeting shall be convened by at least seven days’ notice.
- (b) A Committee member may at any time summon a Committee meeting.

- (c) Notice shall be given to each Committee member in person orally or in writing or by telephone or by facsimile transmission or email at numbers or addresses from time to time notified to the secretary of the Company by such Committee member or in such other manner as the Committee members may from time to time determine.
- (d) Any notice given orally shall be followed by confirmation in writing before the meeting.
- (e) Notice of meeting shall state the time and place of the meeting and shall be accompanied by an agenda together with other documents which may be required to be considered by the members of the Committee for the purposes of the meeting. Such agenda and other documents should be sent in a timely manner and at least 3 days before the intended date of a meeting (or other period agreed by the Committee).

3.2 The quorum of the Committee meeting shall be two members of the Committee.

3.3 The Secretary of the Company shall act as the secretary of the Committee.

3.4 The ESG Committee shall meet quarterly.

#### **4. Written resolutions**

Written resolutions may be passed by all Committee members in writing. This provision is without prejudice to any requirement under the Listing Rules for a Board or Committee meeting to be held.

#### **5. Alternate Committee members**

Except for the situation as specified in clause 7(f) below, a Committee member may not appoint any alternate.

#### **6. Authorities of the Committee**

6.1 The Committee has the authority delegated to it from the Board to deal with the matters set out in clause 7 below.

6.2 The Committee shall be provided with sufficient resources to perform all of its duties. Where necessary, the Committee should seek independent professional advice, at the Company's expense, to perform its responsibilities.

#### **7. Duties and Responsibilities**

The duties of the Committee shall be:

- (a) to support the Board to formulate ESG policy and strategies, continuously monitor and review ESG progress, and update the policy and strategies every year;

- (b) to assess the performance of the Company's ESG strategies and the implementation of measures to address the Company's ESG-related risks and responsibilities, set climate-related performance metrics and targets to assist the Board in evaluating the effectiveness of the ESG strategy and measures;
- (c) to work with the senior management to conduct materiality assessment of environmental-related, climate-related, social-related risks to identify and prioritise material ESG issues, and provide a guide or blueprint for the Company's ESG strategy;
- (d) to work with external consultant to identify climate risks and opportunities in accordance with the TCFD standard (Task Force on Climate-Related Financial Disclosures) initiated by the United Nations;
- (e) to establish risk management and internal control systems, such as ESG policies and programmes to manage and mitigate ESG risks;
- (f) to attend annual general meetings of the Company, and be available to answer questions at such annual general meetings\*. The chairman of the independent board committee (if any) should also be available to answer questions at any general meeting to approve a connected transaction or any other transaction that requires independent shareholders' approval. The Company's management should ensure the external auditor attend the annual general meeting to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

*\*Note: The Chairman of the Committee shall attend annual general meetings of the Company; and in the Chairman's absence, another member of the Committee or failing this, the Chairman's duly appointed delegate, shall attend.*

## **8. Reporting procedures**

- 8.1 Any updated policies and strategies will be submitted and reported to the Board at the end of every year.
- 8.2 Full minutes of Committee meeting (which should record in sufficient detail the matters considered and decisions reached, including any concerns raised by directors or dissenting views expressed) shall be kept by a duly-appointed secretary of the meeting and should be open for inspection at any reasonable time on reasonable notice by any director of the Company. The duly-appointed secretary of the meeting shall circulate the draft and final version of minutes of meeting to all members of the Committee for their comments and records respectively within a reasonable time after the meeting is held, and circulate the final version of minutes of meeting to all directors of the Company within a reasonable time after the meeting is held. The procedures set out in this clause 8.1 shall also apply to the written resolutions of the Committee as referred to in clause 4 above.
- 8.3 The Committee should report back to the Board on its decisions or recommendations unless there are legal or regulatory restrictions on its ability to do so (such as a restriction on disclosure due to regulatory requirements).

## **9. Continuing application of the articles of association of the Company**

The articles of association of the Company regulating the meetings and proceedings of the Directors so far as the same are applicable and are not replaced by the provisions in these terms of reference shall apply to the meetings and proceedings of the Committee.

## **10. Powers of the Board**

The Board may, subject to compliance with the articles of association of the Company and the Listing Rules (including Appendix 14 (the Corporate Governance Code and Corporate Governance Report) to 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**

If there is any inconsistency between the English and Chinese versions of these terms of reference, the English version shall prevail.

Adopted by the Board on 16 December 2022.