

Corporate Governance Report

CK Hutchison Holdings Limited (the "Company") is a Cayman Islands company incorporated on 11th December, 2014 and registered in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong). During the period from 11th December, 2014 to 31st December, 2014, Cheung Kong (Holdings) Limited ("Cheung Kong") was the sole shareholder of the Company. With effect from 18th March, 2015, the Company has become the holding company of Cheung Kong and its subsidiaries (the "CK Group") and has replaced the listing status of Cheung Kong. Both of the Board of Directors and the management of the Company and Cheung Kong are committed to the maintenance of good corporate governance practices and procedures, and believe that good corporate governance provides a framework that is essential for effective management, a healthy corporate culture, successful business growth and enhancing shareholders' value. The corporate governance principles of both the Company and Cheung Kong emphasize a quality Board of Directors, sound internal controls, and transparency and accountability to all shareholders.

Throughout the year ended 31st December, 2014, save as disclosed below, Cheung Kong has applied the principles and complied with all code provisions and, where applicable, the recommended best practices of the Corporate Governance Code ("CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"). In respect of code provisions A.5.1 to A.5.4 of the CG Code, Cheung Kong does not have a nomination committee. At present, Cheung Kong does not consider it necessary to have a nomination committee as the full Board of Directors of Cheung Kong (the "Board") is responsible for reviewing the structure, size and composition of the Board and the appointment of new Directors from time to time to ensure that it has a balanced composition of skills and experience appropriate for the requirements of the businesses of Cheung Kong, and the Board as a whole is also responsible for reviewing the succession plan for the Directors, in particular the Chairman of the Board and the Managing Director. In respect of code provision A.6.7 of the CG Code, an Independent Non-executive Director was not in a position to attend the annual general meeting of Cheung Kong held on 16th May, 2014 due to health reason.

Key corporate governance principles and corporate governance practices of Cheung Kong are summarised below:

I. Code Provisions

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices																																																		
A.	DIRECTORS																																																				
A.1	The Board																																																				
	<i>Corporate Governance Principle</i> <i>The Board should assume responsibility for leadership and control of Cheung Kong; and is collectively responsible for directing and supervising Cheung Kong's affairs.</i> <i>The Board should regularly review the contribution required from a Director to perform his responsibilities to Cheung Kong, and whether he is spending sufficient time performing them.</i>																																																				
A.1.1	Regular board meetings should be held at least four times a year involving active participation, either in person or through electronic means of communication, of majority of directors.	C	<ul style="list-style-type: none"> The Board meets regularly and held meetings in February, May, July and November of 2014. Directors' attendance records in 2014 are as follows: <table border="1"> <thead> <tr> <th>Members of the Board</th> <th>Attendance</th> </tr> </thead> <tbody> <tr> <td colspan="2">Executive Directors</td> </tr> <tr> <td>LI Ka-shing (<i>Chairman</i>)</td> <td>4/4</td> </tr> <tr> <td>LI Tzar Kuoi, Victor (<i>Managing Director and Deputy Chairman</i>)</td> <td>4/4</td> </tr> <tr> <td>KAM Hing Lam (<i>Deputy Managing Director</i>)</td> <td>4/4</td> </tr> <tr> <td>IP Tak Chuen, Edmond (<i>Deputy Managing Director</i>)</td> <td>4/4</td> </tr> <tr> <td>CHUNG Sun Keung, Davy</td> <td>4/4</td> </tr> <tr> <td>PAU Yee Wan, Ezra</td> <td>4/4</td> </tr> <tr> <td>WOO Chia Ching, Grace</td> <td>4/4</td> </tr> <tr> <td>CHIU Kwok Hung, Justin</td> <td>4/4</td> </tr> <tr> <td colspan="2">Non-executive Directors</td> </tr> <tr> <td>LEUNG Siu Hon</td> <td>4/4</td> </tr> <tr> <td>FOK Kin Ning, Canning</td> <td>4/4</td> </tr> <tr> <td>Frank John SIXT</td> <td>4/4</td> </tr> <tr> <td>CHOW Kun Chee, Roland</td> <td>4/4</td> </tr> <tr> <td>George Colin MAGNUS</td> <td>4/4</td> </tr> <tr> <td>LEE Yeh Kwong, Charles</td> <td>4/4</td> </tr> <tr> <td colspan="2">Independent Non-executive Directors</td> </tr> <tr> <td>KWOK Tun-li, Stanley</td> <td>4/4</td> </tr> <tr> <td>YEH Yuan Chang, Anthony</td> <td>3/4</td> </tr> <tr> <td>Simon MURRAY</td> <td>2/4</td> </tr> <tr> <td>CHOW Nin Mow, Albert</td> <td>4/4</td> </tr> <tr> <td>HUNG Siu-lin, Katherine</td> <td>4/4</td> </tr> <tr> <td>WONG Yick-ming, Rosanna</td> <td>4/4</td> </tr> <tr> <td>CHEONG Ying Chew, Henry</td> <td>4/4</td> </tr> </tbody> </table> The Directors may attend meetings in person, by phone or through means of electronic communication or by their alternate directors in accordance with Cheung Kong's Articles of Association. An updated and consolidated version of Cheung Kong's Articles of Association (both English and Chinese versions) are available on the websites of Cheung Kong and Hong Kong Exchanges and Clearing Limited ("HKEx"). Cheung Kong's constitutional documents were amended during the year 2014. 	Members of the Board	Attendance	Executive Directors		LI Ka-shing (<i>Chairman</i>)	4/4	LI Tzar Kuoi, Victor (<i>Managing Director and Deputy Chairman</i>)	4/4	KAM Hing Lam (<i>Deputy Managing Director</i>)	4/4	IP Tak Chuen, Edmond (<i>Deputy Managing Director</i>)	4/4	CHUNG Sun Keung, Davy	4/4	PAU Yee Wan, Ezra	4/4	WOO Chia Ching, Grace	4/4	CHIU Kwok Hung, Justin	4/4	Non-executive Directors		LEUNG Siu Hon	4/4	FOK Kin Ning, Canning	4/4	Frank John SIXT	4/4	CHOW Kun Chee, Roland	4/4	George Colin MAGNUS	4/4	LEE Yeh Kwong, Charles	4/4	Independent Non-executive Directors		KWOK Tun-li, Stanley	4/4	YEH Yuan Chang, Anthony	3/4	Simon MURRAY	2/4	CHOW Nin Mow, Albert	4/4	HUNG Siu-lin, Katherine	4/4	WONG Yick-ming, Rosanna	4/4	CHEONG Ying Chew, Henry	4/4
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Corporate Governance Report (continued)

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A.1.2	All directors are given an opportunity to include matters in the agenda for regular board meetings.	C	<ul style="list-style-type: none"> All Directors are consulted as to whether they may wish to include any matter in the agenda before the agenda for each regular Board meeting is issued.
A.1.3	<ul style="list-style-type: none"> At least 14 days notice for regular board meetings. Reasonable notice for other board meetings. 	<p>C</p> <p>C</p>	<ul style="list-style-type: none"> Regular Board meetings in a particular year are usually scheduled towards the end of the immediately preceding year to give all Directors adequate time to plan their schedules to attend the meetings. At least 14 days formal notice would be given before each regular meeting. According to Cheung Kong's Articles of Association, a Director may waive notice of any meeting and any such waiver may be prospective or retrospective.
A.1.4	Minutes of board meetings and meetings of board committees should be kept by a duly appointed secretary of the meeting and should be open for inspection at any reasonable time on reasonable notice by any director.	C	<ul style="list-style-type: none"> The Company Secretary prepares written resolutions or minutes and keeps records of substantive matters discussed and decisions resolved at all Board and Board Committee meetings. Board and Board Committee minutes/resolutions are sent to all Directors/Board Committee members within a reasonable time (generally within 14 days) after each Board and Board Committee meeting. Board and Board Committee minutes/resolutions are available for inspection by Directors/Board Committee members.
A.1.5	<ul style="list-style-type: none"> Minutes of board meetings and meetings of board committees should record in sufficient detail the matters considered and decisions reached. Draft and final versions of minutes for all directors to comment and to keep records within a reasonable time after the board meeting. 	<p>C</p> <p>C</p>	<ul style="list-style-type: none"> Minutes record in sufficient detail the matters considered by the Board/Board Committees and decisions reached. Directors are given an opportunity to comment on draft Board minutes. Final version of Board minutes is placed on record within a reasonable time after the Board meeting.
A.1.6	<ul style="list-style-type: none"> A procedure agreed by the board to enable directors, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the company's expense. The board should resolve to provide separate independent professional advice to directors to assist them perform their duties to the company. 	<p>C</p> <p>C</p>	<ul style="list-style-type: none"> Directors have been advised that the Company Secretary can arrange independent professional advice at the expense of Cheung Kong should such advice be considered necessary by any Director.
A.1.7	<ul style="list-style-type: none"> If a substantial shareholder or a director has a conflict of interest in a matter to be considered by the board which the board has determined to be material, the matter should be dealt with by a physical board meeting rather than a written resolution. Independent non-executive directors who, and whose close associates, have no material interest in the transaction should be present at that board meeting. 	<p>C</p> <p>C</p>	<ul style="list-style-type: none"> Important matters are usually dealt with by way of written resolutions so that all Directors (including Independent Non-executive Directors) can note and comment, as appropriate, the matters before approval is granted. Director must declare his/her interest in the matters to be passed in the resolution, if applicable. If a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter will be dealt with in accordance with applicable rules and regulations and, if appropriate, an independent Board committee will be set up to deal with the matter.

