



中國光大控股有限公司  
**CHINA EVERBRIGHT LIMITED**

*(Incorporated in Hong Kong with limited liability)*  
(Stock Code: 165)

**BOARD OF DIRECTORS**  
**TERMS OF REFERENCE**

(Version Date: 31 December 2023)

**1. Definition**

1.1 For the purpose of these Terms of Reference, the following capitalized terms shall have the meanings as follows: -

“Company”	means China Everbright Limited;
“Group”	means China Everbright Limited and its subsidiaries;
“Articles”	means the Articles of Association of the Company;
“Board”	means the Board of Directors of the Company, which consists of all Directors of the Company and acts collectively;
“Chairman”	means the Chairman of the Board of the Company;
“Director(s)”	means the director(s) of the Company;
“Executive Director(s)”	means the Director(s) who are directly involved in the daily management and operation of the Group;
“Independent Non-Executive Director(s)”	means the Director(s) who are not involved in the daily management and operation of the Group and are independent from the Group;
“Non-Executive Director(s)”	means the Directors who are not involved in the daily management and operation of the Group and are not independent from the Group;

“Management Decision Committee” or “MDC”	means the committee consisting of the Senior Management and other persons appointed by the MDC Chairman, which is responsible for assisting the MDC Chairman to monitor and manage the business and affairs of the Group;
“MDC Chairman”	means the chairman of the MDC of the Company, the chairman of the MDC is the President of the Company;
“President”	means the President of the Company;
“Vice President”	means the Vice President of the Company;
“Assistant President”	means the Assistant President of the Company;
“Senior Management”	means the President and Vice President;
“Company Secretary”	means the Company Secretary of the Company;
“Designated Secretary”	means the person designated by the Board and the Board Committees from time to time for the purpose of, among others, arranging meetings, recording, preparing minutes and organizing follow-up matters;
“Exchange”	means The Stock Exchange of Hong Kong Limited;
“Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the amendments applicable thereto from time to time;
“Companies Ordinance”	means the Companies Ordinance, Chapter 622 of the Laws of Hong Kong;
“Shareholder(s)”	means the shareholder(s) of the Company.

- 1.2 Where the context so permits or requires, words importing the singular number include the plural and vice versa and words permitting the masculine gender include the feminine and neuter genders and vice versa.
- 1.3 These Terms of Reference supersede all previous mandates and/or terms of reference of the Board and shall be interpreted and construed in accordance with and subject to the Companies Ordinance, the Listing Rules and the Articles.

## **2. Terms of Reference**

- 2.1 These Terms of Reference set out the terms of reference, powers and responsibilities of the Board, the Board Committees, the Management Decision Committee and/or the Senior Management to ensure clear segregation of powers and responsibilities between the Board and the Management Decision Committee/Senior Management and between the Chairman and the President, as well as clear distinction between “management and operation of the Board” and “daily management of the business”, with a view to ensuring balance of power and delegation and building up an effective and efficient corporate governance structure of the Group.
- 2.2 Unless otherwise stated, these Terms of Reference adopt and incorporate all Code Provisions set out in the Corporate Governance Code in Appendix C1 of the Listing Rules and the amendments from time to time applicable thereto.

## **3. Board**

- 3.1 The Board assumes responsibilities for the leadership and control of the Company and shall be collectively responsible for promoting the success of the Company by directing and supervising its affairs. Directors should make decisions objectively in the best interests of the Company. The Board should regularly review the contribution required from a Director to perform his responsibilities to the Company, and whether he is spending sufficient time performing them.
- 3.2 The Board should have a balance of skills and experience appropriate for the requirements of the Group’s business. It should ensure that changes to its composition can be managed without undue disruption. It should include a balanced composition of Executive and Non-Executive Directors (including Independent Non-Executive Directors) so that there is a strong independent element on the Board, which can effectively exercise independent judgment. Non-Executive Directors should be of sufficient calibre and number for their views to carry weight.
- 3.3 The Board should meet regularly and Board meetings should be held at least 4 times a year at approximately quarterly intervals. Regular Board meetings will involve the active participation, either in person or through electronic means of communication, of a majority of Directors entitled to be present. So, a regular meeting does not include obtaining Board consent through circulating written resolutions.

