

Signature Strengths of the CLP Holdings Board*



A Board culture which reflects the Chairman's Values – integrity, a commitment to do what is right for shareholders and communities that CLP serves, respectful and cordial...”

“ CLP does an effective job in delegating key work to Board Committees. ”

“ Partnership between Board and Management - highly transparent and collaborative. ”

“ The Board and Committees are run in a highly efficient manner. ”

“ The CLP Board is best-in-class in its corporate governance role... ”

*as identified by the independent consultant in the 2019 external Board Review

1 Board Refresh



- **Board Membership changes in 2019** – under our retirement age guideline in our Board Diversity Policy, Dr Y. B. Lee retired at the 2019 AGM and Ms May Tan and Mr Philip Kadoorie were elected at the AGM as Independent Non-executive Director and Non-executive Director, respectively.
- **Retirements in 2020** – Mr Vernon Moore and Mr Vincent Cheng will be stepping down from the Board at the 2020 AGM, Mr Moore who has reached the age of 72, and as Mr Cheng will turn 72 shortly after the 2020 AGM, they will retire from the CLP Holdings Board.
- **Ongoing refresh and search** – a search for new Non-executive Director will be undertaken with a view to refresh the Board and add value on emerging strategic issues.

2 Board Committees Changes



- **Board refresh and focus of the Board Committees** – the Nomination Committee endorsed changes to the composition of the Board Committees following the Committee's review of the Board Committees composition having regard to the retirement of Board Members and the evolving demands of the Board Committees. These changes were subsequently approved by the Board.
- **New appointments** – new appointments were made to the following Board Committees (effective 1 January 2020):
Human Resources & Remuneration Committee – Mrs Fanny Law and Ms May Tan;
Nomination Committee – Ms May Tan; and
Sustainability Committee – Mr Philip Kadoorie.
- **New Committee Chair** – Mr Nicholas C. Allen will become the Chair of the Audit & Risk Committee and the Human Resources & Remuneration Committee at the conclusion of the 2020 AGM as Mr Vernon Moore and Mr Vincent Cheng will retire as a Board Member and the Chair of the respective Committees.

3 External Board Review



- **Continuous commitment on Board Review** – in 2018, an internal Board Review was conducted and one of the recommendations was for the external Board Review to expand to the Board Committee level; in 2019, a broadened external Board Review was undertaken.
- **A “Board Progression” approach was adopted** – the external Board Review was not an evaluation or audit of previous year's Board performance but a forward-looking analysis of how the Board could anticipate and shape the future of the Company and add value on key strategic issues. Practicable, actionable recommendations were made to shape CLP's future success.

4 Climate Change Governance



- **Climate Vision 2050** – the Board and Sustainability Committee spent considerable time in the consideration of the impact of climate change on CLP and the commitments set out in this publication; the Climate Vision 2050 has made a number of commitments including a pledge not to invest in any additional coal-fired generation capacity, to progressively phase out all remaining coal assets by 2050 and to strengthen the Climate Vision targets at least every five years – the Board and the Sustainability Committee will play an increasingly important role in the oversight of these commitments.
- **Task Force on Climate-related Financial Disclosures (TCFD)** – the Audit & Risk Committee and the Sustainability Committee have provided the governance support and oversight over the preparation of the TCFD; CLP recognises the importance of these voluntary disclosures and the expectations of CLP's stakeholders and has further expanded disclosures in line with the TCFD recommendations.