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A.1.8	Arrange appropriate insurance cover in respect of legal action against the directors.	C	<ul style="list-style-type: none"> Cheung Kong has arranged appropriate Directors and Officers liability insurance coverage for its Directors and officers since 1991 including the year 2014/2015. 																																				
A.2	Chairman and Chief Executive Corporate Governance Principle <i>There should be a clear division of responsibilities between the Chairman and the Managing Director of Cheung Kong to ensure a balance of power and authority.</i>																																						
A.2.1	<ul style="list-style-type: none"> Separate roles of chairman and chief executive not to be performed by the same individual. Division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. 	C C	<ul style="list-style-type: none"> The positions of the Chairman of the Board and the Managing Director are currently held by separate individuals. The Chairman of the Board determines the broad strategic direction of Cheung Kong and its subsidiaries (collectively, the "CK Group") in consultation with the Board and is responsible for the high-level oversight of management. The Managing Director, with the support of the Executive Directors, is responsible for strategic planning of different business functions and day-to-day management and operation of the CK Group. 																																				
A.2.2	The chairman should ensure that all directors are properly briefed on issues arising at board meetings.	C	<ul style="list-style-type: none"> With the support of the Executive Directors and the Company Secretary, the Chairman seeks to ensure that all Directors are properly briefed on issues arising at Board meetings and receive adequate and reliable information on a timely basis. In addition to regular Board meetings, the Chairman of the Board met with the Non-executive Directors (including the Independent Non-executive Directors) without the presence of the Executive Directors in May and November of 2014. Attendance records of the meetings are as follows: <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: right;">Attendance</th> </tr> </thead> <tbody> <tr> <td colspan="2">Chairman</td> </tr> <tr> <td style="border-top: 1px solid black;">LI Ka-shing</td> <td style="text-align: right; border-top: 1px solid black;">2/2</td> </tr> <tr> <td colspan="2">Non-executive Directors</td> </tr> <tr> <td style="border-top: 1px solid black;">LEUNG Siu Hon</td> <td style="text-align: right; border-top: 1px solid black;">2/2</td> </tr> <tr> <td style="border-top: 1px solid black;">FOK Kin Ning, Canning</td> <td style="text-align: right; border-top: 1px solid black;">2/2</td> </tr> <tr> <td style="border-top: 1px solid black;">Frank John SIXT</td> <td style="text-align: right; border-top: 1px solid black;">2/2</td> </tr> <tr> <td style="border-top: 1px solid black;">CHOW Kun Chee, Roland</td> <td style="text-align: right; border-top: 1px solid black;">2/2</td> </tr> <tr> <td style="border-top: 1px solid black;">George Colin MAGNUS</td> <td style="text-align: right; border-top: 1px solid black;">2/2</td> </tr> <tr> <td style="border-top: 1px solid black;">LEE Yeh Kwong, Charles</td> <td style="text-align: right; border-top: 1px solid black;">2/2</td> </tr> <tr> <td colspan="2">Independent Non-executive Directors</td> </tr> <tr> <td style="border-top: 1px solid black;">KWOK Tun-li, Stanley</td> <td style="text-align: right; border-top: 1px solid black;">2/2</td> </tr> <tr> <td style="border-top: 1px solid black;">YEH Yuan Chang, Anthony</td> <td style="text-align: right; border-top: 1px solid black;">1/2</td> </tr> <tr> <td style="border-top: 1px solid black;">Simon MURRAY</td> <td style="text-align: right; border-top: 1px solid black;">1/2</td> </tr> <tr> <td style="border-top: 1px solid black;">CHOW Nin Mow, Albert</td> <td style="text-align: right; border-top: 1px solid black;">2/2</td> </tr> <tr> <td style="border-top: 1px solid black;">HUNG Siu-lin, Katherine</td> <td style="text-align: right; border-top: 1px solid black;">2/2</td> </tr> <tr> <td style="border-top: 1px solid black;">WONG Yick-ming, Rosanna</td> <td style="text-align: right; border-top: 1px solid black;">2/2</td> </tr> <tr> <td style="border-top: 1px solid black;">CHEONG Ying Chew, Henry</td> <td style="text-align: right; border-top: 1px solid black;">2/2</td> </tr> </tbody> </table> <p>Note: The Chairman and the Non-executive Directors (including the Independent Non-executive Directors) may attend meetings in person, by phone or through means of electronic communication or by their alternate directors in accordance with Cheung Kong's Articles of Association.</p>	Attendance		Chairman		LI Ka-shing	2/2	Non-executive Directors		LEUNG Siu Hon	2/2	FOK Kin Ning, Canning	2/2	Frank John SIXT	2/2	CHOW Kun Chee, Roland	2/2	George Colin MAGNUS	2/2	LEE Yeh Kwong, Charles	2/2	Independent Non-executive Directors		KWOK Tun-li, Stanley	2/2	YEH Yuan Chang, Anthony	1/2	Simon MURRAY	1/2	CHOW Nin Mow, Albert	2/2	HUNG Siu-lin, Katherine	2/2	WONG Yick-ming, Rosanna	2/2	CHEONG Ying Chew, Henry	2/2
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A.2.3	The chairman should be responsible for ensuring that directors receive, in a timely manner, adequate information which must be accurate, clear, complete and reliable.	C	<ul style="list-style-type: none"> The Board papers including supporting analysis and related background information are normally sent to the Directors at least three days before Board meetings. Communications between Non-executive Directors (including Independent Non-executive Directors) on the one hand, and the Company Secretary as co-ordinator for the other business units of the CK Group on the other, is a dynamic and interactive process to ensure that queries raised and clarification sought by the Directors are dealt with and further supporting information and/or documentation is provided as appropriate. 																																				

Corporate Governance Report (continued)

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A.2.4	<ul style="list-style-type: none"> – The chairman to provide leadership for the board. – The chairman should ensure that the board works effectively and performs its responsibilities, and that all key and appropriate issues are discussed by it in a timely manner. – The chairman should be primarily responsible for drawing up and approving the agenda for each board meeting. He should take into account, where appropriate, any matters proposed by the other directors for inclusion in the agenda. The chairman may delegate this responsibility to a designated director or the company secretary. 	<p>C</p> <p>C</p> <p>C</p>	<ul style="list-style-type: none"> • The Chairman of the Board is an Executive Director who is responsible for the leadership and effective running of the Board. • The Chairman of the Board determines the broad strategic direction of the CK Group in consultation with the Board and is responsible for the high-level oversight of management. • The Board meets regularly and held meetings in February, May, July and November of 2014. • With the support of the Executive Directors and the Company Secretary, the Chairman ensures that all Directors are properly briefed on all key and appropriate issues on a timely manner. • The Company Secretary assists the Chairman in preparing the agenda for each Board meeting and ensures that, where applicable, matters proposed by other Directors are included in the agenda; and that all applicable rules and regulations are followed.
A.2.5	The chairman should take primary responsibility for ensuring that good corporate governance practices and procedures are established.	C	<ul style="list-style-type: none"> • The Board as a whole and the management of Cheung Kong are committed to the maintenance of good corporate governance practices and procedures.
A.2.6	<ul style="list-style-type: none"> – The chairman should encourage all directors to make a full and active contribution to the board's affairs and take the lead to ensure that it acts in the best interests of the company. – The chairman should encourage directors with different views to voice their concerns, allow sufficient time for discussion of issues and ensure that board decisions fairly reflect board consensus. 	<p>C</p> <p>C</p>	<ul style="list-style-type: none"> • Please refer to A.2.3 and A.2.4 above for the details.
A.2.7	The chairman should at least annually hold meetings with the non-executive directors (including independent non-executive directors) without the executive directors present.	C	<ul style="list-style-type: none"> • In addition to regular Board meetings, the Chairman of the Board met with the Non-executive Directors (including the Independent Non-executive Directors) without the presence of the Executive Directors in May and November of 2014. Please refer to A.2.2 above for the attendance records.
A.2.8	The chairman should ensure that appropriate steps are taken to provide effective communication with shareholders and that their views are communicated to the board as a whole.	C	<ul style="list-style-type: none"> • Cheung Kong establishes different communication channels with shareholders and investors, including (i) printed copies of corporate communications (including but not limited to annual reports, interim reports, notices of meetings, circulars and proxy forms) required under the Listing Rules, and shareholders can choose to receive such documents using electronic means through Cheung Kong's website; (ii) the annual general meeting provides a forum for shareholders to raise comments and exchange views with the Board; (iii) updated and key information on the CK Group is available on the website of Cheung Kong; (iv) Cheung Kong's website offers a communication channel between Cheung Kong and its shareholders and stakeholders; (v) regular press conferences and briefing meetings with analysts are arranged from time to time to update on the performance of the CK Group; (vi) Cheung Kong's Registrar deals with shareholders for share registration and related matters; and (vii) the Corporate Affairs Department of Cheung Kong handles enquiries from shareholders and investors generally. • In March 2012, the Board has established a shareholders communication policy and has made it available on Cheung Kong's website. The policy is subject to review on a regular basis to ensure its effectiveness.

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A.2.9	The chairman should promote a culture of openness and debate by facilitating the effective contribution of non-executive directors in particular and ensuring constructive relations between executive and non-executive directors.	C	<ul style="list-style-type: none"> The Chairman promotes a culture of openness and actively encourages Directors with different views to voice their opinion and be fully engaged in the Board's affairs so as to contribute to the Board's functions.
A.3	Board composition <i>Corporate Governance Principle</i> <i>The Board should have a balance of skills, experience and diversity of perspectives appropriate to the requirements of Cheung Kong's business and should include a balanced composition of Executive and Non-executive Directors so that independent judgement can effectively be exercised.</i>		
A.3.1	Independent non-executive directors should be identified in all corporate communications that disclose the names of directors.	C	<ul style="list-style-type: none"> The composition of the Board, by category and position of Directors including the names of the Chairman, the Executive Directors, the Non-executive Directors and the Independent Non-executive Directors, is disclosed in all corporate communications. The Board consists of a total of twenty-one Directors, comprising eight Executive Directors, six Non-executive Directors and seven Independent Non-executive Directors. One-third of the Board are Independent Non-executive Directors of which more than one have appropriate professional qualifications, or accounting or related financial management expertise. Details of the composition of the Board are set out on page 188. The Directors' biographical information and the relationships among the Directors are set out on pages 28 to 31. Review of the Board composition is made regularly to ensure that it has a balance of expertise, skills and experience appropriate for the requirements of the business of Cheung Kong.
A.3.2	The company should maintain on its website and on HKEx's website an updated list of its directors identifying their role and function and whether they are independent non-executive directors.	C	<ul style="list-style-type: none"> Cheung Kong maintains on its website an updated list of its Directors identifying their respective roles and functions together with their biographical information, and whether they are independent non-executive directors. Since March 2012, the updated list of Directors has been posted on the website of HKEx which has been revised from time to time. Cheung Kong has also posted on its website and the website of HKEx the Terms of Reference of its Board Committees to enable the shareholders to understand the roles played by those Independent Non-executive Directors who serve on the relevant Board Committees.
A.4	Appointments, re-election and removal <i>Corporate Governance Principle</i> <i>There should be a formal, considered and transparent procedure for the appointment of new Directors and plans in place for orderly succession for appointments. All Directors should be subject to re-election at regular intervals.</i>		
A.4.1	Non-executive directors should be appointed for a specific term, subject to re-election.	C	<ul style="list-style-type: none"> All Directors (including Non-executive Directors) are subject to retirement by rotation once every three years and are subject to re-election in accordance with Cheung Kong's Articles of Association and the CG Code.
A.4.2	<ul style="list-style-type: none"> All directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after appointment. Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. 	C	<ul style="list-style-type: none"> In accordance with Cheung Kong's Articles of Association, newly appointed Directors are required to offer themselves for re-election at the next following general meeting (in the case of filling a casual vacancy) or at the next following annual general meeting (in the case of an addition to the Board) following their appointment. The Board as a whole is responsible for the appointment of new Directors and Directors' nomination for re-election by shareholders at the general meeting of Cheung Kong. Under Cheung Kong's Articles of Association, the Board may from time to time appoint a Director either to fill a casual vacancy or as an addition to the Board. Any such new Director shall hold office until the next following general meeting of Cheung Kong (in the case of filling a casual vacancy) or until the next following annual general meeting of Cheung Kong (in the case of an addition to the Board) and shall then be eligible for re-election at the same general meeting.