- 3.4 All Directors are given an opportunity to include matters in the agenda for regular Board meetings.
- 3.5 Notice of at least 14 days should be given of a regular Board meeting to give all Directors an opportunity to attend. For all other Board meetings, reasonable notice should be given.
- 3.6 Minutes of Board meetings and meetings of Board Committees should be kept by the Designated Secretary and should be open for inspection at any reasonable time on reasonable notice by any Director.
- 3.7 Minutes of Board meetings and meetings of Board Committees should record in sufficient detail the matters considered and decisions reached, including any concerns raised by Directors or dissenting views expressed. Draft and final versions of minutes should be sent to all Directors for their comment and records respectively, within a reasonable time after the Board meeting is held.
- 3.8 Upon a reasonable request of any Director, the Board should resolve to provide separate independent professional advice, at the Company's expense, to the Director to assist him in performing duties to the Company.
- 3.9 If a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter should be dealt with by a physical Board meeting rather than a written resolution. Independent Non-Executive Directors who, and whose associates, have no material interest in the transaction should be present at that Board meeting.
- 3.10 The Company should arrange appropriate insurance cover in respect of legal action against the Directors.
- 3.11 The Board shall exercise all powers that are not otherwise exclusively reserved for the Shareholders' meetings in respect of the management of the Company. The terms of reference, powers and responsibilities of the Board are: -
  - (a) To supervise the management of the business and affairs of the Company with due regard to maximizing Shareholders' value;
  - (b) To provide strategic guidance for the Senior Management;
  - (c) To develop and review the Company's policies and practices on corporate governance;
  - (d) To review and monitor the training and continuous professional development of Directors and Senior Management;
  - (e) To formulate and review the dividend policy of the Company;

- (f) To review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (g) To develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors;
- (h) To perform corporate governance duties and regularly review the Company's compliance with the code and disclosure in the Corporate Governance Report;
- (i) To monitor and evaluate the performance of the Senior Management;
- (j) To exercise all powers expressly reserved by the Board under these Terms of Reference and perform other duties required by the Listing Rules to be performed by the Board; and
- (k) To exercise all powers not expressly delegated by the Board to the Board Committees or Senior Management under these Terms of Reference.

3.12 The following powers are expressly reserved by the Board: -

- (a) To appoint and remove any member of the Senior Management;
- (b) To appoint and remove the Company Secretary and Designated Secretary;
- (c) To establish or abolish any Board Committee and to approve the terms of reference of the Board Committees;
- (d) To approve the Company's "discloseable transaction", "major transaction", "very substantial disposal", "very substantial acquisition", "connected transaction", "continuing connected transaction" and other transactions and matters which announcements and/or independent Shareholders' approvals are required under the Listing Rules;
- (e) To approve the annual budgets of the Company;
- (f) To approve other matters that must be approved by the Board as required by the laws and regulatory authorities; and
- (g) To interpret and amend these Terms of Reference.

3.13 Where appropriate, the Board and the Board Committees shall be entitled to request any member of the staff of the Group or the external auditors of the Group to attend any of their meetings.

- 3.14 Notwithstanding that its powers and responsibilities may have been delegated to the Board Committees or Management Decision Committee under these Terms of Reference, the Board shall have an inherent power to exercise the same at any time if the Board thinks fit.
- 3.15 Should there be any matters or scenarios which these Terms of Reference has not anticipated, mentioned or dealt with, those matters or scenarios should be brought before the Board for consideration, discussion and determination.
- 3.16 Should there be any inconsistency, the decisions of the Board shall prevail over those of the Board Committees and Management Decision Committee, and the decisions of the Board Committees shall prevail over those of the Management Decision Committee.

