

2014 Board and Board Committees Performance Evaluation

Background

1. The 2014 Board Performance Evaluation was conducted internally in the form of a questionnaire to all Directors of CLP Holdings individually.
2. In line with the structure of the 2013 Board Performance Evaluation, questionnaire for the 2014 Board Performance Evaluation covered seven sections: Dynamics and Overall Impression of the Board, Organisation of the Board, Committee Organisation, Board Composition, Board Involvement and Engagement, Communication with Shareholders & Stakeholders and Overall Board Effectiveness. Additional statements have been added to reflect comments made by Directors in the 2013 Review.
3. Board performance is evaluated on an ongoing basis with an independent evaluation very three years.

Conclusion

4. Based on the replies from Directors to the questionnaire, the following conclusion was reached:
 - The recommendations of the 2013 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 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. The short and long term health of the Company's business is appropriately reviewed.
 - CLP's current governance model works relatively well notwithstanding a slightly big 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 2014 Board and Board Committees Performance Evaluation at its meeting on 8 May 2015 and approved the recommendations for implementation.



April Chan
Company Secretary

11 May 2015