Corporate Governance Report (continued)

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A.4.2 (cont'd)			<ul style="list-style-type: none"> All Directors (including Non-executive Directors) are subject to retirement by rotation once every three years and are subject to re-election in accordance with Cheung Kong's Articles of Association and the CG Code. The structure, size and composition of the Board are reviewed from time to time to ensure the Board has a balanced composition of skills and experience appropriate for the requirements of the businesses of Cheung Kong. The independence of the Independent Non-executive Directors is assessed according to the relevant rules and requirements under the Listing Rules. Each of the Independent Non-executive Directors makes an annual confirmation of independence pursuant to the requirements of the Listing Rules. Cheung Kong is of the view that all Independent Non-executive Directors meet the independence guidelines set out in the relevant requirements of the Listing Rules and are independent in accordance with the terms of the guidelines. Cheung Kong has published the procedures for shareholders to propose a person for election as a Director on its website.
A.4.3	<ul style="list-style-type: none"> If an independent non-executive director serves more than 9 years, his further appointment should be subject to a separate resolution to be approved by shareholders. The papers to shareholders accompanying that resolution should include the reasons why the board believes he is still independent and should be re-elected. 	<p>C</p> <p>C</p>	<ul style="list-style-type: none"> Each Independent Non-executive Director who was subject to retirement by rotation was appointed by a separate resolution in Cheung Kong's annual general meeting. Each Independent Non-executive Director who was eligible for re-election at the annual general meeting had made a confirmation of independence pursuant to Rule 3.13 of the Listing Rules. Cheung Kong had expressed the view in its circular that each Independent Non-executive Director who was eligible for re-election had met the independence guidelines set out in Rule 3.13 of the Listing Rules and was independent in accordance with the terms of the guidelines. In respect of an Independent Non-executive Director who has served more than nine years, Cheung Kong had expressed its view in the circular for the 2014 Annual General Meeting as regards such Director's independence. In accordance with the CG Code, Cheung Kong has to include its own recommendation in the circular to explain why a particular candidate should be re-elected. As their relevant credentials have been included in the circular for the shareholders' information, Cheung Kong opines that it is more important for the shareholders themselves to make their own independent decision on whether to approve a particular re-election or not.
A.5	<p>Nomination Committee</p> <p><i>Corporate Governance Principle</i></p> <p><i>In carrying out its responsibilities, the nomination committee should give adequate consideration to the principles under Sections A.3 and A.4 in the CG Code.</i></p>		
A.5.1 – A.5.4	<ul style="list-style-type: none"> The company should establish a nomination committee which is chaired by the chairman of the board or an independent non-executive director and comprises a majority of independent non-executive directors. The nomination committee should be established with specific written terms of reference which deal clearly with its authority and duties. 	E	<ul style="list-style-type: none"> Cheung Kong does not have a nomination committee. The Board as a whole is responsible for the appointment of new Directors and the nomination of Directors for re-election by shareholders at the general meeting of Cheung Kong. Under Cheung Kong's Articles of Association, the Board may from time to time appoint a Director either to fill a casual vacancy or as an addition to the Board. Any such new Director shall hold office until the next following general meeting of Cheung Kong (in the case of filling a casual vacancy) or until the next following annual general meeting of Cheung Kong (in the case of an addition to the Board) and shall then be eligible for re-election at the same general meeting.

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
<p>A.5.1 – A.5.4 (cont'd)</p>	<p>– It should perform the following duties:</p> <p>(a) review the structure, size and composition (including the skills, knowledge and experience) of the board at least annually and make recommendations on any proposed changes to the board to complement the company's corporate strategy;</p> <p>(b) identify individuals suitably qualified to become board members and select or make recommendations to the board on the selection of individuals nominated for directorships;</p> <p>(c) assess the independence of independent non-executive directors; and</p> <p>(d) make recommendations to the board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman and the chief executive.</p> <p>– The nomination committee should make available its terms of reference explaining its role and the authority delegated to it by the board by including them on HKE's website and the company's website.</p> <p>– The company should provide the nomination committee sufficient resources to perform its duties. Where necessary, the nomination committee should seek independent professional advice, at the company's expense, to perform its responsibilities.</p>		<ul style="list-style-type: none"> • At present, Cheung Kong does not consider it necessary to have a nomination committee as the full Board is responsible for reviewing the structure, size and composition of the Board from time to time to ensure that it has a balanced composition of skills and experience appropriate for the requirements of the businesses of Cheung Kong, and the Board as a whole is also responsible for reviewing the succession plan for the Directors, in particular the Chairman and the Managing Director. • Cheung Kong adopts a formal, considered and transparent procedure for the appointment of new Directors. Before a prospective Director's name is formally proposed, the opinions of the existing Directors (including the Independent Non-executive Directors) are sought. After considering the proposal for the appointment of a new Director, the Board as a whole will make the final decision. • The Board as a whole is responsible for assessing the independence of the Independent Non-executive Directors according to the relevant rules and requirements under the Listing Rules. Cheung Kong is of the view that all Independent Non-executive Directors meet the independence guidelines set out in the relevant requirements of the Listing Rules and are independent in accordance with the terms of the guidelines.
<p>A.5.5</p>	<p>Where the board proposes a resolution to elect an individual as an independent non-executive director at the general meeting, it should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting why they believe he should be elected and the reasons why they consider him to be independent.</p>	<p>C</p>	<ul style="list-style-type: none"> • Please refer to A.4.3 above for the details.

Corporate Governance Report (continued)

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
A.5.6	The nomination committee (or the board) should have a policy concerning diversity of board members, and should disclose the policy or a summary of the policy in the Corporate Governance Report.	C	<ul style="list-style-type: none"> • In August 2013, Cheung Kong has established a policy concerning diversity of Board members ("Board Diversity Policy") and has made it available on Cheung Kong's website. • In the Board Diversity Policy:– <ol style="list-style-type: none"> 1. Cheung Kong recognises the benefits of having a Board that has a balance of skills, experience and diversity of perspectives appropriate to the requirements of Cheung Kong's businesses. 2. Cheung Kong maintains that appointments to the Board should be based on merit that complements and expands the skills and experience of the Board as a whole, and after due regard to factors which include but not limited to gender, age, cultural and educational background, and/or professional experience, and any other factors that the Board may consider relevant and applicable from time to time towards achieving a diverse Board. 3. The full Board of Cheung Kong is responsible for reviewing the structure, size and composition of the Board and the appointment of new directors of Cheung Kong from time to time to ensure that it has a balanced composition of skills and experience appropriate to the requirements of Cheung Kong's businesses, with due regard to the benefits of diversity on the Board. The Board as a whole is also responsible for reviewing the succession plan for the directors of Cheung Kong, in particular, for the Chairman of the Board and the Managing Director. • Selection of Board members is based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and other factors that the Board may consider relevant and applicable from time to time. The ultimate decision is based on merit and contribution that the selected Board members could bring to the Board. • The Board has, from time to time, reviewed and monitored the implementation of the policy to ensure its effectiveness. It will at appropriate time set measurable objectives for achieving diversity on the Board.
A.6	Responsibilities of directors Corporate Governance Principle <i>Every Director must always know his responsibilities as a Director of Cheung Kong and its conduct, business activities and development.</i>		
A.6.1	Every newly appointed director of the company should receive a comprehensive, formal and tailored induction on appointment. Subsequently he should receive any briefing and professional development necessary to ensure that he has a proper understanding of the company's operations and business and is fully aware of his responsibilities under statute and common law, the Listing Rules, legal and other regulatory requirements and the company's business and governance policies.	C	<ul style="list-style-type: none"> • The Company Secretary and key officers of the Company Secretarial Department liaise closely with newly appointed Directors both immediately before and after his/her appointment to acquaint them with the duties and responsibilities as a Director of Cheung Kong and the business operation of Cheung Kong. • A package, which has been compiled and reviewed by Cheung Kong's legal advisers, setting out the duties and responsibilities of directors under the Listing Rules, the Companies Ordinance and other related ordinances and relevant regulatory requirements of Hong Kong is provided to each newly appointed Director. Further information package comprising the latest developments in laws, rules and regulations relating to the duties and responsibilities of directors will be forwarded to each Director from time to time for his/her information and ready reference. Guidelines for directors issued by the Companies Registry of Hong Kong and The Hong Kong Institute of Directors have also been forwarded to each Director for his/her information and ready reference. • During the year, Cheung Kong had arranged at the cost of Cheung Kong Directors seminar sessions conducted by qualified professionals experienced on topics relating to the roles, functions and duties of the Directors. Certificates were issued to Directors who had attended the seminar sessions. • In addition, Cheung Kong has from time to time provided information and briefings to Directors on the latest developments in the laws, rules and regulations relating to Directors' duties and responsibilities. Cheung Kong had also, on an individual basis, advised Directors on queries raised or issues which arise in the performance of their duties as directors.

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
A.6.2	<p>The functions of non-executive directors include:</p> <ul style="list-style-type: none"> – bring independent judgement on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct at board meetings – take the lead on potential conflicts of interests – serve on the audit, remuneration, nomination and other governance committees, if invited – scrutinise the company's performance in achieving agreed corporate goals and objectives, and monitoring performance reporting 	<p>C</p> <p>C</p> <p>C</p> <p>C</p>	<ul style="list-style-type: none"> • The Non-executive Directors exercise their independent judgement and advise on the future business direction and strategic plans of Cheung Kong. • The Non-executive Directors review the financial information and operational performance of Cheung Kong on a regular basis. • The Independent Non-executive Directors are invited to serve on the Audit Committee and Remuneration Committee of Cheung Kong.
A.6.3	<p>Every director should ensure that he can give sufficient time and attention to the company's affairs and should not accept the appointment if he cannot do so.</p>	C	<ul style="list-style-type: none"> • There is satisfactory attendance at Board meetings during the year. Please refer to A.1.1 above for the attendance records. • Every Executive Director has hands-on knowledge and expertise in the areas and operation in which he/she is charged with. Appropriate attention to the affairs of Cheung Kong is measured in terms of time as well as the quality of such attention and the ability of the Directors to contribute with reference to his/her area of knowledge and expertise, and his/her global perspective.
A.6.4	<p>Board should establish written guidelines no less exacting than the Model Code for relevant employees.</p>	C	<ul style="list-style-type: none"> • Cheung Kong had adopted the model code for securities transactions by directors of listed issuers ("Model Code") set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions effective from 31st March, 2004. The Model Code has been revised and adopted by Cheung Kong from time to time to comply with the new requirements set out in Appendix 10 to the Listing Rules. • Confirmation has been received from all Directors that they have complied with the required standards set out in the Model Code for the year ended 31st December, 2014. • Written guidelines no less exacting than the Model Code relating to securities transactions for employees are set out in the Employee Handbook of Cheung Kong. • Since November 2011, Cheung Kong has established a policy on handling of confidential and price-sensitive information, and securities dealing for all employees of the CK Group to comply with when they are in possession of confidential or unpublished price-sensitive information in relation to the CK Group. Such policy has since been revised to comply with the new requirements set out in Part XIVA of the Securities and Futures Ordinance that came into effect on 1st January, 2013. Such revised policy has been posted on Cheung Kong's intranet and disseminated to all employees of Cheung Kong in December 2012.
A.6.5	<p>All directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the board remains informed and relevant. The company should be responsible for arranging and funding suitable training, placing an appropriate emphasis on the roles, functions and duties of a listed company director.</p>	C	<ul style="list-style-type: none"> • A package, which has been compiled and reviewed by Cheung Kong's legal advisers, setting out the duties and responsibilities of directors under the Listing Rules, the Companies Ordinance and other related ordinances and relevant regulatory requirements of Hong Kong is provided to each newly appointed Director. Further information package comprising the latest developments in laws, rules and regulations relating to the duties and responsibilities of directors will be forwarded to each Director from time to time for his/her information and ready reference. Guidelines for directors issued by the Companies Registry of Hong Kong and The Hong Kong Institute of Directors have also been forwarded to each Director for his/her information and ready reference.