#### **4. Chairman**

- 4.1 The roles of the Chairman and the President should be separate and should not be performed by the same individual. The division of responsibilities between the Chairman and President should be clearly set out in the terms of reference of the Board.
- 4.2 The Chairman should ensure that all Directors are properly briefed on issues arising at Board meetings.
- 4.3 The Chairman should be responsible for ensuring that Directors receive, in a timely manner, adequate information which must be accurate, clear, complete and reliable.
- 4.4 The Chairman shall lead the Board. The Chairman should ensure that the Board works effectively and performs its responsibilities, and that all key and appropriate issues are discussed by it in a timely manner. The Chairman should be primarily responsible for drawing up and approving the agenda for each Board meeting. He should take into account, where appropriate, any matters proposed by the other Directors for inclusion in the agenda. The Chairman may delegate this responsibility to a designated Director or the Company Secretary.
- 4.5 The Chairman should ensure that good corporate governance practices and procedures are established.
- 4.6 The Chairman should encourage all Directors to make a full and active contribution to the Board's affairs and take the lead to ensure that it acts in the best interests of the Company. The Chairman should encourage Directors with different views to voice their concerns, allow sufficient time for discussion of issues and ensure that Board decisions fairly reflect Board consensus.

- 4.7 The Chairman should at least annually hold meetings with the Independent Non-Executive Directors without the presence of other Directors.
- 4.8 The Chairman should ensure that appropriate steps are taken to provide effective communication with Shareholders and that their views are communicated to the Board as a whole.
- 4.9 The Chairman should promote a culture of openness and debate by facilitating the effective contribution of Director (in particular, Non-Executive Directors) and ensuring constructive relations between Executive and Non-Executive Directors.
- 4.10 The Chairman should chair Board meetings and general meetings (both annual general meetings and extraordinary general meetings) of the Company.
- 4.11 The Chairman does not participate in the day-to-day management of the business of the Group; the President should take responsibility for such day-to-day management of the business of the Group in accordance with the delegation.

## **5. Directors**

- 5.1 The Directors, both collectively and individually, shall fulfil fiduciary duties and duties of skill, care and diligence to a standard at least commensurate with the standard established by Hong Kong laws. Every Director must, in the performance of his duties as a Director: -
- (a) Act honestly and in good faith in the interest of the Company as a whole;
  - (b) Act for proper purpose;
  - (c) Be answerable to the Company for the application or misapplication of its assets;
  - (d) Avoid actual and potential conflicts of interest and duty;
  - (e) Disclose fully and fairly his interests in contracts with the Company; and
  - (f) Apply such degree of skill, care and diligence as may reasonably be expected of a person of his knowledge and experience and holding his office with the Company.

5.2 Directors must satisfy the required levels of skill, care and diligence. Delegating their functions is permissible but does not absolve them from their responsibilities or from applying the required levels of skills, care and diligence. Directors do not satisfy these required levels if they pay attention to the Company's affairs only at formal meetings. At a minimum, they must take an active interest in the Company's affairs and obtain a general understanding of its business. They must follow up anything untoward that comes to their attention. Independent Non-executive Directors and other Non-executive Directors, as equal board members, should give the Board and any Committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation. Generally they should also attend general meetings to gain and develop a balanced understanding of the views of Shareholders.

5.3 The duties mentioned above are summarized in "A Guide on Directors' Duties" issued by the Companies Registry and Directors are generally expected by the Exchange to be guided by the Guidelines for Directors and the Guide for Independent Non-Executive Directors published by the Hong Kong Institute of Directors. Those publications are included in the induction materials prepared by the Company Secretary to the Directors.

## **6. Company Secretary and Designated Secretary**

6.1 The Company Secretary and Designated Secretary play important roles in supporting the Board by ensuring good information flow within the Board and that Board policy and procedures are followed. The Company Secretary and Designated Secretary are responsible for advising the Board through the Chairman and the President on governance matters and should also facilitate induction and professional development of Directors.

