

2013 Board and Board Committees Performance Evaluation

Background

1. The 2013 Board Performance Evaluation was conducted internally in the form of a questionnaire to all Directors of CLP Holdings individually, with a focus on the review of the implementation of the recommendations of the Spencer Stuart's Board Performance Evaluation Report in 2012.
2. The 2013 Board Performance Evaluation covered similar areas as those in the 2012 Board Performance Evaluation: dynamics and overall impression of the Board; organisation of the Board; Committee organisation; Board composition; Board involvement and engagement; communication with shareholders and stakeholders; and overall Board effectiveness.
3. Board performance is evaluated on an ongoing basis with an independent evaluation every three years.

Conclusion

4. Based on the replies from Directors to the questionnaire, the following conclusion was reached:
 - The recommendations of the 2012 Board Effectiveness Review are, in general, effectively implemented as appropriate.
 - CLP's corporate governance policies and processes continue to be strong. They satisfy and/or exceed current Hong Kong Stock Exchange Corporate Governance Code and Listing Rule requirements. Any exceptions to the Code are relatively minor, are recognised by the Company and are capable of being suitably explained.
 - The existing organisation of Board Committees is generally effective in assisting the Board with governance of the Company.
 - CLP Directors generally understand their duties and responsibilities individually and as a Board.

- CLP's current governance model works relatively well notwithstanding a comparatively large Board.
 - While Directors feel that the Board works well, they have also made constructive suggestions in areas where they think improvements to some Board processes could be considered and/or work to enhance the effectiveness of the Board in the near term.
5. The Board considered the findings and recommendations of the Company Secretary on the 2013 Board and Board Committees Performance Evaluation at its meeting on 19 May 2014 and approved the recommendations for implementation.



April Chan
Company Secretary

20 May 2014