Corporate Governance Report (continued)

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices																																																		
A.6.5 (cont'd)			<ul style="list-style-type: none"> • In addition, Cheung Kong has from time to time provided information and briefings to Directors on the latest developments in the laws, rules and regulations relating to Directors' duties and responsibilities. Cheung Kong had also, on an individual basis, advised Directors on queries raised or issues which arise in the performance of their duties as directors. • The Directors have provided to Cheung Kong their records of continuous professional development during the year 2014. • During the year, Cheung Kong had arranged at the cost of Cheung Kong Directors seminar sessions conducted by qualified professionals experienced on topics relating to the roles, functions and duties of the Directors. Certificates were issued to Directors who had attended the seminar sessions. Directors have also participated in continuous professional training organised by professional bodies and/or government authorities. <p>The Directors' knowledge and skills are continuously developed and refreshed by, inter alia, the following means:</p> <ol style="list-style-type: none"> (1) Reading memoranda issued or materials provided (for example, in-house directors' seminar) from time to time by Cheung Kong to Directors, and as applicable, briefings and reports by the Company Secretary, as regards legal and regulatory changes and matters of relevance to the Directors in the discharge of their duties with the latest developments in public consultations, laws, rules and regulations relating to the duties and responsibilities of directors and corporate governance; (2) Participation in continuous professional training seminars/conferences/courses/workshops on subjects relating to directors' duties and corporate governance, etc. organised by Cheung Kong and/or professional bodies and/or government authorities; and (3) Reading news/journal/magazine/other reading materials as regards legal and regulatory changes and matters of relevance to the Directors in the discharge of their duties. <ul style="list-style-type: none"> • Records of the Directors' training during 2014 are as follows: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Members of the Board</th> <th style="text-align: right;">Training received</th> </tr> </thead> <tbody> <tr> <td colspan="2">Executive Directors</td> </tr> <tr> <td>LI Ka-shing (<i>Chairman</i>)</td> <td style="text-align: right;">(1), (2) & (3)</td> </tr> <tr> <td>LI Tzar Kuoi, Victor (<i>Managing Director and Deputy Chairman</i>)</td> <td style="text-align: right;">(1), (2) & (3)</td> </tr> <tr> <td>KAM Hing Lam (<i>Deputy Managing Director</i>)</td> <td style="text-align: right;">(1), (2) & (3)</td> </tr> <tr> <td>IP Tak Chuen, Edmond (<i>Deputy Managing Director</i>)</td> <td style="text-align: right;">(1), (2) & (3)</td> </tr> <tr> <td>CHUNG Sun Keung, Davy</td> <td style="text-align: right;">(1) & (2)</td> </tr> <tr> <td>PAU Yee Wan, Ezra</td> <td style="text-align: right;">(1) & (2)</td> </tr> <tr> <td>WOO Chia Ching, Grace</td> <td style="text-align: right;">(1) & (2)</td> </tr> <tr> <td>CHIU Kwok Hung, Justin</td> <td style="text-align: right;">(1), (2) & (3)</td> </tr> <tr> <td colspan="2">Non-executive Directors</td> </tr> <tr> <td>LEUNG Siu Hon</td> <td style="text-align: right;">(1) & (2)</td> </tr> <tr> <td>FOK Kin Ning, Canning</td> <td style="text-align: right;">(1), (2) & (3)</td> </tr> <tr> <td>Frank John SIXT</td> <td style="text-align: right;">(1), (2) & (3)</td> </tr> <tr> <td>CHOW Kun Chee, Roland</td> <td style="text-align: right;">(1) & (2)</td> </tr> <tr> <td>George Colin MAGNUS</td> <td style="text-align: right;">(1), (2) & (3)</td> </tr> <tr> <td>LEE Yeh Kwong, Charles</td> <td style="text-align: right;">(1), (2) & (3)</td> </tr> <tr> <td colspan="2">Independent Non-executive Directors</td> </tr> <tr> <td>KWOK Tun-li, Stanley</td> <td style="text-align: right;">(1) & (2)</td> </tr> <tr> <td>YEH Yuan Chang, Anthony</td> <td style="text-align: right;">(1) & (2)</td> </tr> <tr> <td>Simon MURRAY</td> <td style="text-align: right;">(1) & (2)</td> </tr> <tr> <td>CHOW Nin Mow, Albert</td> <td style="text-align: right;">(1) & (2)</td> </tr> <tr> <td>HUNG Siu-lin, Katherine</td> <td style="text-align: right;">(1) & (2)</td> </tr> <tr> <td>WONG Yick-ming, Rosanna</td> <td style="text-align: right;">(1), (2) & (3)</td> </tr> <tr> <td>CHEONG Ying Chew, Henry</td> <td style="text-align: right;">(1), (2) & (3)</td> </tr> </tbody> </table>	Members of the Board	Training received	Executive Directors		LI Ka-shing (<i>Chairman</i>)	(1), (2) & (3)	LI Tzar Kuoi, Victor (<i>Managing Director and Deputy Chairman</i>)	(1), (2) & (3)	KAM Hing Lam (<i>Deputy Managing Director</i>)	(1), (2) & (3)	IP Tak Chuen, Edmond (<i>Deputy Managing Director</i>)	(1), (2) & (3)	CHUNG Sun Keung, Davy	(1) & (2)	PAU Yee Wan, Ezra	(1) & (2)	WOO Chia Ching, Grace	(1) & (2)	CHIU Kwok Hung, Justin	(1), (2) & (3)	Non-executive Directors		LEUNG Siu Hon	(1) & (2)	FOK Kin Ning, Canning	(1), (2) & (3)	Frank John SIXT	(1), (2) & (3)	CHOW Kun Chee, Roland	(1) & (2)	George Colin MAGNUS	(1), (2) & (3)	LEE Yeh Kwong, Charles	(1), (2) & (3)	Independent Non-executive Directors		KWOK Tun-li, Stanley	(1) & (2)	YEH Yuan Chang, Anthony	(1) & (2)	Simon MURRAY	(1) & (2)	CHOW Nin Mow, Albert	(1) & (2)	HUNG Siu-lin, Katherine	(1) & (2)	WONG Yick-ming, Rosanna	(1), (2) & (3)	CHEONG Ying Chew, Henry	(1), (2) & (3)
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A.6.6	Each director should disclose to the company at the time of his appointment, and in a timely manner for any change, the number and nature of offices held in public companies or organisations and other significant commitments. The identity of the public companies or organisations and an indication of the time involved should also be disclosed. The board should determine for itself how frequently this disclosure should be made.	C	<ul style="list-style-type: none"> The Directors have disclosed to Cheung Kong at the time of their appointment and from time to time thereafter the number and nature of offices held in public companies or organisations and other significant commitments, identifying the public companies or organisations involved.
A.6.7	Independent non-executive directors and other non-executive directors, as equal board members, should give the board and any committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation. They should also attend general meetings and develop a balanced understanding of the views of shareholders.	E	<ul style="list-style-type: none"> There is satisfactory attendance at Board meetings, Board Committee meetings, the meetings between the Chairman and the Non-executive Directors (including the Independent Non-executive Directors) and the general meeting during the year except that an Independent Non-executive Director was not in a position to attend the annual general meeting of Cheung Kong held on 16th May, 2014 due to health reason. Please refer to A.1.1, A.2.2, B.1.2, C.3.1 and E.1.2 for the attendance records. Extent of participation and contribution should be viewed both quantitatively and qualitatively.
A.6.8	Independent non-executive directors and other non-executive directors should make a positive contribution to the development of the company's strategy and policies through independent, constructive and informed comments.	C	<ul style="list-style-type: none"> Please refer to A.6.7 above.
A. 7	Supply of and access to information Corporate Governance Principle <i>Directors should be provided in a timely manner with appropriate information in the form and quality to enable them to make an informed decision and perform their duties and responsibilities.</i>		
A.7.1	<ul style="list-style-type: none"> Send agenda and full board papers to all directors at least 3 days before regular board or board committee meetings. As far as practicable for other board or board committee meetings. 	C C	<ul style="list-style-type: none"> Board/Board Committee papers are circulated not less than three days before the regular Board/Board Committee meetings to enable the Directors/Board Committee members to make informed decisions on matters to be raised at the Board/Board Committee meetings.
A.7.2	<ul style="list-style-type: none"> Management has an obligation to supply the board and its committees with adequate and reliable information in a timely manner to enable it to make informed decisions. The board and individual directors should have separate and independent access to the company's senior management for making further enquiries where necessary. 	C C	<ul style="list-style-type: none"> The Company Secretary and the Chief Manager of the Accounts Department attend all regular Board meetings to advise on corporate governance, statutory compliance, and accounting and financial matters, as appropriate. Communications between Directors on the one hand, and the Company Secretary, who acts as co-ordinator for the other business units of the CK Group on the other, is a dynamic and interactive process to ensure that queries raised and clarification sought by the Directors are dealt with and that further supporting information is provided if appropriate.

Corporate Governance Report (continued)

