

Corporate Governance Guidelines A Statement of Policy for Hysan

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 Group as required under applicable laws and regulations.

The Board will review these guidelines regularly, 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 optimizing 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 and maintain an appropriate system of corporate governance, internal control and risk management 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, cultural and educational background, ethnicity, professional experience, skills, knowledge, and length of service); 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 in accordance with the Company's Diversity Policy and Nomination Policy. A Nomination Committee has been established to evaluate and nominate candidates for the approval of the Board.

Directors must be able to dedicate sufficient time to carry out their duties. The Board regularly reviews the contribution required from a director to perform his responsibilities to the Company, and whether he is spending sufficient time performing them.

The Company has formal letters of appointment for Non-Executive Directors setting out the key terms and conditions of their appointment.

3. Induction of new Directors

On appointment, new Directors will be given a comprehensive introduction to the Group's business, performance, strategic plans, financial, accounting, legal and risk management issues, compliance programs, corporate governance practices. New Directors also have meetings with senior management and visit the Group's places of operation.

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 to determine whether it and its committees are functioning effectively. In this respect, it shall review its roles, composition, meetings proceedings and processes, board in action and trainings, which is designed to solicit constructive feedback on the performance of the Board and each 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. Director independence

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. The Board reviews the independence of Directors on an annual basis. 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 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. **Board Committees**

The Board carries out its responsibilities directly and through its 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 Non-Executive Directors; the Audit and Risk Management Committee will review the financial accounts and policies and oversee internal controls, risk management and compliance; and the Nomination Committee will review the structure, size and composition of the Board and nominate candidates for Board appointment. The Sustainability Committee will review and oversee the Group's corporate responsibility and sustainability development and policies. 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**

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 activities, performance and projects of the Group, particularly including any significant variances from a planned course of action.

The Company utilizes a digital board portal for Directors, which is used to distribute information and to foster communication among Directors and between Directors and senior management.

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 Board and committee meetings are scheduled in advance at appropriate intervals throughout the year.

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

The necessary papers for meetings will be distributed in advance of the meeting. Materials presented to the Board and committee members should provide the information needed for the Directors to make informed judgments and/or engage in informed discussion.

16. **Board authorities, delegations and discretions**

The Board has determined those matters which are retained for full Board's decision 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.

Definitions :

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

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

“**Director(s)**” shall mean the director(s) of the Company.

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