



GCL TECHNOLOGY HOLDINGS LIMITED

協鑫科技控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 3800)

TERMS OF REFERENCE OF THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE (the “Committee”)

1. Constitution

- 1.1. In order to further improve the environmental, social and governance (“ESG”) management standard of GCL Technology Holdings Limited (the “**Company**”) and its subsidiaries (the “**Group**”), optimise its ESG management system and strengthen its ESG management capability, the Board (the “**Board**”) of directors (the “**Directors**”) of the Company had resolved to establish the Committee on 26 May 2022, which is responsible for the implementation of the ESG management duties as set out in the terms of reference below.
- 1.2. The Committee will review its terms of reference, performance and constitution from time to time, and will recommend any changes it considers necessary to the Board for approval in order to fully comply with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other rules and regulations.
- 1.3. Under the guidance of the Committee, the ESG working group shall comprehensively coordinate and carry out the ESG management work. Such working group shall be composed of the heads of relevant departments.

2. Membership

- 2.1. Members of the Committee shall be appointed by the Board and shall comprise at least three Directors.
- 2.2. The chairman of the Committee shall be appointed by the Board.
- 2.3. The company secretary of the Company shall act as the secretary to the Committee.

3. Frequency and Rules of Procedures of Meetings

- 3.1. The Committee shall meet at least once a year. Additional meetings shall be held as the work of the Committee demands.
- 3.2. The quorum of a meeting shall be two members of the Committee.
- 3.3. The Committee may, from time to time, invite advisors to attend the meeting, including but not limited to external professionals or advisors, to advise its members.

3.4. Notice together with the agenda of any meeting should be given three days before the date of the meeting. The Committee meeting papers should be sent to all members three days before the date of meeting by hand, by post, or in electronic forms. Shorter notice of any meeting shall be given with consent from all members of the Committee.

3.5. Members may participate in the Committee meetings via telephone or video conference or electronic or other communications facilities provided that each member can hear and be heard by all other members throughout the meeting and such participation shall constitute presence for purposes of the quorum provision of Item 3.2 herein.

4. Authorisation

4.1. The Committee is authorised by the Board to review, assess and make recommendations on any issue mentioned in these terms of reference of the Committee. All staff shall cooperate with the Committee by providing the documents and assistance required by the Committee.

4.2. The Committee shall seek independent professional advice, at the Company's expenses, to perform its duties where necessary.

5. Duties

The duties of the Committee shall include the followings:

To give recommendations about the Group's ESG strategies and identify significant ESG risks and opportunities

5.1. To recommend and review the Group's ESG management policies, vision, strategies and goals for the Board's approval;

5.2. To determine the criteria of selecting material ESG factors, identify and continuously review the list of material ESG factors, and determine the risks and opportunities that material ESG factors will bring to the Group (the "**Materiality Assessment**") with the assistance of the ESG Working Group. When conducting the Materiality Assessment, the Committee shall fully consider the Group's strategies and current market conditions; and

5.3. To monitor the ESG Working Group to develop and implement external stakeholder engagement plans, as well as review and conduct the Materiality Assessment on the basis of investors' and stakeholders' opinions.

To approve and review ESG-related policies and practices

5.4. To approve ESG-related policies and practices drafted by the Company;

5.5. To review and monitor the Group's policies and practices in relation to material ESG topics and ensure that they are appropriate in the context of the size, business nature and scope of the Group; and

5.6. To evaluate and review the applicability of policies related to material ESG topics of the Group once a year or as and when required, report to and provide amendment suggestions for the Board to ensure that they remain relevant and fit for purpose and compliant with the applicable legal and regulatory requirements and international standards.

To monitor the effectiveness of ESG risk management

5.7. To review the progress of various works in accordance with ESG-related goals set out in Item 5.1 of these terms of reference, with the assistance of management; and

- 5.8. To provide advice on the actions to be taken to enhance the effectiveness of ESG management based on the progress of work set out in Item 5.7 of these terms of reference.

To review the ESG Report

- 5.9. To review the annual ESG Report (the "**ESG Report**") to ensure that the ESG Report has properly disclosed ESG risks faced by the Group, the measures taken and the progress of goals achieved in compliance with the Listing Rules, and make recommendation to the Board for the approval of the ESG Report.

General

- 5.10. To take appropriate actions to enable the Committee to discharge its powers and functions conferred on it by the Board; and
- 5.11. To take appropriate actions, as the Committee may deem reasonable, to conform to any requirements, directions, and regulations that may from time to time be prescribed by the Board or contained in the constitution of the Company or imposed by the Listing Rules or other applicable laws.

6. Reporting Procedures

- 6.1. Minutes of meetings of the Committee shall record in sufficient detail the matters considered at the meetings and decisions reached, which shall include any concerns raised or dissenting views expressed by the members. Draft and final versions of minutes of meetings of the Committee should be sent to all members of the Committee for their comments (as to draft versions) and records (as to final versions), respectively within a reasonable time after such meetings.
- 6.2. Chairman of the Committee shall in a regular manner report and submit any of its findings and suggestions to the Board. Without prejudice to the terms of reference of the Committee, the Committee shall report to the Board its decisions and suggestions, unless there are legal or regulatory restrictions on its ability to do so (such as a restriction on disclosure due to regulatory requirements).
- 6.3. Full minutes of the Committee meetings shall be kept by the secretary of the Committee and shall be open for inspection at any reasonable time on reasonable notice by any Director.

7. Other Matters

- 7.1. These terms of reference shall come into force upon the passing of the Board.
- 7.2. For the matters which are not covered by these terms of reference or are not in congruence with the provisions of the newly issued or revised laws, regulations and regulatory documents, the Listing Rules or the Articles of Association of the Company upon these terms of reference become effective, the relevant laws and regulations, the Listing Rules, the Articles of Association of the Company shall prevail.
- 7.3. These terms of reference shall be updated and revised as and when necessary in light of changes in circumstances and changes in regulatory requirements and recommendations. Any amendment to these terms of reference shall be by way of resolution of the Board and shall be in full compliance with the Listing Rules and any other regulatory requirements.
- 7.4. The right to interpret and amend these terms of reference shall reside with the Board.