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices								
A.7.3	<ul style="list-style-type: none"> – All directors are entitled to have access to board papers and related materials. – Queries raised by directors should receive a prompt and full response, if possible. 	C	<ul style="list-style-type: none"> • Please refer to A.7.1 and A.7.2 above. 								
B. REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT AND BOARD EVALUATION											
B.1	<p>The level and make-up of remuneration and disclosure</p> <p><i>Corporate Governance Principle</i></p> <p><i>Cheung Kong should disclose its Director's remuneration policy and other remuneration related matters. The procedure for setting policy on Executive Directors' remuneration and all Directors' remuneration packages should be formal and transparent.</i></p>										
B.1.1	The remuneration committee should consult the chairman and/or chief executive about their remuneration proposals for other executive directors and should have access to independent professional advice if necessary.	C	<ul style="list-style-type: none"> • The Remuneration Committee has consulted the Chairman and/or the Managing Director about proposals relating to the remuneration packages and other human resources issues of the Directors and senior management, including, without limitation, succession plan and key personnel movements as well as policies for recruiting and retaining qualified personnel. • The emoluments of Directors have been determined with reference to the skills, knowledge, involvement in Cheung Kong's affairs and the performance of each Director, and to the profitability of Cheung Kong and prevailing market conditions during the year. • To enable them to better advise on the CK Group's future remuneration policy and related strategies, the Remuneration Committee has been advised of the CK Group's existing remuneration policy and succession plan, including the corporate philosophy in formulating employees' remuneration packages, and market trends and related information. 								
B.1.2	<p>The remuneration committee's terms of reference should include:</p> <ul style="list-style-type: none"> – recommend to the board on the company's policy and structure for all directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy – review and approve the management's remuneration proposals with reference to the board's corporate goals and objectives – either to determine, with delegated responsibility, or to make recommendations to the board on the remuneration packages of individual executive directors and senior management – recommend to the board on the remuneration of non-executive directors 	C	<ul style="list-style-type: none"> • Cheung Kong established its remuneration committee ("Remuneration Committee") on 1st January, 2005. A majority of the members are Independent Non-executive Directors. • The Remuneration Committee comprises the Chairman of the Board, Mr. Li Ka-shing, and two Independent Non-executive Directors, namely, Dr. Wong Yick-ming, Rosanna (Chairman of the Remuneration Committee) and Mr. Kwok Tun-li, Stanley. • The terms of reference of the Remuneration Committee (both English and Chinese versions) follow closely the requirements of the CG Code. The same as modified from time to time and adopted by the Board, are posted on the websites of Cheung Kong and HKEx. • The Remuneration Committee, with delegated responsibility, determines the remuneration packages of individual Executive Directors and senior management, and reviews the remuneration of Non-executive Directors. • Since the publication of the Annual Report 2013 in April 2014, meetings of the Remuneration Committee were held in November 2014 and January 2015. Attendance records of the members of the Remuneration Committee are as follows: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Members of the Remuneration Committee</th> <th style="text-align: right;">Attendance</th> </tr> </thead> <tbody> <tr> <td>WONG Yick-ming, Rosanna <i>(Chairman of the Remuneration Committee)</i></td> <td style="text-align: right;">2/2</td> </tr> <tr> <td>LI Ka-shing</td> <td style="text-align: right;">2/2</td> </tr> <tr> <td>KWOK Tun-li, Stanley</td> <td style="text-align: right;">2/2</td> </tr> </tbody> </table> <p>Note: The members of the Remuneration Committee may attend meetings in person, by phone or through means of electronic communication or by their alternates in accordance with Cheung Kong's Articles of Association.</p>	Members of the Remuneration Committee	Attendance	WONG Yick-ming, Rosanna <i>(Chairman of the Remuneration Committee)</i>	2/2	LI Ka-shing	2/2	KWOK Tun-li, Stanley	2/2
Members of the Remuneration Committee	Attendance										
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Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
B.1.2 (cont'd)	<ul style="list-style-type: none"> – consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group – review and approve compensation payable on loss or termination of office or appointment – review and approve compensation arrangements relating to dismissal or removal of directors for misconduct – ensure that no director or any of his associates is involved in deciding his own remuneration 		<ul style="list-style-type: none"> • The following is a summary of the work of the Remuneration Committee during the said meetings: <ol style="list-style-type: none"> 1. Review the remuneration policy for 2014/2015; 2. Recommend to the Board Cheung Kong's policy and structure for the remuneration of Directors and the management; 3. Review the remuneration packages of Executive Directors and the management with reference to the established system of Cheung Kong for determining the remuneration review; 4. Review and approve the remuneration of Non-executive Directors; and 5. Review the annual bonus policy. • No Director or any of his/her associates is involved in deciding his/her own remuneration at the meetings of the Remuneration Committee held in November 2014 and January 2015.
B.1.3	The remuneration committee should make available its terms of reference, explaining its role and the authority delegated to it by the board by including them on HKEx's website and the company's website.	C	<ul style="list-style-type: none"> • The terms of reference of the Remuneration Committee are posted on the websites of Cheung Kong and HKEx. • The principal responsibilities of the Remuneration Committee include making recommendations to the Board on Cheung Kong's policy and structure for the remuneration of Directors and the management, and reviewing the remuneration packages of all Executive Directors and the management with reference to the corporate goals and objectives of the Board resolved from time to time.
B.1.4	The remuneration committee should be provided with sufficient resources to perform its duties.	C	<ul style="list-style-type: none"> • The Human Resources Department provides administrative support and implements the approved remuneration packages and other human resources related decisions approved by the Remuneration Committee.
B.1.5	The company should disclose details of any remuneration payable to members of senior management by band in the annual reports.	C	<ul style="list-style-type: none"> • The Board has resolved that the senior management of Cheung Kong comprises only the Executive Directors of Cheung Kong. Please refer to note (4) in the Notes to Financial Statements for details of the remuneration payable to the Directors.
C. ACCOUNTABILITY AND AUDIT			
C.1 Financial reporting			
<i>Corporate Governance Principle</i>			
<i>The Board should present a balanced, clear and comprehensible assessment of Cheung Kong's performance, position and prospects.</i>			
C.1.1	Management should provide sufficient explanation and information to the board to enable it to make an informed assessment of financial and other information put before it for approval.	C	<ul style="list-style-type: none"> • Directors are provided with a review of the CK Group's major business activities and key financial information on a quarterly basis.
C.1.2	Management should provide all members of the board with monthly updates giving a balanced and understandable assessment of the company's performance, position and prospects in sufficient detail to enable the board as a whole and each director to discharge their duties.	C	<ul style="list-style-type: none"> • Monthly updates had been provided to all members of the Board since April 2012, the effective date of code provision C.1.2, for the purpose of providing a balanced and understandable assessment of Cheung Kong's performance, position and prospects in sufficient detail and to enable the Board as a whole and each Director to discharge their duties.

Corporate Governance Report (continued)

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
C.1.3	<ul style="list-style-type: none"> – The directors should acknowledge in the Corporate Governance Report their responsibility for preparing the accounts. – There should be a statement by the auditors about their reporting responsibilities in the auditor's report on the financial statements. – Unless it is inappropriate to assume that the company will continue in business, the directors should prepare the accounts on a going concern basis, with supporting assumptions or qualifications as necessary. – Where the directors are aware of material uncertainties relating to events or conditions that may cast significant doubt on the company's ability to continue as a going concern, they should be clearly and prominently disclosed and discussed at length in the Corporate Governance Report. 	<p>C</p> <p>C</p> <p>C</p> <p>N/A</p>	<ul style="list-style-type: none"> • The Directors acknowledged in writing on an annual basis their responsibility for preparing the financial statements of the CK Group. • Directors are not aware of material uncertainties relating to events or conditions that may cast significant doubt upon Cheung Kong's ability to continue as a going concern as referred to in C.1.3 of the CG Code. • With the assistance of Cheung Kong's Accounts Department which is under the supervision of the Chief Manager who is a professional accountant, the Directors ensure the preparation of the financial statements of the CK Group are in accordance with statutory requirements and applicable accounting standards. • The Directors also ensure the publication of the financial statements of the CK Group is in a timely manner. • The statement by the auditor of Cheung Kong regarding its reporting responsibilities on the financial statements of the CK Group is set out in the Independent Auditor's Report on page 171.
C.1.4	The directors should include in the separate statement containing a discussion and analysis of the group's performance in the annual report, an explanation of the basis on which the company generates or preserves value over the longer term (the business model) and the strategy for delivering the company's objectives.	C	<ul style="list-style-type: none"> • The Board has included the separate statement containing a discussion and analysis of the CK Group's sustainable development strategy in the Management Discussion and Analysis of Annual Report 2014.
C.1.5	The board should present a balanced, clear and understandable assessment in annual and interim reports, and other financial disclosures required by the Listing Rules. It should also do so for reports to regulators and information disclosed under statutory requirements.	C	<ul style="list-style-type: none"> • The Board aims to present a clear, balanced and understandable assessment of the CK Group's performance and position in all shareholder communications. • The Board is aware of and updated with the requirements under the applicable rules and regulations about timely disclosure of information or matters regarding Cheung Kong and will authorise the publication of such announcements as and when the occasion arises. The Company Secretary and key officers of the Company Secretarial Department work closely and in consultation with legal advisers to review the materiality and sensitivity of transactions and proposed transactions and advise the Board accordingly.
C.2	<p>Internal controls</p> <p><i>Corporate Governance Principle</i></p> <p><i>The Board should ensure that Cheung Kong maintains sound and effective internal controls to safeguard shareholders' investment and Cheung Kong's assets.</i></p>		

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
C.2.1	<ul style="list-style-type: none"> - Directors to review the effectiveness of the company's and its subsidiaries' internal control systems at least annually and to report that they have done so in the Corporate Governance Report. - The review should cover all material controls, including financial, operational and compliance controls and risk management functions. 	<p>C</p> <p>C</p>	<ul style="list-style-type: none"> • The Board has overall responsibility for maintaining sound and effective internal control system of the CK Group. The CK Group's internal control system includes a defined management structure with limits of authority, is designed to help the achievement of business objectives, safeguard assets against unauthorised use or disposition, ensure the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, and ensure compliance with relevant legislation and regulations. The system is designed to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage rather than eliminate risks of failure in operational systems and achievement of the CK Group's objectives. <p>Internal Control Environment</p> <ul style="list-style-type: none"> • An organisational structure with operating policies and procedures, lines of responsibility and delegated authority has been established. • The relevant Executive Directors and senior management are delegated with respective levels of authorities with regard to key corporate strategy and policy and contractual commitments. • Operational budgets are prepared by operational departments and reviewed by the responsible Directors prior to being adopted. There are procedures for the appraisal, review and approval of major capital and recurrent expenditure. Results of operations against budgets are reported regularly to the Executive Directors. • Proper controls are in place for the recording of complete, accurate and timely accounting and management information. Regular reviews and audits are carried out to ensure that the preparation of financial statements is carried out in accordance with generally accepted accounting principles, the CK Group's accounting policies and applicable laws and regulations. • The Internal Control Self Assessment process is established that requires the senior management in each material business unit to annually assess the effectiveness of controls over the reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations and the related risks. • The Internal Audit Department provides an independent appraisal of the CK Group's financial and operational activities, and makes constructive recommendations to the relevant management for necessary actions. <p>The Internal Audit Department carries out annual risk assessment on each audit area and derives a yearly audit plan according to their risk ratings. The audit plan is reviewed and endorsed by the audit committee of Cheung Kong ("Audit Committee"). In addition to its agreed schedule of work, the Internal Audit Department conducts other review and investigative work as may be required. The results of internal audit reviews and agreed action plans in response to the Internal Audit Department's recommendations are reported to the Executive Directors and Audit Committee periodically. The Internal Audit Department also follows up with the corrective actions to ensure that satisfactory controls are maintained.</p> <ul style="list-style-type: none"> • Reports from the external auditor, Messrs. PricewaterhouseCoopers ("PwC"), on internal controls and relevant financial reporting matters, are presented to the Audit Committee and management. • Relevant departments are responsible to review the compliance status and update new requirements in connection with relevant rules, laws and regulations. The risks of non-compliance with legal and regulatory requirements are evaluated as part of the yearly risk assessment process and the level of compliance is also subject to external and internal audits. <ul style="list-style-type: none"> • The Board, through the Audit Committee, has conducted an annual review of the effectiveness of internal control system of Cheung Kong and its subsidiaries and considers it is adequate and effective. The review covers all material controls, including financial, operational and compliance controls and risk management functions. The Board is not aware of any significant areas of concern which may affect the shareholders. The Board is satisfied that the CK Group has fully complied with the code provisions on internal controls, including compliance with legal and regulatory requirements, as set forth in the CG Code.

Corporate Governance Report (continued)

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices								
C.2.2	The board's annual review should, in particular, consider the adequacy of resources, staff qualifications and experience, training programmes and budget of the company's accounting and financial reporting function.	C	<ul style="list-style-type: none"> The Board, through the Audit Committee and with the appraisal performed by the Internal Audit Department, reviewed the adequacy of resources, staff qualifications and experience, training programmes and budget of Cheung Kong's accounting and financial reporting function at the Board meeting held in February 2015 and noted that Cheung Kong has been in compliance with the Code Provision for the year 2014. Please also refer to C.3.3 below. 								
C.3	Audit Committee <i>Corporate Governance Principle</i> <i>The Board should establish formal and transparent arrangements to consider how it will apply financial reporting and internal control principles and maintain an appropriate relationship with Cheung Kong's auditors.</i>										
C.3.1	<ul style="list-style-type: none"> Full minutes of audit committee meetings should be kept by a duly appointed secretary of the meeting. Draft and final versions of minutes should be sent to all committee members for their comment and records, within a reasonable time after the meeting. 	<p>C</p> <p>C</p>	<ul style="list-style-type: none"> Minutes drafted by the Company Secretary are circulated to members of the Audit Committee within a reasonable time after each meeting. Audit Committee meetings were held in February and July of 2014. Attendance records of members of the Audit Committee are as follows: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Members of the Audit Committee</th> <th style="text-align: right;">Attendance</th> </tr> </thead> <tbody> <tr> <td>CHEONG Ying Chew, Henry (<i>Chairman of the Audit Committee</i>)</td> <td style="text-align: right;">2/2</td> </tr> <tr> <td>KWOK Tun-li, Stanley</td> <td style="text-align: right;">2/2</td> </tr> <tr> <td>HUNG Siu-lin, Katherine</td> <td style="text-align: right;">2/2</td> </tr> </tbody> </table> <p>Note: The members of the Audit Committee may attend meetings in person, by phone or through means of electronic communication or by their alternates in accordance with Cheung Kong's Articles of Association.</p> <ul style="list-style-type: none"> The following is a summary of the work of the Audit Committee during 2014: <ol style="list-style-type: none"> Review the financial reports for 2013 annual results and 2014 interim results; Review the findings and recommendations of the Internal Audit Department on the work of various departments and related companies; Review the effectiveness of the internal control system; Review the external auditor's audit findings; Review the auditor's remuneration; Review the risks of different business units and analysis thereof provided by the relevant business units; Review the control mechanisms for such risks and advising on action plans for improvement of the situations; Review the arrangements employees can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters; and Perform the corporate governance functions and review the corporate governance policies and practices. After due and careful consideration of reports from management and the internal and external auditors, the Audit Committee noted that no suspected fraud or irregularities, significant internal control deficiencies, or suspected infringement of laws, rules, or regulations had been found, and concluded at the meeting held on 24th February, 2015 that the internal control system was adequate and effective. On 24th February, 2015, the Audit Committee met to review the CK Group's 2014 consolidated financial statements, including the accounting principles and practices adopted by the CK Group, in conjunction with Cheung Kong's external auditor. After review and discussions with the management, internal auditor and external auditor, the Audit Committee endorsed the accounting treatment adopted by Cheung Kong, and the Audit Committee had to the best of its ability assured itself that the disclosure of the financial information in the Annual Report 2014 complied with the applicable accounting standards and Appendix 16 to the Listing Rules. The Audit Committee therefore resolved to recommend for the Board's approval the consolidated financial statements for the year ended 31st December, 2014. The Audit Committee also recommended to the Board the re-appointment of PwC as Cheung Kong's external auditor for 2015 and that the related resolution shall be put forth for shareholders' consideration and approval at the 2015 annual general meeting. The CK Group's Annual Report for the year ended 31st December, 2014 has been reviewed by the Audit Committee. 	Members of the Audit Committee	Attendance	CHEONG Ying Chew, Henry (<i>Chairman of the Audit Committee</i>)	2/2	KWOK Tun-li, Stanley	2/2	HUNG Siu-lin, Katherine	2/2
Members of the Audit Committee	Attendance										
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HUNG Siu-lin, Katherine	2/2										

