

## CLP HOLDINGS LIMITED

Board Committees	SECTION
Human Resources & Remuneration Committee	(PAGE 1 OF 3 ) SUBJECT

A. Functions

The Human Resources & Remuneration Committee is appointed by the Board of Directors of CLP Holdings Limited to review and endorse:

1. major changes to human resources policies and organization in the light of current trends and business requirements,
2. management development and succession plans for executive levels,

and to make recommendations to the Board as deemed necessary or to take approved action if within delegated authority.

B. Authority

The Committee is authorised by the Board to:

1. retain outside counsel, experts and professional advisors, as the Committee deems appropriate, at CLP's expense; and
2. investigate any activity within its Terms of Reference and in doing so to seek any information it requires from any employee or co-worker.

C. Responsibilities

1. to review and consider proposals from the Chief Executive Officer in respect of human resources or related policies and make appropriate recommendations to the Board. Such reviews include but are not limited to the following:
  - (a) major changes in human resources policies;
  - (b) introduction or changes to major schemes/programmes e.g. retirement/long service schemes, incentive programmes, separation programmes etc.;
  - (c) major group wide organizational restructuring;
  - (d) appointment and termination of senior executives at General Manager level (i.e. direct management reportees to the Chief Executive Officer); and

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- (e) management development and succession plans for senior executives at General Manager level;
2. to make recommendations to the Board on policy and structure for all Directors and Senior Management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
  3. to determine the remuneration of individual Executive Directors and Senior Management, including benefits in kind, pension rights and compensation payments (including any compensation payable for loss or termination of their office or appointment). The Committee considers salaries paid by comparable companies, responsibilities of the incumbents, employment conditions elsewhere in the Group and desirability of performance-based remuneration linking rewards to corporate and individual performance;
  4. to make recommendations to the Board on the remuneration of the Non-executive Directors. In doing so the Committee considers factors such as fees paid by comparable companies, time commitment and responsibilities of the Non-executive Directors;
  5. to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
  6. to review and approve compensation payable to Executive Directors and Senior Management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
  7. to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
  8. to ensure no Director or any of his/her associates is involved in deciding his/her own remuneration;
  9. to consider recommendations from the Chairman regarding the appointment of the Chief Executive Officer and his/her terms of employment;
  10. to review and monitor the training and continuous professional development of Senior Management;
  11. to take approved action in accordance with the Company Management Authority Manual;

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12. to address and deal with such other matters as may be delegated by the Board to the Committee;
13. to report back to the Board on decisions or recommendations made, unless there are legal or regulatory restrictions to do so; and
14. to delegate such of its powers as the Committee deems appropriate to Management.

D. Members (As from 2 July 2015)

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| 1. Mr. Vincent Cheng, Independent Non-executive Director     | Chairman |
| 2. Mr. William Mocatta, Vice Chairman                        | Member   |
| 3. Mr. V. F. Moore, Independent Non-executive Director       | Member   |
| 4. Mr. Nicholas C. Allen, Independent Non-executive Director | Member   |
| 5. Mrs. Zia Mody, Independent Non-executive Director         | Member   |

E. Meetings

The meetings and proceedings are governed by the provisions contained in the Company's Articles of Association and the CLP Code on Corporate Governance for regulating the meetings and proceedings of Directors.