

KOWLOON DEVELOPMENT COMPANY LIMITED
(“the Company”)

Terms of Reference
of
EXECUTIVE COMMITTEE
(“the Exco”)

1. Constitution

The Board of Directors of the Company (“the Board”) resolved on 12 September 2002 to establish a committee of the Board known as the Executive Committee (hereinafter referred to as “the Exco”).

The Exco is established under delegation from the Board pursuant to Article 131 of the Company’s Articles of Association.

2. Membership

2.1 Members of the Exco shall be appointed by the Board from amongst the Directors and other officers of the Company and shall consist of not less than three members. A quorum shall be two members.

2.2 The Chairman of the Exco shall be appointed by the Board.

3. Attendance at meetings

3.1 Other Board members shall also have the right of attendance at meetings.

3.2 The Company Secretary shall be the Secretary of the Exco.

4. Frequency of meetings

Meetings shall be held as frequently as required.

5. Authority

5.1 Exco is vested with all the general powers of management and control of the Company as are vested in the Directors of the Company.

5.2 Exco may exercise all such powers and perform all such acts as may be exercised and performed by the Directors of the Company, save and except for the following matters:-

- (a) matters involving a conflict of interest for a substantial shareholder or a Director;
- (b) material acquisitions and disposal of assets;
- (c) major corporate or financial restructuring;
- (d) share issuances, dividends and other returns to shareholders; and
- (e) matters that may only be approved by the Board pursuant to the Companies Ordinance (including approval of the annual accounts and Directors’ Report thereon to be laid before the Company in general meeting).

- 5.3 Exco is empowered to formulate and implement policies for business activities and administration of the Company and to make such amendments thereto from time to time as the Exco may think fit and to make exceptions to the policies as the circumstances arise while implementing such policies.
- 5.4 Exco is empowered to plan and decide on strategies to be adopted by the Company on business activities.
- 5.5 Exco is responsible for performing the corporate governance duties including:-
- (a) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
 - (b) to review and monitor the training and continuous professional development of Directors and senior management;
 - (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
 - (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
 - (e) to review the Company's compliance with the Corporate Governance Code contained in Appendix 14 of the Rules Governing the Listing of Securities of the Stock Exchange of Hong Kong Limited and disclosure in the Corporate Governance Report of the Company.
- 5.6 Exco shall organize to have minutes of its decisions taken, and entered into a record book which may be inspected by any member of the Board, or by Auditors of the Company.
- 5.7 The quorum necessary for the transaction of the business shall be two.

6. Reporting procedures

- 6.1 The Secretary shall circulate the minutes of meetings of the Exco to all members of the Board.
- 6.2 Exco shall report to the Board on its decisions or recommendations regarding transactions that are material in nature unless there are legal or regulatory restrictions on its ability to do so.

(These Terms of Reference approved by the Board on 26 August 2015.)