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
C.3.2	A former partner of existing auditing firm shall not act as a member of the committee for 1 year from the date of his ceasing to be a partner or to have any financial interest in, the firm, whichever is later.	C	<ul style="list-style-type: none"> No member of the Audit Committee is a former partner of the existing auditing firm of Cheung Kong during the one year after he/she ceases to be a partner of the auditing firm.
C.3.3	<p>The audit committee's terms of reference should include:</p> <ul style="list-style-type: none"> – recommendations to the board on the appointment, reappointment and removal of external auditor and approval of their terms of engagement – review and monitor external auditor's independence and objectivity and effectiveness of audit process – review of the company's financial information – oversight of the company's financial reporting system and internal control procedures, including the adequacy of resources, staff qualifications and experience, training programmes and budget of the company's accounting and financial reporting function 	C	<ul style="list-style-type: none"> The terms of reference of the Audit Committee (both English and Chinese versions), which follow closely the requirements of the CG Code and are modified from time to time and adopted by the Board, are posted on the websites of Cheung Kong and HKEx.
C.3.4	The audit committee should make available its terms of reference, explaining its role and the authority delegated to it by the board by including them on HKEx's and the company's website.	C	<ul style="list-style-type: none"> The Listing Rules require every listed issuer to establish an audit committee comprising at least three members who must be non-executive directors only, and the majority thereof must be independent non-executive directors, at least one of whom must have appropriate professional qualifications, or accounting or related financial management expertise. Cheung Kong established the Audit Committee in December 1998 with reference to "A Guide for the Formation of an Audit Committee" issued by the Hong Kong Institute of Certified Public Accountants. In accordance with the requirements of the CG Code, the terms of reference of the Audit Committee were revised from time to time in terms substantially the same as the provisions set out in the CG Code. The latest version of the terms of reference of the Audit Committee is available on the websites of Cheung Kong and HKEx. The principal duties of the Audit Committee include the review and supervision of the CK Group's financial reporting system and internal control procedures, review of the CK Group's financial information, review of the relationship with the external auditor of Cheung Kong and performance of the corporate governance functions delegated by the Board. Regular meetings have been held by the Audit Committee since its establishment. The Audit Committee comprises three Independent Non-executive Directors, namely, Mr. Cheong Ying Chew, Henry (Chairman of the Audit Committee), Mr. Kwok Tun-li, Stanley and Ms. Hung Siu-lin, Katherine, held two meetings in 2014.

Corporate Governance Report (continued)

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
C.3.5	Where the board disagrees with the audit committee's view on the selection, appointment, resignation or dismissal of the external auditors, the company should include in the Corporate Governance Report a statement from the audit committee explaining its recommendation and also the reason(s) why the board has taken a different view.	N/A	<ul style="list-style-type: none"> The Audit Committee recommended to the Board that, subject to shareholders' approval at the forthcoming annual general meeting, PwC be re-appointed as Cheung Kong's external auditor for 2015. For the year ended 31st December, 2014, the external auditor of Cheung Kong received approximately HK\$7 million for audit services and HK\$1 million for tax and other services.
C.3.6	The audit committee should be provided with sufficient resources to perform its duties.	C	<ul style="list-style-type: none"> The Audit Committee has been advised that the Company Secretary can arrange independent professional advice at the expense of Cheung Kong should the seeking of such advice be considered necessary by the Audit Committee.
C.3.7	<p>The terms of reference of the audit committee should also require it:</p> <ul style="list-style-type: none"> to review arrangements employees of the company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters. The audit committee should ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action; and to act as the key representative body for overseeing the company's relations with the external auditor. 	<p>C</p> <p>C</p>	<ul style="list-style-type: none"> The terms of reference of the Audit Committee were revised with effect from 1st January, 2012 to include the requirement to review arrangements that employees of Cheung Kong can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters. Cheung Kong has established the Procedures for Reporting Possible Improprieties in Matters of Financial Reporting, Internal Control or Other Matters for employees and those who deal with the CK Group to raise concerns, in confidence, with the Audit Committee about possible improprieties in matters of financial reporting, internal control or other matters relating to the CK Group. Such procedures were included into Cheung Kong's employees handbook and posted on Cheung Kong's website. Cheung Kong has issued an employee's handbook to its staff, which contains the mechanism for employees to raise any questions they may have to their department heads and to the human resources department for necessary action (whether these relate to their career development or any other grievances and complaints they may have).
D.	DELEGATION BY THE BOARD		
D.1	Management functions		
	<p>Corporate Governance Principle</p> <p><i>Cheung Kong should have a formal schedule of matters specifically reserved for Board approval and those delegated to management.</i></p>		
D.1.1	When the board delegates aspects of its management and administration functions to management, it must, at the same time, give clear directions as to the management's powers, in particular, where management should report back and obtain prior board approval before making decisions or entering into any commitments on the company's behalf.	C	<ul style="list-style-type: none"> Executive Directors are in charge of different businesses and functional divisions in accordance with their respective areas of expertise. Please refer to the Management Structure Chart set out on page 87. For matters or transactions of a material nature, the same will be referred to the Board for approval. For matters or transactions of a magnitude requiring disclosure under the Listing Rules or other applicable rules or regulations, appropriate disclosure will be made and where necessary, circular will be prepared and shareholders' approval will be obtained in accordance with the requirements of the applicable rules and regulations. Specifically, the Board has had in place Guidelines for Treasury Investments stating the authority limits of treasury investments under different scenarios beyond which Board approval will be required.

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
D.1.2	Formalise functions reserved to the board and those delegated to management and to review those arrangements periodically to ensure that they remain appropriate to the company's needs.	C	<ul style="list-style-type: none"> The Board, led by the Chairman, is responsible for the CK Group's future development directions; overall strategies and policies; evaluation of the performance of the CK Group and the management; and approval of matters that are of a material or substantial nature. Under the leadership of the Managing Director, management is responsible for the day-to-day operations of the CK Group.
D.1.3	The company should disclose the respective responsibilities, accountabilities and contributions of the board and management.	C	<ul style="list-style-type: none"> Please refer to the Management Structure Chart set out on page 87.
D.1.4	Directors should clearly understand delegation arrangements in place. The company should have formal letters of appointment for directors setting out the key terms and conditions of their appointment.	C	<ul style="list-style-type: none"> In February 2012, formal letters of appointment have been issued to all Directors setting out the key terms and conditions of their respective appointment. Each newly appointed Director will also be issued with a letter of appointment.
D.2	Board Committees Corporate Governance Principle <i>Board Committees should be formed with specific written terms of reference which deal clearly with their authority and duties.</i>		
D.2.1	Where board committees are established to deal with matters, the board should give them sufficiently clear terms of reference to enable them to perform their functions properly.	C	<ul style="list-style-type: none"> Three Board Committees, namely, Audit Committee, Remuneration Committee and Executive Committee, have been established with specific terms of reference as mentioned in C.3.3 and B.1.3 above.
D.2.2	The terms of reference of board committees should require them to report back to the board on their decisions or recommendations, unless there are legal or regulatory restrictions on their ability to do so (such as a restriction on disclosure due to regulatory requirements).	C	<ul style="list-style-type: none"> Board Committees report to the Board of their decisions and recommendations at the Board meetings.
D.3	Corporate Governance Functions		
D.3.1	<p>The terms of reference of the board (or a committee or committees performing this function) should include:</p> <ul style="list-style-type: none"> develop and review the company's policies and practices on corporate governance and make recommendations to the board; review and monitor the training and continuous professional development of directors and senior management; 	C	<ul style="list-style-type: none"> The terms of reference of the Audit Committee were revised with effect from 1st January, 2012 to include the following corporate governance functions delegated by the Board: <ol style="list-style-type: none"> Develop and review Cheung Kong's policies and practices on corporate governance and make recommendations to the board; Review and monitor the training and continuous professional development of Directors and senior management; Review and monitor Cheung Kong's policies and practices on compliance with legal and regulatory requirements; Develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and Review Cheung Kong's compliance with the CG Code and disclosure in the Corporate Governance Report.

Corporate Governance Report (continued)

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
D.3.1 (cont'd)	<ul style="list-style-type: none"> – review and monitor the company's policies and practices on compliance with legal and regulatory requirements; – develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and – review the company's compliance with the CG Code and disclosure in the Corporate Governance Report. 		<ul style="list-style-type: none"> • At the Audit Committee's meeting held in February 2015, members of the Audit Committee had performed the above-mentioned corporate governance functions by reviewing Cheung Kong's policies and practices on corporate governance and compliance with legal and regulatory requirements.
D.3.2	The board should be responsible for performing the corporate governance duties set out in the terms of reference in D.3.1 or it may delegate the responsibility to a committee or committees.	C	<ul style="list-style-type: none"> • The Board has delegated the responsibility of performing the corporate governance duties to the Audit Committee. To that effect, the terms of reference of the Audit Committee as set out in D.3.1 above were revised with effect from 1st January, 2012 to include the corporate governance functions delegated by the Board.
E. COMMUNICATION WITH SHAREHOLDERS			
E.1 Effective communication			
<p>Corporate Governance Principle</p> <p><i>The Board should be responsible for maintaining an on-going dialogue with shareholders and in particular, use annual general meetings or other general meetings to communicate with them and encourage their participation.</i></p>			
E.1.1	For each substantially separate issue at a general meeting, a separate resolution should be proposed by the chairman of that meeting. The company should avoid "bundling" resolutions unless they are interdependent and linked forming one significant proposal. Where the resolutions are "bundled", the company should explain the reasons and material implications in the notice of meeting.	C	<ul style="list-style-type: none"> • Separate resolutions are proposed at the general meetings of Cheung Kong on each substantially separate issue, including the election of individual Directors.

