

2024 At a Glance

Board Refresh and Succession

- ◆ As part of the Board's gradual refresh of its composition, a number of Directors in different capacities retired from the Board in the first half of 2024:
 - ◆ our former CEO and Executive Director, Mr Richard Lancaster retired at the conclusion of the 2024 AGM after having served on the Board for 11 years;
 - ◆ our former Non-executive Director, Mr J.A.H. Leigh retired in March 2024 having been on the Board since 1997 and served as part of the CLP Group management team from 1986 to 1996; and
 - ◆ our former Independent Non-executive Director, Mrs Zia Mody retired at the conclusion of the 2024 AGM after having served on the Board since 2015.
- ◆ On the other hand, the Board welcomed the following appointments:
 - ◆ Mr Diego González Morales was appointed as a Non-executive Director and a Member of the Finance & General Committee on 1 April 2024; and
 - ◆ Mrs Ann Kung was appointed as an Independent Non-executive Director and as a Member of the Audit & Risk Committee and the Finance & General Committee on 22 October 2024.

Corporate Strategy Review

- ◆ As referred to in the Chairman's Statement and CEO's Strategic Review, the Board approved the corporate strategy in November 2024. The strategy was approved by the Board following a series of dedicated briefing and discussion sessions and included a two-day offsite event for our Board Members.
- ◆ Board Members spent a considerable amount of time participating in the strategy review and these included:
 - ◆ a two-day Strategy Review offsite event;
 - ◆ dedicated agenda items in four of the Board meetings in 2024; and
 - ◆ an additional CLP Holdings Finance & General Committee meeting.
- ◆ At the various briefing sessions, management shared with Directors the background, options and proposals on the strategic initiatives and through the interactive sessions, Directors provided valuable feedback and suggestions to management and thereby played an important part in formulating the corporate strategy.

ERP Panel

- ◆ The Board established a project focused panel with a dedicated oversight of the ERP system project.
- ◆ The project to implement the ERP system is a significant project as it will improve CLP's digital capabilities and optimise our business processes across our Hong Kong based operations. As the implementation of the project is subject to the purview of the CLP Power Board, the CLP Holdings Audit & Risk Committee and the CLP Holdings Finance & General Committee, the establishment of the ERP Panel consolidates the oversight of this project at the CLP Holdings Board level.
- ◆ The ERP Panel was established by the CLP Holdings Board and comprises the following CLP Holdings Directors:
 - ◆ Mrs Betty Yuen, as Chair;
 - ◆ Ms May Siew Boi Tan and Mr Andrew Brandler, as Deputy Chairs; and
 - ◆ Mr T.K. Chiang, Mr Nicholas C. Allen and Mr Chunyuan Gu, as Members.
- ◆ The ERP Panel was established by the CLP Holdings Board and came into operation in April 2024 and will operate for the duration of the project. It is expected that four meetings will be held each year on a quarterly basis. So far and in 2024, four meetings were held in May, July, September and December.

Corporate Governance Regulatory Developments

- ◆ CLP Holdings welcomes the series of corporate governance related changes that are being introduced by the Hong Kong Stock Exchange with the Listing Rules changes that will come into effect on 1 July 2025.
- ◆ The proposed changes relate to the following: designation of a lead independent non-executive director; mandatory directors training; board performance review; disclosure of board skills matrix; overboarding independent non-executive directors and directors time commitment; independence of independent non-executive directors; board and workforce diversity; risk management and internal controls; and dividends policy.
- ◆ CLP Holdings and our corporate governance practices already adhere to a vast majority of these recently introduced requirements. In so far as those that have not been implemented, in particular, the designation of a lead independent non-executive director and workforce diversity policy, these will be considered by the CLP Holdings Board in due course with regard to the implementation timetable of the new changes.