

## **Shui On Land Limited**

### **Functions of the Board and Management**

#### **Functions of the Board**

The Board is responsible for:

1. determining the overall strategy and approving the annual operating budget of the Company;
2. reviewing all significant policy matters of the Company, such as dividend policy and any major changes in accounting policy;
3. monitoring the performance of management to ensure that the business operations are properly planned, authorised and undertaken;
4. reviewing at least annually the effectiveness of the internal control system of the Company which shall cover all material controls, including financial, operational and compliance controls and risk management functions;
5. approving the Company's half-year report, annual report and accounts on the basis of any recommendations of the Audit Committee;
6. approving any material contracts and transactions (including financing transactions) subject to any powers and authorities as may be delegated to management by the Board from time to time;
7. subject to the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), approving transactions in which a connected person (as defined in the Listing Rules) is considered to have a material conflict of interests;
8. approving any appointment (based on the nomination procedure and the process and criteria as adopted by the Board)/proposal for re-appointment of Directors of the Company, and appointment of the Chairmen and members of the Board's Committees, where appropriate;
9. considering the recommendations from the Remuneration Committee in respect of (a) the Company's policy and structure for all remuneration of the Directors and senior management and; (b) the remuneration of the Non-Executive Directors; and
10. exercising all such other powers that may only be exercised by the Board pursuant to The Companies Law (Cayman Islands) or Articles of Association of the Company, the Listing Rules and/or the Hong Kong Codes on Takeovers and Mergers and Share Repurchases.

#### **Functions of the Management**

The Board has delegated the day-to-day operational responsibility for the Company to the management.

## **Shui On Land Limited**

### **Division of Responsibilities of Chairman and Chief Executive Officer ("CEO")**

<b><u>Role</u></b>	<b><u>Responsibilities</u></b>
Chairman	<p>The Chairman is responsible for leading the Board in setting the overall strategy and making major development decisions of the Company and monitoring their implementation, to ensure value creation for shareholders. He takes part in cultivating cordial relationship with strategic associates of the Company and creating a favourable environment for the development of the Company's business. As leader of the Board, the Chairman also assesses the development needs of the Board as a whole with a view to build its effectiveness as a team and developing the knowledge and expertise of individual Board members and future leaders of the Company.</p> <ul style="list-style-type: none"><li>• To lead the Board to function as a world class governance body.</li><li>• Develop effective working relationship with the CEO, including providing appropriate counsel and coaching.</li><li>• Build and maintain positive working relationships of the Company with Government at senior level.</li><li>• To act as a spokesperson for the Company on strategic and macro issues as required together with the CEO/CFO.</li><li>• Provide advice to CEO and the senior management team when consulted on macro and strategic issues.</li><li>• Continue to lead in master planning for up to or more than three years.</li><li>• Will not take on executive role in the management of the Company.</li><li>• Working with the CEO, ensure that the Board devotes sufficient energy to building the talent pipeline in the Company.</li></ul>

## CEO

The CEO is responsible for the operations of the Company's businesses. He develops and works with the managing directors to achieve their business and financial targets, proposing strategies to the Board and ensuring the effective implementation of the strategies and policies adopted by the Board, including the building of a strong corporate culture within the Company.

- Work closely with the Chairman to develop a sound and comprehensive development strategy for the Company and take overall responsibility for its execution and implementation, including undertaking business development activities, negotiating strategic partnerships, strategic resource allocation, acquisition and divestment initiatives.
- Detect external changes and take corrective action.
- Work effectively with the Chairman to keep the Board informed at all times and seek counsel and appropriate approvals of the Board, have the Board focus on the most important items, and provide critical information in useful form for the Board to digest and provide counsel on.
- As CEO of the Company lead in proposing and setting the execution strategies and policies for effective implementation of the Company Board decisions.
- Direct company-wide business planning, and ensure Project/Department Heads manage effectively and deliver good results against short and medium term goals and targets set by the Board of Directors.
- Ensure the Company maintains financial viability and achieves its financial objectives and that its financial resources are allocated in accordance with set strategy and principles.
- Ensure effective leadership development and succession planning for the continued availability of a highly competent and motivated senior management team committed to the goals, objectives and values of the Company.
- Contribute towards a positive corporate image and favourable

operating environment for the Company through overseeing investor relations, formulating corporate communications strategy, building government relations and ensuring regulatory compliance.