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices																																																				
E.1.2	<ul style="list-style-type: none"> - The chairman of the board should attend the annual general meeting. He should also invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend. In their absence, he should invite another member of the committee to be available to answer questions at the annual general meeting. - The chairman of the independent board committee (if any) should also be available to answer questions at any general meeting to approve a connected transaction or any other transaction that requires independent shareholders' approval. - The company's management should ensure the external auditor attend the annual general meeting to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence. 	C	<ul style="list-style-type: none"> • In 2014, the Chairman of the Board, Chairman of the Audit Committee and Chairman of the Remuneration Committee attended the annual general meeting and were available to answer questions. • Directors' attendance records of the 2014 annual general meeting are as follows: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Members of the Board</th> <th style="text-align: right;">Attendance</th> </tr> </thead> <tbody> <tr> <td colspan="2">Executive Directors</td> </tr> <tr> <td>LI Ka-shing (<i>Chairman of the Board</i>)</td> <td style="text-align: right;">1/1</td> </tr> <tr> <td>LI Tzar Kuoi, Victor</td> <td style="text-align: right;">1/1</td> </tr> <tr> <td>KAM Hing Lam</td> <td style="text-align: right;">1/1</td> </tr> <tr> <td>IP Tak Chuen, Edmond</td> <td style="text-align: right;">1/1</td> </tr> <tr> <td>CHUNG Sun Keung, Davy</td> <td style="text-align: right;">1/1</td> </tr> <tr> <td>PAU Yee Wan, Ezra</td> <td style="text-align: right;">1/1</td> </tr> <tr> <td>WOO Chia Ching, Grace</td> <td style="text-align: right;">1/1</td> </tr> <tr> <td>CHIU Kwok Hung, Justin</td> <td style="text-align: right;">1/1</td> </tr> <tr> <td colspan="2">Non-executive Directors</td> </tr> <tr> <td>LEUNG Siu Hon</td> <td style="text-align: right;">1/1</td> </tr> <tr> <td>FOK Kin Ning, Canning</td> <td style="text-align: right;">1/1</td> </tr> <tr> <td>Frank John SIXT</td> <td style="text-align: right;">1/1</td> </tr> <tr> <td>CHOW Kun Chee, Roland</td> <td style="text-align: right;">1/1</td> </tr> <tr> <td>George Colin MAGNUS</td> <td style="text-align: right;">1/1</td> </tr> <tr> <td>LEE Yeh Kwong, Charles</td> <td style="text-align: right;">1/1</td> </tr> <tr> <td colspan="2">Independent Non-executive Directors</td> </tr> <tr> <td>KWOK Tun-li, Stanley</td> <td style="text-align: right;">1/1</td> </tr> <tr> <td>YEH Yuan Chang, Anthony</td> <td style="text-align: right;">0/1</td> </tr> <tr> <td>Simon MURRAY</td> <td style="text-align: right;">1/1</td> </tr> <tr> <td>CHOW Nin Mow, Albert</td> <td style="text-align: right;">1/1</td> </tr> <tr> <td>HUNG Siu-lin, Katherine</td> <td style="text-align: right;">1/1</td> </tr> <tr> <td>WONG Yick-ming, Rosanna</td> <td style="text-align: right;">1/1</td> </tr> <tr> <td style="padding-left: 20px;"><i>(Chairman of the Remuneration Committee)</i></td> <td></td> </tr> <tr> <td>CHEONG Ying Chew, Henry (<i>Chairman of the Audit Committee</i>)</td> <td style="text-align: right;">1/1</td> </tr> </tbody> </table> • In 2014, Cheung Kong's external auditor attended the annual general meeting and was available to answer questions. 	Members of the Board	Attendance	Executive Directors		LI Ka-shing (<i>Chairman of the Board</i>)	1/1	LI Tzar Kuoi, Victor	1/1	KAM Hing Lam	1/1	IP Tak Chuen, Edmond	1/1	CHUNG Sun Keung, Davy	1/1	PAU Yee Wan, Ezra	1/1	WOO Chia Ching, Grace	1/1	CHIU Kwok Hung, Justin	1/1	Non-executive Directors		LEUNG Siu Hon	1/1	FOK Kin Ning, Canning	1/1	Frank John SIXT	1/1	CHOW Kun Chee, Roland	1/1	George Colin MAGNUS	1/1	LEE Yeh Kwong, Charles	1/1	Independent Non-executive Directors		KWOK Tun-li, Stanley	1/1	YEH Yuan Chang, Anthony	0/1	Simon MURRAY	1/1	CHOW Nin Mow, Albert	1/1	HUNG Siu-lin, Katherine	1/1	WONG Yick-ming, Rosanna	1/1	<i>(Chairman of the Remuneration Committee)</i>		CHEONG Ying Chew, Henry (<i>Chairman of the Audit Committee</i>)	1/1
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E.1.3	The company should arrange for the notice to shareholders to be sent for annual general meeting at least 20 clear business days before the meeting and to be sent at least 10 clear business days for all other general meetings.	C	<ul style="list-style-type: none"> • Cheung Kong's notice to shareholders for the 2014 annual general meeting of Cheung Kong was sent at least 20 clear business days before the meeting. 																																																				
E.1.4	The board should establish a shareholders' communication policy and review it on a regular basis to ensure its effectiveness.	C	<ul style="list-style-type: none"> • In March 2012, the Board has established a shareholders communication policy and made it available on Cheung Kong's website. The policy is subject to review on a regular basis to ensure its effectiveness. • The particulars of shareholders' rights relating to, inter alia, convening of general meetings and making enquiries to Cheung Kong are as follows: <ol style="list-style-type: none"> 1. Cheung Kong has only one class of shares. All shares have the same voting rights and are entitled to the dividends declared. The Articles of Association of Cheung Kong ("Articles") set out the rights of shareholders. 2. Shareholder(s) representing at least 5% of the total voting rights of all the shareholders having a right to vote at general meetings may, in accordance with the requirements and procedures set out in Sections 566 to 568 of the Companies Ordinance (Chapter 622), request the Board to convene a general meeting pursuant to Article 65 of the Articles. The general nature of the business to be dealt with at the meeting must be stated in the request which must be sent to Cheung Kong in hard copy form or in electronic form, and be authenticated by the person(s) making it. 																																																				

Corporate Governance Report (continued)

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
E.1.4 (cont'd)			<ol style="list-style-type: none"> 3. (a) Shareholder(s) representing at least 2.5% of the total voting rights of all the shareholders who have a right to vote on the resolution at the annual general meeting to which the requests relate or (b) at least 50 shareholders who have a right to vote on the resolution at the annual general meeting to which the requests relate may, in accordance with the requirements and procedures set out in Sections 615 and 616 of the Companies Ordinance (Chapter 622), request Cheung Kong to give notice of a resolution to be proposed at that annual general meeting. Such request may be sent to Cheung Kong at 7th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong (addressed to the Company Secretary) in hard copy form or in electronic form, must identify the resolution of which notice is to be given, must be authenticated by the person(s) making it and must be received by Cheung Kong not later than six weeks before that annual general meeting or, if later, the time at which notice is given of that meeting. 4. Pursuant to Article 106 of the Articles, if a shareholder wishes to propose a person other than a retiring Director for election as a Director at a general meeting (including annual general meeting), the shareholder should lodge a written notice at the registered office of Cheung Kong provided that the period for lodgement of such written notice shall be a seven-day period commencing on a day after the despatch of the notice of the general meeting appointed for such election of Director(s). Such written notice must be accompanied by a notice signed by the person to be proposed of his/her willingness to be elected as a Director. 5. In conducting a poll, subject to any special rights, privileges or restrictions as to voting for the time being attached to any shares by or in accordance with the Articles, every shareholder present in person or by proxy or, in the case of a shareholder being a corporation, by its duly authorised representative, shall have one vote for every fully paid share of which he/she/it is the holder. A person entitled to more than one vote on a poll need not use all his/her votes or cast all the votes he/she uses in the same way. 6. Shareholders have the right to receive corporate communications issued by Cheung Kong in hard copies or through electronic means in accordance with the manner as specified in Article 169 of the Articles. 7. Shareholders whose shares are held in the Central Clearing and Settlement System (CCASS) may notify Cheung Kong from time to time through Hong Kong Securities Clearing Company Limited if they wish to receive Cheung Kong's corporate communications. 8. Shareholders and other stakeholders may send their enquiries and concerns, in written form, to the Board by addressing them to the Company Secretary at 7th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong.
E.2	<p>Voting by poll</p> <p><i>Corporate Governance Principle</i></p> <p><i>Cheung Kong should ensure that shareholders are familiar with the detailed procedures for conducting a poll.</i></p>		
E.2.1	<p>The chairman of a meeting should ensure that an explanation is provided of the detailed procedures for conducting a poll and answer any questions from shareholders on voting by poll.</p>	C	<ul style="list-style-type: none"> • At the 2014 annual general meeting, the Chairman of the meeting explained (through the Company Secretary) the detailed procedures for conducting a poll, and answered questions from shareholders. • At the 2014 annual general meeting, the Chairman of the meeting exercised his power under Cheung Kong's Articles of Association to put each resolution set out in the notice to be voted by way of a poll. • Representatives of the Share Registrar of Cheung Kong were appointed as scrutineers to monitor and count the poll votes cast at the 2014 annual general meeting. • Since Cheung Kong's 2003 annual general meeting, all the resolutions put to vote at Cheung Kong's general meetings were taken by poll. • Poll results were posted on the websites of Cheung Kong and HKEx.

Code Ref.	Code Provisions	Comply ("C")/ Explain ("E")	Corporate Governance Practices
F. COMPANY SECRETARY			
<p>Corporate Governance Principle</p> <p><i>The Company Secretary plays an important role in supporting the Board by ensuring good information flow within the Board and that Board policy and procedures are followed. The Company Secretary is responsible for advising the Board through the Chairman and/or the Managing Director on governance matters and should also facilitate induction and professional development of Directors.</i></p>			
F.1.1	The company secretary should be an employee of the company and have day-to-day knowledge of the company's affairs.	C	<ul style="list-style-type: none"> Cheung Kong has appointed an employee of Cheung Kong to be the Company Secretary of Cheung Kong since 1996. The Company Secretary ensures the effective conduct of Board meetings and that Board procedures are duly followed. The Company Secretary prepares written resolutions or minutes and keeps records of substantive matters discussed and decisions resolved at all Board and Board Committee meetings. The Company Secretary also advises on compliance with all applicable laws, rules and regulations abreast with the investments of the CK Group and keeps the Board fully updated with all legislative, regulatory and corporate governance developments.
F.1.2	The board should approve the selection, appointment or dismissal of the company secretary.	C	<ul style="list-style-type: none"> The appointment and removal of the Company Secretary is subject to Board approval in accordance with the Articles of Association of Cheung Kong.
F.1.3	The company secretary should report to the board chairman and/or the chief executive.	C	<ul style="list-style-type: none"> The Company Secretary reports to the Board through the Chairman whilst all members of the Board have access to the advice of the Company Secretary.
F.1.4	All directors should have access to the advice and services of the company secretary to ensure that board procedures, and all applicable law, rules and regulations, are followed.	C	<ul style="list-style-type: none"> Directors have access to the Company Secretary and key officers of the Company Secretarial Department who are responsible to the Board for ensuring that Board procedures, and all applicable rules and regulations, are followed. Memoranda are issued to Directors from time to time to update them with legal and regulatory changes and matters of relevance to Directors in the discharge of their duties.