6.2 The Company Secretary and Designated Secretary shall: -

- (a) Meet the qualification requirements set out in the Listing Rules;
- (b) Act in good faith for the best interest of the Company as a whole;
- (c) Avoid any conflict between personal interests and interests of the Company;
- (d) Be responsible for and accountable to the Board or Board Committees as a whole; and
- (e) Give detailed fair and impartial advice to the Board or Board Committees under all circumstances.

6.3 The Company Secretary, with the assistance of the Designated Secretary, shall: -



- (a) Ensure the smooth running of the Board's and Board Committees' activities by assisting the Chairman and the chairman of the Board Committees to set agenda, scrutinizing and presenting papers to the Board and Board Committees, recording and preparing minutes of the meetings of the Board and the Board Committees;
  - (b) Assist the Chairman to arrange and manage the general meetings of the Company;
  - (c) Co-ordinate, facilitate and provide a comprehensive, formal and tailored induction on the first occasion of the appointment of every new Director;
  - (d) Assist the Board to arrange for continuing professional development of the Directors as set out in the Listing Rules; and
  - (e) Be provided with necessary information in order to ensure that the Company complies with all statutory filings under the Companies Ordinance, disclosure of interest under the Securities and Futures Ordinance and regulatory disclosures under the Listing Rules.
- 6.4 The Company Secretary shall report directly and accountable to the Chairman and the President.
- 6.5 All Directors should have access to the advice and services of the Company Secretary to ensure that Board procedures, and all applicable law, rules and regulations, are followed.

## **7. Board Committees**

- 7.1 The Board may set up standing or ad hoc Board Committees as it considers necessary and appropriate to assist it in carrying out its powers and responsibilities. The standing Board Committees are as follows: -
- (a) Executive Board Committee;
  - (b) Audit and Risk Management Committee;
  - (c) Nomination Committee;
  - (d) Remuneration Committee;
  - (e) Strategy Committee; and
  - (f) Environmental, Social and Governance Committee.

7.2 The Board shall approve terms of reference governing the purposes, composition, powers and responsibilities of the Board Committees.

7.3 The Board Committees shall be accountable to the Board.

**8. Executive Board Committee**

8.1 The Chairman and members of the Executive Board Committee shall be appointed and removed by the Board, who must be Executive Directors. The President shall be the chairman of the Executive Board Committee.

8.2 Any member of the Executive Board Committee may call for a meeting.

8.3 The quorum for a meeting of the Executive Board Committee shall be the total number of the Executive Directors.

8.4 Matters of the Executive Board Committee shall be resolved by a simple majority in meetings (including meetings conducted by telephone and/or video conference or other real time communicating ways), and in case of an equality of votes, the chairman of the Committee shall have a second vote or casting vote, or by circulating (via e-mail, fax or any other communication devices) and signing written resolutions or any other non-real time communicating ways which the Executive Board Committee thinks fit, provided that it must be resolved unanimously in case of written resolutions and non-real time communicating ways. The Chairman shall have a veto over any matters tabled before the Executive Board Committee.

8.5 The chairman of the Executive Board Committee may set rules and procedures for the meetings of the Executive Board Committee.

8.6 Unless otherwise specified, the Board delegates the powers of the Board to the Executive Board Committee on the following matters, and the resolutions passed by the Executive Board Committee have the same effect as the resolutions of the Board, include :

- (a) To approve the corporate objectives and business development plans proposed by the management;
- (b) To approve material transactions of the Company which are not required to be disclosed under the Listing Rules;
- (c) To approve material issues regarding the Company's interest as a shareholder of Everbright Bank and Everbright Securities in Mainland China;
- (d) To approve bank account opening, change of authorised signatory and other relevant resolutions;
- (e) To approve the renewal of bank loan/facilities, replacement of bank loan/facilities and other relevant resolutions;

- (f) To propose to the Board the establishment or abolishing of any Board Committees; and
- (g) To approve other regular procedural matters that the Board agrees to delegate to the Executive Board Committee.

