



SITOY GROUP HOLDINGS LIMITED

時代集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1023)

Environmental, Social and Governance Committee – Terms of Reference

1. Purpose

The Environmental, Social and Governance Committee (the “Committee”) shall assist the board of directors (the “Board”) of Sitoy Group Holdings Limited (the “Company”) in reviewing policies and overseeing matters with respect to environmental, social and governance responsibility, including:

- a) workplace quality;
- b) environmental protection;
- c) operating practices; and
- d) community involvement and social responsibility.

2. Membership

- a) The Committee shall be established by the Board of the Company and consist of not less than three (3) members of the Board.
- b) The term of each Committee member shall be the same as his/her term as a director of the Company. Subject to the articles of association of the Company and the applicable laws and regulations, any member of the Committee may be re-appointed by the Board and continue to act as a member of the Committee upon the expiry of his/her term.
- c) A member of the Committee who ceases to be a member of the Board shall immediately and automatically cease to be a member of the Committee.
- d) The chairman of the Committee (the “Committee Chairman”) shall be appointed by the Board from time to time. In the absence of the Committee Chairman, the remaining members present shall elect one of themselves to chair the meeting.

3. Committee Secretary

- a) The company secretary of the Company or his/her authorised person shall act as the secretary of the Committee (the “Committee Secretary”) and shall attend all the meetings held by the Committee.
- b) The Committee may, from time to time, appoint any other person with the appropriate qualification and experience as the Committee Secretary.

4. Frequency of Meetings

- a) The Committee shall hold at least one meeting every year and may hold other meetings at appropriate times as circumstances require.
- b) The Committee Chairman shall convene a meeting according to the request of any member of the Committee.

5. Conduct of Meetings

- a) Unless otherwise waived by all members of the Committee, a notice confirming the venue, time and date of meeting, together with an agenda of items to be discussed, shall be sent to all Committee members at least 14 working days before the date of the meeting. Meeting papers shall be sent to all Committee members and to other appropriate attendees at least 3 working days before the date of the meeting.
- b) The quorum of the meeting of the Committee shall be any two members of the Committee. Meetings could be held by Committee members in person, by telephone or by video conference. 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.
- c) Resolutions of the Committee at any meeting shall be passed by a majority of votes of the members of the Committee present. In the event of a tie, the Committee Chairman shall have the casting vote.
- d) Subject to compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the applicable laws and regulations, 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.
- e) The Committee may invite any member of the senior management of the Company, any director, external advisers or any other persons to attend all or part of any meetings as the Committee considers appropriate, notwithstanding that the aforementioned persons shall not have a right to vote at such meetings.

6. Annual General Meeting

The Committee Chairman, or in his/her absence, another member of the Committee, or failing which his/her duly appointed alternate shall attend the annual general meetings of the Company and be available to answer questions thereat on the Committee's activities and its responsibilities.

7. Authority

- a) The Committee is authorised by the Board to investigate any activity within the scope of its terms of reference, including the authority to seek any information required from any employee of the Company, and all employees shall co-operate with any request made by the Committee.
- b) The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise at meetings of the Committee as it considers necessary.
- c) The management of the Company is obliged to supply the Committee with adequate information in a timely manner, in order to enable the Committee to make informed decisions. The information supplied must be complete and reliable. Where a member of the Committee requires more information than the information provided voluntarily by the management of the Company, the relevant member of the Committee should make additional necessary enquiries. Each member of the Committee may contact the management of the Company individually and independently.
- d) The Company shall be provide the Committee with sufficient resources to perform its duties. Where necessary, the Committee should seek independent professional advice, at the Company's expense, to perform its responsibilities.

8. Duties

The duties of the Committee shall include, without limitation, the following:

- a) considering and submitting proposals for the Company's long-term development planning and sustainable development policies;
- b) identifying material environmental, social and governance matters through review and assessment of internal operations of the Company and determine the importance of such matters to the business of the Company and its subsidiaries and the Company's stakeholders;
- c) considering and submitting proposals for the Company's sustainable development strategies including but not limited to policies in relation to health and safety, community relations, environment, human rights and anti-corruption;

- d) guiding, evaluating, supervising and continuously optimizing the Company's culture, management framework, affairs, risk management, capacity building and other matters in the fields of environment, social responsibility and sustainable development;
- e) deliberating and reviewing the Company's policies, management framework and daily operations in the fields of environment, social responsibility and sustainable development annually to ensure the Company's compliance with laws and regulations, and offer opinions and proposals to the Board on the relevant matters;
- f) advising on the corrective and preventive measures for material internal control incidents (i.e. accidents, cases, complaints);
- g) reviewing the Company's annual Environmental, Social and Governance Report, before the deliberation and approval by the Board and the publication of such report;
- h) reviewing, supervising and responding to emerging issues in the areas of environment, social responsibility and sustainable development and, where appropriate, offer proposals to the Board for the Company to make continuous progresses in such areas; and
- i) supervising the Company's commitments related to risk management and sustainable development and their fulfillment, and all corporate governance issues together with the formulation of relevant policies, and supervising the implementation of such policies by the management of the Company, including deliberating the reports on policy implementation submitted by the management.

9. Reporting Procedures

- a) Full minutes of the Committee's meetings should be recorded and kept by the Committee Secretary and shall be available for inspection at any reasonable time on prior reasonable notice by any Director.
- b) Draft and final versions of minutes should be sent to all members of the Committee for their comments and records, within a reasonable time after such meetings.
- c) The Committee shall report back to the Board on a regular basis and keep the Board fully informed of its decisions and recommendations, unless such report is prohibited by applicable laws and regulations.

10. Review

The Board shall review the structure of the Committee and the terms of reference relating thereto whenever it considers appropriate.

11. Availability of Terms

The Committee shall make available these terms of reference by including them on The Stock Exchange of Hong Kong Limited's website and the Company's website.

Date: 28th February 2022