

Hysan Development Company Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00014)

Sustainability Committee**Terms of Reference**

(amended and restated with effect from 1 March 2024)

1. Objectives

1.1 The Committee supports the Board as follows:

1.1.1 overseeing all matters relating to the Group's corporate responsibility and sustainability development;

1.1.2 providing direction and making recommendations on strategy and all matters concerning the Group's corporate responsibility and sustainability development;

1.1.3 reviewing the Group's corporate responsibility and sustainability related policies; and

1.1.4 identifying, assessing and managing the Group's sustainability related risks and issues and bringing any related issues to the attention of the Board.

2. Membership

2.1 Members of the Committee (as nominated by the nomination committee of the Company) shall be appointed by the Board, where appropriate, in consultation with the Committee Chairman. The Committee shall consist of not less than three members.

2.2 The chairman of the Committee shall be appointed by the Board. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of the members to chair the meeting.

3. Attendance

3.1 The Committee Chairman may invite the Chairman of the Board, other Directors, the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer, members of the Sustainability Executive Committee (at management level) and/or external advisor to attend any meeting as the Committee Chairman may from time to time consider desirable to assist the Committee in the discharge of its responsibilities.

4. Secretary

The Committee Chairman shall nominate a secretary to the Committee.

5. Quorum and Proceedings

- 5.1 The quorum necessary for the transaction of business shall be two members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 5.2 Proceedings of the meetings shall be governed by the provision of the Articles of Association of the Company.

6. Frequency of Meetings

- 6.1 The Committee shall meet at least once a year at appropriate times in the reporting cycle and as otherwise required.
- 6.2 In-camera meeting, may be called as either a stand-alone meeting or as a separate private meeting at the end of a regularly scheduled Committee meeting. Management may or may not be invited, at the discretion of the Committee Chairman. Any in-camera meeting so convened as a separate private meeting before or at the end of a scheduled Committee meeting shall be recorded in the minutes of the meeting. Matters discussed “in-camera” are not to be discussed outside the meeting by those in attendance.

7. Notice of Meetings

- 7.1 Meetings of the Committee shall be convened by the secretary of the Committee at the request of any of its members if considered necessary.
- 7.2 Unless otherwise agreed, notice of each meeting confirming the venue, date and time together with an agenda of topics to be discussed, shall be circulated to each member of the Committee and any other person required to attend at least 14 days before the date of the meeting. Supporting papers shall be circulated to Committee members and to other attendees as appropriate, at least five days in advance of the meeting.

8. Minutes of Meetings

- 8.1 The secretary shall minute the proceedings and resolutions of all meetings of the Committee, including the names of those present and in attendance.
- 8.2 The secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 8.3 Minutes of the Committee meetings should be circulated to all members for their comments and, if in order, for record within a reasonable time after each meeting.

9. Annual General Meeting

The Committee Chairman should, as far as practicable, attend the annual general meeting of the Company and make himself/herself available to respond to any shareholders' questions on the Committee's activities and responsibilities.

10. Sustainability Governance Structure

- 10.1 Management-level Sustainability Executive Committee, led by the Chief Operating Officer and composed of senior management of the Company as the Chief Operating Officer may designate from time to time, supports the Committee to form and deliver strategy-level management of all sustainability initiatives according to the Group's sustainability policies, strategies, priorities and objectives, and other duties assigned by the Committee. The Sustainability Executive Committee will report to the Committee as and when required.
- 10.2 The Sustainability Task Force, composed of managers of relevant departments as the Sustainability Executive Committee may designate from time to time, assists the Sustainability Executive Committee in (i) executing sustainability initiatives under the guidance of the Sustainability Executive Committee; and (ii) identifying, assessing and managing material corporate responsibility and sustainability issues and related risks by using the overall corporate risk assessment process.

11. Duties

- 11.1 The Committee shall:
- 11.1.1 review, endorse and report to the Board the Group's corporate responsibility and sustainability plans, strategies, priorities, policies, practices and frameworks;
 - 11.1.2 oversee, review and evaluate:
 - 11.1.2.1 the adequacy and effectiveness of resources, processes, and actions taken by the Group based on its corporate responsibility and sustainability plans, strategies, priorities, policies and frameworks, and recommend improvements; and
 - 11.1.2.2 the Group's performance against the appropriate international or national standard (if any) on sustainability;
 - 11.1.3 recommend strategies for improvements in the sustainability performance of the Group;
 - 11.1.4 assess and manage material corporate responsibility and sustainability issues and related risks;
 - 11.1.5 integrate the corporate responsibility and sustainability related risks into the Group's existing risk management and internal control framework and report to the Board on related risks and issues;
 - 11.1.6 oversee the execution of the Group's initiatives on corporate responsibility and sustainability development;
 - 11.1.7 monitor and review existing and/or emerging issues, trends and investments related to corporate responsibility and sustainability

of the Group;

- 11.1.8 consider the impact of the Group's corporate responsibility and sustainability on its stakeholders, including employees, shareholders, local communities and the environment;
- 11.1.9 review and oversee the implementation of the Group's corporate responsibility and sustainability policies and practices to ensure they remain relevant and compliant with legal and regulatory requirements (including, but not limited to, the relevant Hong Kong Stock Exchange Environmental, Social and Governance Reporting Guide and the Listing Rules);
- 11.1.10 review and provide recommendations to the Board for approval of the annual corporate responsibility/sustainability report and relevant disclosures in the Company's annual report; and
- 11.1.11 make available the Committee's terms of reference.

12. Reporting Responsibilities

- 12.1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 12.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

13. Authority

The Committee is authorized:

- 13.1 to seek any information it requires from any employee of the Group in order to perform its duties; and
- 13.2 to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.

Definitions :

"Board" shall mean the board of directors of the Company.

"Committee" shall mean the Sustainability Committee of the Company.

"Company" shall mean Hysan Development Company Limited.

"Director(s)" shall mean the director(s) of the Company.

"Group" shall mean the Company and its subsidiaries.