**9. Audit and Risk Management Committee (“ARMC”)**

- 9.1 The members of the ARMC shall be appointed or removed by the Board. The ARMC shall consist of all Independent Non-Executive Directors and its chairman shall be an Independent Non-Executive Director. The chairman of the committee shall be appointed by the Board.
- 9.2 Any member of the ARMC may call for a meeting.
- 9.3 The quorum for a meeting of the ARMC shall be 2.
- 9.4 The Vice President in charge of risk and the person in charge of Internal Audit Department shall report directly to and accountable to the ARMC. In respect of the daily administrative matters, the Vice President in charge of risk reports to the MDC.
- 9.5 Matters of the ARMC shall be resolved by a simple majority in meetings (including meetings conducted by telephone and/or video conference or other real time communicating ways), and in case of an equality of votes, the chairman of the meeting shall have a second vote or casting vote, or by circulating (via e-mail, fax or any other communication devices) and signing written resolutions or any other non-real time communicating ways which the ARMC thinks fit, provided that it must be resolved unanimously in case of written resolutions and non-real time communicating ways. Physical meetings should be conducted for the quarterly regular ARMC meetings.
- 9.6 The chairman of the ARMC may set rules and procedures for the meetings of the ARMC.
- 9.7 The terms of reference, powers and responsibilities of the ARMC are: -
  - (a) To be primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditors, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal;
  - (b) To review and monitor the external auditor’s independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The ARMC should discuss with the auditors the nature and scope of the audit and obligations before the audit commences;

- (c) To develop and implement policy on engaging an external auditor to supply non-audit services. For this purpose, “external auditor” includes any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm nationally or internationally. The ARMC should report to the Board, identifying and making recommendations on any matters where action or improvement is needed;
- (d) To monitor integrity of the Company’s financial statements and annual reports and accounts, half-year reports, and to review significant financial reporting judgments contained in them. In reviewing these reports before submission to the Board, the ARMC should focus primarily on: -
  - (i) any changes in accounting policies and practices;
  - (ii) major judgmental areas;
  - (iii) significant adjustments resulting from audit;
  - (iv) the going concern assumptions and any qualifications;
  - (v) compliance with accounting standards; and
  - (vi) compliance with the Listing Rules and legal requirements in relation to financial reporting;
- (e) Regarding (d) above: -
  - (i) members of the ARMC should liaise with the Board and Senior Management and the ARMC must meet, at least twice a year, with the Company’s auditors; and
  - (ii) the ARMC should consider any significant or unusual items that are, or may need to be, reflected in the reports and accounts, it should give due consideration to any matters that have been raised by the Company’s staff responsible for the accounting and financial reporting function, compliance officer or auditors;
- (f) To review and evaluate the Group’s financial controls, internal control and risk management systems;
- (g) To discuss the significant risk, risk management and internal control system with management on a regular basis to ensure that management has performed its duty to establish an effective and adequate risk management and internal control system and with internal audit function. The above risks include but not limited to the risks relating to environmental, social and governance. This discussion should include the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company’s accounting and financial reporting function; and to report and propose recommendations to the Board on the effectiveness of the Group’s risk management and internal control systems;

- (h) To consider major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and management's response to these findings;
- (i) To ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness;
- (j) To review the Company's financial and accounting policies and practices;
- (k) To review the external auditor's management letter, any material queries raised by the auditor to management about accounting records, financial accounts or systems of control and management's response;
- (l) To ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter;
- (m) To review arrangements employees of the Group can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters. The ARMC should ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up actions;
- (n) To act as the key representative body for overseeing the Company's relations with the external auditor;
- (o) To establish a whistleblowing policy and system for employees and those who deal with the Company (e.g. customers and suppliers) to raise concerns, in confidence, with the ARMC about possible improprieties in any matter related to the Company;
- (p) To perform other duties as required under the Listing Rules;
- (q) To hold at least 4 meetings every year;
- (r) To report to the Board on the matter herein; and
- (s) To consider other topics, as designated by the Board.

