

**THE HONGKONG AND SHANGHAI HOTELS, LIMITED**  
**(the “Company”)**

**BOARD DIVERSITY POLICY**  
**(the “Policy”)**

**PURPOSE**

The Policy sets out the approach to diversity on the Board of Directors of the Company.

**SCOPE OF APPLICATION**

The Policy applies to the Board. It does not apply to diversity in relation to employees of the Group, which is covered by the Company’s Code of Conduct.

**POLICY STATEMENT**

The Company recognises and embraces the benefits of diversity in Board members. A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other qualities of Directors. These differences will be taken into account in determining the optimal composition of the Board. All Board appointments will be based on merit while taking into account diversity including gender diversity.

**MEASURABLE OBJECTIVES**

The Nomination Committee will discuss and agree annually measurable objectives for implementing diversity on the Board and recommend them to the Board for adoption.

The Company aims to build and maintain a Board with a diversity of Directors, in terms of skills, experience, knowledge, expertise, culture, independence, age and gender.

**MONITORING AND REPORTING**

The Nomination Committee will report annually, in the Governance section of the Company’s Annual Report, a summary of the Policy, the measurable objectives that the Board has adopted for implementing the Policy, and the progress made towards achieving these objectives.

**REVIEW OF THE POLICY**

Nomination Committee will review the Policy periodically and recommend any proposed changes to the Board for approval.

*Note: The Board approved this Board Diversity Policy on 14 December 2016.*