

Induction and Professional Development for Directors

1. Objectives

- Every newly appointed Director receives a comprehensive, formal and tailored induction on the first occasion of his/her appointment, and subsequently such briefing and professional development as is necessary, to ensure that :
 - he/she has a proper understanding of the operations and business of the Company;
and
 - he/she is fully aware of his/her responsibilities under statute and common law, the Exchange Listing Rules, applicable legal requirements and other regulatory requirements and governance policies of the Company.
- A programme of continuous professional development is provided to all Directors, at the Company's expense, to develop and refresh their knowledge and skills to help ensure that their contribution to the Board remains informed and relevant.

2. Induction

- On appointment, a Director is advised in a letter of appointment of his/her term of appointment, time commitment, role, support to be provided and other material information that the Director may need to consider before accepting the appointment.
- An information package containing more comprehensive details about the Company with a view to building an understanding of the Director of the nature of the Company and its business is provided to the Director over the first few weeks following the appointment, as and when deemed most appropriate or earlier if required.
- Essential information on the Company is given to a newly appointed Director prior to his/her first Board Meeting, including :
 - Corporate Strategic Plan and Budgets;
 - Safety and Environmental Policies;
 - latest Annual Report and Accounts;
 - CLP Value Framework;
 - CLP Code on Corporate Governance;
 - Code for Securities Transactions by Directors and Specified Individuals;

- Articles of Association;
 - Company Management Authority Manual;
 - list of major subsidiaries and overseas joint ventures;
 - details of Directors' and Officers' Liability Insurance Policy;
 - Terms of reference of Board Committees;
 - Minutes of the meetings of the Board and Board Committees, if appropriate, held in the previous 12 months;
 - Schedule of future meetings of Board and Board Committees, if appropriate; and
 - brief biographical and contact details of all Directors, Company Secretary and other senior management.
- An induction briefing is arranged by the Company Secretary for newly appointed Directors, if requested.

3. Professional Development

- The programme for continuous professional development of Directors takes the following forms :
 - briefings to Directors on important issues which have material impact on the Company's business, financial and operational matters such as major investments, corporate governance practices, regulatory regime of the Hong Kong electricity business, funding strategy, environmental issues etc. These briefings may be given by senior management or external advisors or experts;
 - meetings with senior management on issues specific to CLP's business are arranged for Directors as and when required;
 - visits to CLP facilities, in Hong Kong and elsewhere, are arranged for Directors to further Directors' understanding of the operations of those facilities and of the local business environment in which they operate;

- Directors are encouraged to participate in shareholders' visits as well as General Meetings, where they can have direct communication with the shareholders in order to obtain a first-hand understanding of their views and expectations of the Company;
- updates on the regulatory changes and their key implications on the Company and Directors are circulated to Directors and followed by briefings from the Company Secretary, if required; and
- attendance at appropriate external seminars on business, financial, governance, regulatory and other issues relevant to the Company's activities, at the Company's expense.

4. General

- In order to facilitate Directors' participation in the continuous professional development programme, the Company Secretary:
 - informs Directors in advance of the Company's programme of functions and visits;
 - notifies Directors of relevant seminars for them to choose to attend in order to update themselves with the issues relevant to the Company's activities; and
 - arranges for reimbursement of the attendant costs should Directors choose to pursue their own external professional training, relevant to the Company's activities or the fulfillment of the responsibilities of a Director.
- A record of Directors' participation in the above induction and professional development programme is kept by the Company Secretary.
- Information relating to the induction and continuous professional development programme may be disclosed in the Corporate Governance Report.

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