

Board of Directors Mandate

(Last reviewed and approved in November 2019)

1. Mission and overall responsibility

The Hysan Board of Directors safeguards 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 Company and its subsidiaries are 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 the Group's strategic objectives.

2. Mandate of the Board

- 2.1 **Duties and obligations:** understand and meet the duties and performance standards expected of the Board under Hong Kong law, Stock Exchange Listing Rules, applicable regulatory requirements as well as internal policies of the Group.
- 2.2 **Strategic planning:** establish, oversee and receive regular updates on the strategic direction, plans and priorities of the Group, and ensure that the Group has the necessary finances, people and systems in place to meet its objectives.
- 2.3 **Internal control and risk management:** oversee, monitor and assess procedures implemented in identifying the principal risks of the Group's business; receiving frequent updates on the status of internal control and risk management activities and initiatives; conduct review, at least annually, to consider, in particular, the adequacy and effectiveness of internal control and risk management systems, the adequacy of resources, qualifications and experience of staff of internal audit, accounting and financial reporting functions, and their training programmes and budget.
- 2.4 **Culture and values:** promote the culture of integrity and other corporate values both through the actions of the Board and its individual Directors and through the Board's interaction with and expectations of management.
- 2.5 **Capital management:** consider and approve the Group's activities relating to major capital expenditures, allocation of resources among the Group's lines of business, and other major financial activities.
- 2.6 **Corporate Governance and Sustainability:** promote the highest standards of corporate governance and best practices.

- 2.7 **Board succession:** continually assess the challenges and opportunities facing the Group and evaluate the skills and expertise needed on the Board in the future.
- 2.8 **Financial Statements:** monitor the quality and integrity of financial statements and oversee compliance with applicable audit, accounting and reporting requirements.
- 2.9 **Communications and Public Disclosure:** oversee the Company's communications and disclosure practices.

Definitions:

“**Board**” shall mean the board of directors of the Company.

“**Company**” or “**Hysan**” shall mean Hysan Development Company Limited.

“**Group**” shall mean the Company and its subsidiaries.