9.8 Should the ARMC think fit, it may seek independent professional advice, at the Company's expense, to perform its responsibilities.

**10. Nomination Committee**

10.1 Members of the Nomination Committee shall be appointed or removed by the Board. The chairman of the Nomination Committee shall be an Independent Non-Executive Director. Independent Non-Executive Directors shall represent majority of the Nomination Committee. The chairman of the committee shall be appointed by the Board.

10.2 Any member of the Nomination Committee may call for a meeting.

10.3 The quorum for a meeting of the Nomination Committee shall be 2, provided that the chairman of the Nomination Committee is present.

10.4 Matters of the Nomination Committee shall be resolved by a simple majority in meetings (including meetings conducted by telephone and/or video conference or other real time communicating ways), and in case of an equality of votes, the chairman of the Committee shall have a second vote or casting vote, or by circulating (via e-mail, fax or any other communication devices) and signing written resolutions or any other non-real time communicating ways which the Nomination Committee thinks fit, provided it must be resolved unanimously in case of written resolutions and non-real time communicating ways.

10.5 The chairman of the Nomination Committee may set rules and procedures for the meetings of the Nomination Committee.

10.6 The terms of reference, powers and responsibilities of the Nomination Committee are:  
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(a) To review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

(b) To identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;

(c) To assess the independence of Independent Non-Executive Directors;

(d) To make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman and the President;

- (e) To make recommendation to the Board on the appointment or re-appointment of Senior Management;
- (f) To review the policy for nomination of Directors and make recommendations of amendments to the Board when needed;
- (g) To review the implementation and effectiveness of the Company's Board Diversity Policy, and to advise the Board on the Board's gender diversity policy and objectives;
- (h) To advise the Board on potential director succession planning to achieve gender diversity on the Board;
- (i) To perform other duties required by the Nomination Committee under the Listing Rules; and
- (j) To be responsible for any other terms of reference approved by the Board.

10.7 Should the Nomination Committee think fit, it may seek independent professional advice, at the Company's expense, to perform its responsibilities.

## **11. Remuneration Committee**

- 11.1 The members of the Remuneration Committee shall be appointed or removed by the Board. The chairman of the Remuneration Committee shall be an Independent Non-Executive Director. Independent Non-Executive Directors shall represent majority of the Remuneration Committee. The chairman of the committee shall be appointed by the Board.
- 11.2 The quorum for a meeting of the Remuneration Committee shall be 3, provided that the chairman of the Remuneration Committee is present.
- 11.3 Matters of the Remuneration Committee shall be resolved by a simple majority in meetings (including meetings conducted by telephone and/or video conference or other real time communicating ways), and in case of an equality of votes, the chairman of the Committee shall have a second vote or casting vote, or by circulating (via e-mail, fax or any other communication devices) and signing written resolutions or any other non-real time communicating ways which the Remuneration Committee thinks fit, provided that it must be resolved unanimously in case of written resolutions and non-real time communicating ways.
- 11.4 The chairman of the Remuneration Committee may set rules and procedures for the meetings of the Remuneration Committee.
- 11.5 The terms of reference, powers and responsibilities of the Remuneration Committee are: -

- (a) To make recommendations to the Board on the Company's policy and structure for all Directors' and Senior Management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
  - (b) To review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
  - (c) To determine the remuneration packages of individual Executive Directors and Senior Management; including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
  - (d) To make recommendations to the Board on the remuneration of Non-Executive Directors;
  - (e) To consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
  - (f) To review and approve compensation payable to Executive Directors and Senior Management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
  - (g) To review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
  - (h) To ensure that no Director or any of his associates is involved in deciding his own remuneration;
  - (i) If the Shareholders approve and adopt the share schemes in accordance with Chapter 17 of the Listing Rules, the Remuneration Committee, in accordance with the requirement of the Listing Rules, will be authorized to review and/or approve matters relating to the share schemes (if applicable); and
  - (j) To perform other duties required by the Remuneration Committee under the Listing Rules.
- 11.6 Should the Remuneration Committee think fit, it may seek independent professional advice, at the Company's expense, to perform its responsibilities.



