



MODERN LAND (CHINA) CO., LIMITED

當代置業(中國)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1107)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE — TERMS OF REFERENCE

The environmental, social and governance committee (the “**Committee**”) of Modern Land (China) Co., Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) was established pursuant to a resolution of the board of directors of the Company (the “**Board**”) dated 1 December 2021. Set out below are the terms of reference of the Committee adopted by the Board on the same date:

1. COMPOSITION

- 1.1 The members of the Committee shall be appointed by the Board and comprise not less than three members, at least two of whom shall be independent non-executive directors of the Company.
- 1.2 The chairman of the Committee shall be appointed by the Board or elected among the Committee members and shall be an executive director or an independent non-executive director of the Company.

2. SECRETARY

- 2.1 The company secretary of the Company shall act as the secretary of the Committee.
- 2.2 The Committee may from time to time appoint any other person with appropriate qualification and experience to act as the secretary of the Committee.
- 2.3 In the absence of the secretary of the Committee, the members present at the meeting of the Committee shall elect another person as the secretary.

3. MEETING

- 3.1 Unless otherwise stated herein, the meetings of the Committee shall be governed by the provisions contained in the articles of association of the Company for regulating the meetings of the Board, and the convening of which shall comply with the relevant laws, regulations, the articles of association of the Company and the Rules Governing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time) (the “**Listing Rules**”), as well as the provisions stated herein.
- 3.2 The Committee should meet at least once a year. Additional meeting may be held if the Committee considers that it is necessary.
- 3.3 The quorum for meetings of the Committee shall be two members. Each member shall have one vote.
- 3.4 A meeting of the Committee may be convened by any of its members, or by the secretary of the Committee at the request of any of its members.
- 3.5 Reasonable notice (including but not limited to written notice) should be given for all Committee members.
- 3.6 In the absence of the chairman of the Committee at any meeting, the Committee shall elect one of the Members present to act as chairman.
- 3.7 Resolutions of the Committee shall be passed by more than half of the members of the Committee.
- 3.8 Resolutions in writing signed by all the members of the Committee should be as valid and effectual as it had been passed at a meeting of the Committee duly convened and held.
- 3.9 Meetings can be attended in person or via electronic means including telephonic or video conferencing.

4. MEETING ATTENDANCE

- 4.1 The Committee may invite other members of the Board, senior management and external advisers to attend the meetings.
- 4.2 Only the members of the Committee can vote in a meeting.

5. ANNUAL GENERAL MEETING

The chairman of the Committee or (if absent) the other member(s) of the Committee should attend the annual general meetings of the Company and handle the shareholders’ enquiry related to environmental, social and governance (if any).

6. DUTIES

The duties of the Committee shall be:

Environmental, Social and Governance Vision, Objectives, Strategies and Framework

- 6.1 to review the environmental, social and governance vision, objectives and strategies of the Group, review the progress made against related goals and targets annually, and provide recommendations to the Board, including but not limited to:
- (a) Environmental aspect: the impact on the environment throughout the Group's operation, including energy management, emission management, carbon neutrality and climate change mitigation etc.;
 - (b) Social aspect: the impact on stakeholders (i.e. customers, employees, suppliers and community) throughout the Group's operation, including staff employment and health and safety, product responsibility and customer management, sustainable supply chain, participate in social welfare and charity, etc.; and
 - (c) Governance aspect: the corporate governance of the Group, including compliant operation, maintain honesty and integrity, anti-money laundering and anti-unfair competition etc.
- 6.2 to review and assess the adequacy and effectiveness of the management framework for environmental, social and governance matters of the Company (if necessary).
- 6.3 to adopt and update as necessary the Group's policies on environmental, social and governance to ensure compliance with legal and regulatory requirement.
- 6.4 to review the major trends, as well as risks and opportunities related to environment, society and governance aspect. Report and provide suggestions in the relevant matters that significantly affect the operation of the Group and/or the interest of other important stakeholder.

Environmental, Social and Governance Performance

- 6.5 to supervise, review, evaluate and report to the Board on the following matters:
- (a) actions taken by the Group to promote environmental, social and governance objectives, strategies and framework; and
 - (b) the Group's performance on environmental, social and governance indicators with appropriate international or national standards (if applicable).
- 6.6 to monitor internal practices on Group's environmental, social and governance and provide suggestions for improvement of these practices.

Environmental, Social and Governance Report

- 6.7 to review annual Environmental, Social and Governance report and recommend to the Board for approval, and recommend specific actions or decisions for the Board to consider in order to maintain the integrity of the environmental, social and governance report.
- 6.8 to ensure that the annual Environmental, Social and Governance Report of the Company is prepared in accordance with the Environmental, Social and Governance Reporting Guide set out in Appendix 27 to the Listing Rules.
- 6.9 to determine the appropriate international or national standards (if applicable) for the environment, society and governance, and monitoring and reporting on an annual basis.

Other Matters

- 6.10 to review the budgeting for environment, social and governance activities and the allocation of adequate facilities and resources.
- 6.11 other responsibilities delegated by the Board.

7. MINUTES OF MEETING

- 7.1 The secretary of the Committee shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly. The relevant member of the Committee shall not be counted towards the quorum and he/she must abstain from voting on any resolution of the Committee in which he/she or any of his/her associates has a material interest, unless the exceptions set out in note 1 of 4(1) of Appendix 3 to the Listing Rules apply.
- 7.2 Minutes of meetings shall record in sufficient detail the matters considered by the Committee and decision reached, including any concerns raised by members of the Committee or dissenting view expressed (“**Full Minutes of Committee**”).
- 7.3 Full Minutes of Committee should be kept by a duly appointed secretary of the Committee. Draft and final versions of minutes of the meeting should be sent to all members of the Committee for their comment and records respectively within a reasonable time after the meeting.

8. AUTHORITY

The Committee, with the authority of the Board, may:

- 8.1 review, assess and make recommendations on any issue in these terms of reference of the Committee;
- 8.2 have access to appropriate information, record or report from any employee of the Company to perform its duties;

- 8.3 obtain any advice or support from external advisers or experts, at the reasonable expense of the Company if the Committee considers this necessary to perform its duties, and to invite employees and other persons with relevant experience and expertise to attend meetings of the Committee if necessary; and
- 8.4 have access to such training and resources to carry out its duties as it may consider appropriate.

9. REPORTING PROCEDURE

- 9.1 The Committee shall report back to the Board on their decisions or recommendations not less than once a year.
- 9.2 The Committee shall report to the Board on irregularities which come to its attention including significant weaknesses in ESG reporting and management; non-compliance with ESG policies and procedures of the Group; or infringements of applicable laws, rules and regulations.

10. REVISION OF THE TERMS OF REFERENCE

These terms of reference shall be updated and revised as and when necessary in accordance with the updates and amendments to the Listing Rules. Any amendment to these terms of reference shall be by way of resolution of the Board.

11. PUBLICATION OF THE TERMS OF REFERENCE

The terms of reference of the Committee will be posted on the websites of The Stock Exchange of Hong Kong Limited and the Company.