

Corporate Governance Guidelines

A Statement of Policy for Hysan

(Adopted by the Board in March 2003 and last reviewed on 7 March 2014)

GENERAL

The Board has adopted these guidelines, which reflect the Company's commitment to high standards of corporate governance, to assist the Board in supervising the management of the business and affairs of the Company and its subsidiaries (the "Group").

The Board will review these guidelines annually, or more often if warranted, and recommend such changes as it determines necessary and appropriate in light of the needs of the Company and legal, regulatory and other developments.

THE MISSION OF THE BOARD OF DIRECTORS

The Board represents the shareholders' interests in maintaining and growing a successful business including optimising consistent long term financial returns. The Board is responsible for the stewardship of the Company and is accountable for determining that the Group is managed in such a way to achieve this objective.

The Board's responsibility is firstly, to formulate strategy and, secondly, to monitor and control operating and financial performance in pursuit of Group strategic objectives.

GUIDELINES ON IMPORTANT GOVERNANCE ISSUES

Board Appointment

1 Composition of the Board

The Board will on a regular basis review the composition of the Board, the diversity of background, skills, and experience (including but not limited to gender, age, race, cultural/educational and professional background, skills, and experience); their complementarity and the characteristics required of both executive and non-executive members of the Board in the context of the business and its strategies.

2 Appointment Procedures

The Board as a whole is responsible for the procedure of agreeing to the appointment of its own members and for nominating them for election by the shareholders on first appointment and thereafter at regular intervals by rotation. A Nomination Committee has been established to evaluate and nominate candidates for the approval of the Board.

3 Induction of new Directors

On appointment, new directors will be given a comprehensive introduction to the Group's business including visits to the Group's places of operation and meetings with senior management.

4 Board Leadership

The roles of Chairman and Chief Executive Officer are currently separate. The Board supports the principle of Board independence from management and any major shareholder group, and continually reviews the implementation of this principle. The Board has developed written position description for non-executive directors, which will be reviewed on a regular basis by the Board.

5 Board evaluation

The Board will on a regular basis evaluate its own performance and that of its committees.

Board Composition and Size

6 Size of the Board

The Board regularly reviews the size of the Board to ensure the facilitation of effective decision-making and the existence of a reasonable balance between executive and non-executive Directors.

7 What constitutes independence for outside directors?

The Board believes that independence is a matter of judgement and conscience but that, to be independent, non-executive Directors should be free from any business or other relationship which might interfere with the exercise of their independent judgement. Directors who are considered to be independent will be identified as such in the Company's Annual Report and other communications with shareholders.

8 Term limits

All Directors are appointed for an initial term of three years and are then subject to periodic re-appointment by the shareholders through rotation in general meeting.

9 Board compensation review

The pay and benefits of the executive Directors is determined by the Remuneration Committee, a committee comprised of a majority of Independent non-executive Directors. The fees and remuneration of non-executive Directors are determined at the Annual General Meeting. The Remuneration Committee also reviews the fees and remuneration of the Chairman prior to determination at the Annual General Meeting. The remuneration of executive Directors and non-executive Directors will be the subject of continual monitoring of and benchmarking against the remuneration offered by comparable companies. The assistance of independent external advisers will be sought from time to time.

10 Corporate Governance Board Committees

The Board will maintain three corporate governance committees comprising a majority of non-executive Directors appointed by the Board, each having clear terms of reference. The Remuneration Committee will determine the pay and other benefits of the executive Directors and review the fees and remuneration of the Chairman; the Audit Committee will review the financial accounts and policies and oversee internal controls and compliance, and the Nomination Committee will review the structure, size and composition of the Board and nominate candidates for Board appointment. The full Board is responsible for continual enhancement of corporate governance practices.

11 Board access to senior management

Senior management are, from time to time, brought into formal and informal contact at Board meetings and other events. The Board has full access to all information it deems appropriate for the purposes of fulfilling its role.

12 Board access to independent professional advice

There is an agreed procedure for Directors (including Directors serving Board Committees) to take independent professional advice at Company's expense.

13 Availability of information and induction

The Chairman has a clear responsibility to provide the whole Board with all the information that is relevant to the discharge of the Board's responsibilities. The Board therefore expects to receive timely advice on all material information about the Company, its subsidiaries, activities, performance and projects, particularly including any significant variances from a planned course of action. All directors should receive induction on joining the Board.

14 Training and development

All directors should regularly update and refresh their skills and knowledge, with training support from the Company Secretary.

15 Meeting procedures

The Chairman, together with the Chief Executive Officer, will establish the agenda for each Board meeting. Other Directors may request inclusion of items on the agenda.

The necessary papers for meetings will be distributed in advance of the meeting. The Chairman will provide the desired information but will endeavour to ensure that the material does not contain anything that is not relevant.

16 Board authorities, delegations and discretions

The Board has determined those matters which are retained for full Board sanction and those matters which are delegated to the executive management of the business.

All Board Committees have clear written terms of reference. Board Committees report regularly to the full Board on their work and findings.