**12. Strategy Committee**

- 12.1 The members of the Strategy Committee shall be appointed or removed by the Board. The Strategy Committee shall have at least 4 members. The chairman of the committee shall be appointed by the Board.
- 12.2 Any member of the Strategy Committee may call for a meeting.
- 12.3 The quorum for a meeting of the Strategy Committee shall be 3, provided that the chairman of the Strategy Committee is present.
- 12.4 Matters of the Strategy Committee shall be resolved by a simple majority in meetings (including meetings conducted by telephone and/or video conference or other real time communicating ways), and in case of an equality of votes, the chairman of the Committee shall have a second vote or casting vote, or by circulating (via e-mail, fax or any other communication devices) and signing written resolutions or any other non-real time communicating ways which the Strategy Committee thinks fit, provided that it must be resolved unanimously in case of written resolutions and non-real time communicating ways.
- 12.5 The chairman of the Strategy Committee may set rules and procedures for the meetings of the Strategy Committee.
- 12.6 The terms of reference, powers and responsibilities of the Strategy Committee are: -
- (a) To review, analyze and make recommendations to the Board on the long-term strategic development and planning; and
- (b) To consider other topics as designated by the Board.

**13. Environmental, Social and Governance Committee (“ESG Committee”)**

- 13.1 The members of the ESG Committee shall be appointed or removed by the Board. The ESG Committee shall have at least 4 members, including at least 1 Independent Non-executive Director. The chairman of the committee shall be appointed by the Board.
- 13.2 Any member of the ESG Committee may call for a meeting.
- 13.3 The quorum for a meeting of the ESG Committee shall be 2.

- 13.4 Matters of the ESG Committee shall be resolved by a simple majority in meetings (including meetings conducted by telephone and/or video conference or other real time communicating ways) and in case of an equality of votes, the chairman of the meeting shall have a second vote or casting vote, or by circulating (via e-mail, fax or any other communication devices), and signing written resolutions or any other non-real time communicating ways which the ESG Committee thinks fit, provided that it must be resolved unanimously in case of written resolutions and non-real time communicating ways.
- 13.5 The chairman of the ESG Committee may set rules and procedures for the meetings of the ESG Committee.
- 13.6 The terms of reference, powers and responsibilities of the ESG Committee are: -
- (a) To formulate and review the Group’s environmental, social and governance (“ESG”) vision, strategies, targets, governance structure and policies, and to monitor the incorporation of ESG principles into the business decision-making procedures;
  - (b) To identify and assess material ESG issues involving the business of the Group and/or other significant stakeholders and their priority, and to formulate the policy for communication with stakeholders;
  - (c) To review and monitor the implementation of the Group’s ESG policies and measures and the ESG-related risk management and internal control system;
  - (d) To monitor the Group’s ESG performance and effectiveness;
  - (e) To review the ESG reports prepared in accordance with the requirements of the Listing Rules or other applicable laws and regulations, and to make recommendations to the Board for approval and confirming the issuance of ESG statements of the Board;
  - (f) To report to the Board on the above and other ESG related matters; and
  - (g) To consider other topics as designated by the Board.

**14. Management Decision Committee**

- 14.1 Subject to those expressly reserved by the Board or otherwise stipulated, the Board grants its powers and delegates its responsibilities to the Management Decision Committee for the daily administration, operation and management of the business and affairs of the Group.
- 14.2 The Management Decision Committee is the ultimate owner of responsibilities of daily administration, operation and management of the business and affairs of the Group.

14.3 The Management Decision Committee discusses, implements and follows up the matters assigned by the Board and the Board Committees.

14.4 The Management Decision Committee is accountable to the Board.

**15. Review and Adjustment**

15.1 The Board will review and adjust these Terms of Reference at least once a year (if any).