Corporate Governance Report (continued)

II. Recommended Best Practices

Recommended Best Practice Ref.	Recommended Best Practices	Comply ("C")/ Explain ("E")	Corporate Governance Practices
A.	DIRECTORS		
A.1	The Board		
	Corporate Governance Principle		
	<i>The Board should assume responsibility for leadership and control of Cheung Kong; and is collectively responsible for directing and supervising Cheung Kong's affairs.</i>		
	<i>The Board should regularly review the contribution required from a Director to perform his responsibilities to Cheung Kong, and whether he is spending sufficient time performing them.</i>		
	There is no recommended best practice under Section A.1 in the CG Code.		
A.2	Chairman and Chief Executive		
	Corporate Governance Principle		
	<i>There should be a clear division of responsibilities between the Chairman and the Managing Director of Cheung Kong to ensure a balance of power and authority.</i>		
	There is no recommended best practice under Section A.2 in the CG Code.		
A.3	Board composition		
	Corporate Governance Principle		
	<i>The Board should have a balance of skills, experience and diversity of perspectives appropriate to the requirements of Cheung Kong's business and should include a balanced composition of Executive and Non-executive Directors so that independent judgement can effectively be exercised.</i>		
	There is no recommended best practice under Section A.3 in the CG Code.		
A.4	Appointments, re-election and removal		
	Corporate Governance Principle		
	<i>There should be a formal, considered and transparent procedure for the appointment of new Directors and plans in place for orderly succession for appointments. All Directors should be subject to re-election at regular intervals.</i>		
	There is no recommended best practice under Section A.4 in the CG Code.		
A.5	Nomination Committee		
	Corporate Governance Principle		
	<i>In carrying out its responsibilities, the nomination committee should give adequate consideration to the principles under Sections A.3 and A.4 in the CG Code.</i>		
	There is no recommended best practice under Section A.5 in the CG Code.		
A.6	Responsibilities of directors		
	Corporate Governance Principle		
	<i>Every Director must always know his responsibilities as a Director of Cheung Kong and its conduct, business activities and development.</i>		
	There is no recommended best practice under Section A.6 in the CG Code.		
A.7	Supply of and access to information		
	Corporate Governance Principle		
	<i>Directors should be provided in a timely manner with appropriate information in the form and quality to enable them to make an informed decision and perform their duties and responsibilities.</i>		
	There is no recommended best practice under Section A.7 in the CG Code.		

Recommended Best Practice Ref.	Recommended Best Practices	Comply ("C")/ Explain ("E")	Corporate Governance Practices
B. REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT AND BOARD EVALUATION			
B.1 The level and make-up of remuneration and disclosure			
<p>Corporate Governance Principle <i>Cheung Kong should disclose its Director's remuneration policy and other remuneration related matters. The procedure for setting policy on Executive Directors' remuneration and all Directors' remuneration packages should be formal and transparent.</i></p>			
B.1.6	Where the board resolves to approve any remuneration or compensation arrangements with which the remuneration committee disagrees, the board should disclose the reasons for its resolution in its next Corporate Governance Report.	N/A	<ul style="list-style-type: none"> The Board has never approved any remuneration or compensation arrangements which have previously been rejected by the Remuneration Committee.
B.1.7	A significant proportion of executive directors' remuneration should link rewards to corporate and individual performance.	C	<ul style="list-style-type: none"> In 2014, a significant proportion of Executive Directors' remuneration has been structured to link rewards to corporate and individual performance. Please refer to note (4) in the Notes to Financial Statements for details of discretionary bonus.
B.1.8	The company should disclose details of any remuneration payable to members of senior management, on an individual and named basis, in the annual reports.	C	<ul style="list-style-type: none"> The Board has resolved that the senior management of Cheung Kong comprises only the Executive Directors of Cheung Kong. Please refer to note (4) in the Notes to Financial Statements for details of the remuneration payable to the Directors.
B.1.9	The board should conduct a regular evaluation of its performance.	C	<ul style="list-style-type: none"> The performances of the Board or individual Directors are best reflected by Cheung Kong's results and stock price performance, as well as Cheung Kong's decisions to retain the individuals as its Directors.
C. ACCOUNTABILITY AND AUDIT			
C.1 Financial reporting			
<p>Corporate Governance Principle <i>The Board should present a balanced, clear and comprehensible assessment of Cheung Kong's performance, position and prospects.</i></p>			
C.1.6 – C.1.7	<ul style="list-style-type: none"> The company should announce and publish quarterly financial results within 45 days after the end of the relevant quarter. These should disclose sufficient information to enable shareholders to assess the company's performance, financial position and prospects. The company's quarterly financial results should be prepared using the accounting policies of its half-year and annual accounts. Once the company announces quarterly financial results, it should continue to do so for each of the first 3 and 9 months periods of subsequent financial years. Where it decides not to continuously announce and publish its financial results for a particular quarter, it should announce the reason(s) for this decision. 	E	<ul style="list-style-type: none"> Cheung Kong issued half-yearly financial results within 2 months after the end of the relevant period, and annual financial results within 3 months after the end of the relevant year. In addition, all significant transactions and inside information have been announced and disclosed in accordance with the Listing Rules during the year. The shareholders of Cheung Kong are therefore able to assess the performance, financial position and prospects of Cheung Kong. Cheung Kong does not consider it necessary, nor is it in the interests of Cheung Kong and its shareholders, to issue quarterly financial results. This would result in incurring costs disproportionate to any additional benefits to the shareholders. Quarterly financial reports may not fairly reflect the actual performance of Cheung Kong given that the development cycle of property projects often spans a period of three to five years.

Corporate Governance Report (continued)

Recommended Best Practice Ref.	Recommended Best Practices	Comply ("C")/ Explain ("E")	Corporate Governance Practices
C.2	Internal controls		
	Corporate Governance Principle		
	<i>The Board should ensure that Cheung Kong maintains sound and effective internal controls to safeguard shareholders' investment and Cheung Kong's assets.</i>		
C.2.3	<p>The board's annual review should, in particular, consider:</p> <ul style="list-style-type: none"> – the changes, since the last annual review, in the nature and extent of significant risks, and the company's ability to respond to changes in its business and the external environment; – the scope and quality of management's ongoing monitoring of risks and of the internal control system, and where applicable, the work of its internal audit function and other assurance providers; – the extent and frequency of communication of monitoring results to the board (or board committee(s)) which enables it to assess control of the company and the effectiveness of risk management; – significant control failings or weaknesses that have been identified during the period. Also, the extent to which they have resulted in unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on the company's financial performance or condition; and – the effectiveness of the company's processes for financial reporting and Listing Rule compliance. 	<p>C</p> <p>C</p> <p>C</p> <p>C</p>	<ul style="list-style-type: none"> • The Board, through the Audit Committee, reviews annually the effectiveness of internal control system of Cheung Kong and its subsidiaries, such review considers: <ul style="list-style-type: none"> – the changes in the significant risks since the last review, and Cheung Kong's ability to respond to changes in its business and the external environment; – the management's ongoing monitoring of risks and the internal control system, and the work of the internal audit function; – the communication of the monitoring results to the Board that enables it to assess control of Cheung Kong and the effectiveness of the risk management; – significant control failings or weaknesses that have been identified during the period. Also, the extent to which they have caused unforeseeable outcomes or contingencies that had or might have material impact on Cheung Kong's financial performance or condition; and – the effectiveness of Cheung Kong's processes for financial reporting and Listing Rules compliance.

Recommended Best Practice Ref.	Recommended Best Practices	Comply ("C")/ Explain ("E")	Corporate Governance Practices
C.2.4	<p>The company should disclose, in the Corporate Governance Report, a narrative statement on how they have complied with internal control code provisions during the reporting period. The disclosures should also include:</p> <ul style="list-style-type: none"> – the process used to identify, evaluate and manage significant risks; – additional information to explain its risk management processes and internal control system; – an acknowledgement by the board that it is responsible for the internal control system and reviewing its effectiveness; – the process used to review the effectiveness of the internal control system; and – the process used to resolve material internal control defects for any significant problems disclosed in its annual reports and accounts. 	<p>C</p> <p>C</p> <p>C</p> <p>C</p> <p>C</p>	<ul style="list-style-type: none"> • In the Corporate Governance Report, Cheung Kong, in particular item C.2.1 above, discloses: <ul style="list-style-type: none"> – the process used to identify, evaluate and manage significant risks; – additional information to explain its risk management processes and internal control system; – an acknowledgement by the Board that it is responsible for the internal control system and reviewing its effectiveness; – the process used to review the effectiveness of internal control system; and – the process used to resolve material internal control defects for any significant problems disclosed in its Annual Reports and Financial Statements.
C.2.5	<p>The company should ensure that their disclosures provide meaningful information and do not give a misleading impression.</p>	C	<ul style="list-style-type: none"> • Cheung Kong aims to ensure disclosures provide meaningful information and do not give a misleading impression.
C.2.6	<p>The company without an internal audit function should review the need for one on an annual basis and should disclose the outcome of this review in the Corporate Governance Report.</p>	N/A	<ul style="list-style-type: none"> • Please refer to C.2 above for the details.
<p>C.3 Audit Committee</p> <p><i>Corporate Governance Principle</i></p> <p><i>The Board should establish formal and transparent arrangements to consider how it will apply financial reporting and internal control principles and maintain an appropriate relationship with Cheung Kong's auditors.</i></p>			
C.3.8	<p>The audit committee should establish a whistleblowing policy and system for employees and those who deal with the company (e.g. customers and suppliers) to raise concerns, in confidence, with the audit committee about possible improprieties in any matter related to the company.</p>	C	<ul style="list-style-type: none"> • Please refer to C.3.7 above for the details.

Corporate Governance Report (continued)

Recommended Best Practice Ref.	Recommended Best Practices	Comply ("C")/ Explain ("E")	Corporate Governance Practices
D.	DELEGATION BY THE BOARD		
D.1	Management functions <i>Corporate Governance Principle</i> <i>Cheung Kong should have a formal schedule of matters specifically reserved for Board approval and those delegated to management.</i>		
There is no recommended best practice under Section D.1 in the CG Code.			
D.2	Board Committees <i>Corporate Governance Principle</i> <i>Board Committees should be formed with specific written terms of reference which deal clearly with their authority and duties.</i>		
There is no recommended best practice under Section D.2 in the CG Code.			
D.3	Corporate Governance Functions		
There is no recommended best practice under Section D.3 in the CG Code.			
E.	COMMUNICATION WITH SHAREHOLDERS		
E.1	Effective communication <i>Corporate Governance Principle</i> <i>The Board should be responsible for maintaining an on-going dialogue with shareholders and in particular, use annual general meetings or other general meetings to communicate with them and encourage their participation.</i>		
There is no recommended best practice under Section E.1 in the CG Code.			
E.2	Voting by poll <i>Corporate Governance Principle</i> <i>Cheung Kong should ensure that shareholders are familiar with the detailed procedures for conducting a poll.</i>		
There is no recommended best practice under Section E.2 in the CG Code.			
F.	COMPANY SECRETARY <i>Corporate Governance Principle</i> <i>The Company Secretary plays an important role in supporting the Board by ensuring good information flow within the Board and that Board policy and procedures are followed. The Company Secretary is responsible for advising the Board through the Chairman and/or the Managing Director on governance matters and should also facilitate induction and professional development of Directors.</i>		
There is no recommended best practice under Section F in the CG Code.			

Management Structure Chart

