

# GIANT INTERACTIVE GROUP INC.

## CORPORATE GOVERNANCE GUIDELINES

(October 9<sup>th</sup>, 2007)

**Mission of the Board of Directors.** The Board of Directors (the “Board”) of Giant Interactive Group Inc. (the “Company”) has adopted the following Corporate Governance Guidelines (the “Guidelines”) to assist the Board in the exercise of its responsibilities and to serve the interests of the Company and its shareholders. These Guidelines must be read in the context of the Company’s Amended and Restated Memorandum and Articles of Association, other corporate governance documents and all applicable laws and regulations. The Guidelines do not constitute a set of legally binding obligations, and are subject to modification by the Board from time to time as the Board may deem appropriate in the best interests of the Company and its shareholders or as required by applicable laws and regulations.

These Guidelines are available on the Company’s website at “[www.giantig.com](http://www.giantig.com)” and to any shareholder who otherwise requests a copy. The Company will disclose the foregoing in its annual report filed with the U.S. Securities and Exchange Commission (“SEC”) on Form 20-F.

### 1. Director Qualification Standards.

**1.1 Independence.** A majority of the members of the Board shall satisfy the independence requirements of the New York Stock Exchange (the “NYSE”) relating to directors. A director is independent if the Board has made an affirmative determination that such director has no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company). The Board annually will review each director’s relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company). Subsequent to such review, any director determined by the Board not to have a material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company) may be deemed to be an independent director. The Company shall disclose in its annual report on Form 20-F the basis upon which it has determined that a relationship is not material.

**1.2 Criteria.** The Corporate Governance and Nominating Committee will recommend to the Board criteria for the selection of directors and periodically review the criteria adopted by the Board. The Board shall seek members from diverse professional backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity. Directors should have experience in positions with a high degree of responsibility, be leaders in the companies or institutions with which they are affiliated, and be selected based upon the contributions they can make. Directors should plan to make a significant time commitment to the Company.

**2. Size.** The Company’s Amended and Restated Articles of Association provides that the Board will fix the number of directors from time to time, but in no event will there be less than two (2) members or more than nine (9) members (unless, with respect to increasing the size of the Board to more than nine (9) members, the Company’s shareholders agree to such increase in a general

meeting). The Board currently has seven (7) members, and believes that this is an appropriate size based on the Company's present circumstances. The Board periodically shall review the size of the Board, and shall determine the size that is optimal going forward.

**3. Candidates to the Board.** The Board will select new candidates for director based upon the recommendations of the Corporate Governance and Nominating Committee.

**4. Term Limits.** There are no established limits on the number of terms that a director may serve. However, no director should have an expectation of permanent membership.

**5. Limitation on Other Board Service.**

**5.1 Generally No Limitation.** Generally the Board does not prohibit its members from serving on boards of other organizations and has not adopted any guidelines limiting such activities, except as described below with respect to members of the Audit Committee and as set forth in the Company's Code of Ethics and Code of Business Conduct and Ethics. However, the Corporate Governance and Nominating Committee and the Board will each take into account the nature of and time involved in a director's service on other boards and/or committees in evaluating the suitability of individual director candidates and current directors and making its recommendations to the Company's shareholders.

**5.2 Audit Committee.** Because of the Audit Committee's demanding role and responsibilities, and the time commitment attendant to membership in that committee, members of the Company's Audit Committee may not serve on the audit committees of the board of directors of more than two other companies at the same time that they are serving on the Audit Committee.

**6. Changes in Present Job Responsibility.** Any director who experiences any significant change with respect to job responsibilities or assignment will be required to submit a resignation to the Board. The other directors, upon recommendation of the Corporate Governance and Nominating Committee, will then determine whether to accept the resignation.

**7. Director Responsibilities.** The business and affairs of the Company will be managed by or under the direction of the Board, including through one or more of its committees as set forth in the Company's Amended and Restated Articles of Association. Each director is expected to spend the time and effort necessary to properly discharge his or her duties.

**8. Board Meetings.**

**8.1 Number of Meetings.** The Board expects to have at least four (4) regularly scheduled meetings each year. In addition, special meetings may be called from time to time as determined by the needs of the business.

**8.2 Director Attendance.** Directors are expected regularly to attend meetings of the Board and the committees of which they are members, and to spend the time needed to properly discharge their responsibilities. Directors may participate in any meeting of the Board by means of a conference telephone or other communications equipment through which all persons participating in the meeting can communicate with each other simultaneously

and instantaneously. Under the Company's Amended and Restated Articles of Association, where a Director is absent from Board meetings for six (6) consecutive months, the Board may decide to vacate that Director from office.

- 8.3 Meeting Agendas.** The Chairman of the Board will establish the agenda for each regularly scheduled Board meeting. Any director is free to suggest potential items for the agenda.
- 8.4 Materials to be Distributed in Advance.** Any materials pertaining to Board and committee meetings will be distributed to directors in advance of those meetings. A director is expected to review all distributed materials prior to any Board or committee meeting that such director attends.

## **9. Executive Sessions of Non-Management Directors.**

- 9.1 Scheduled Sessions.** The Company's non-management directors will meet at regularly scheduled executive sessions outside the presence of management not less frequently than two (2) times per year. Non-management directors are all those who are not executive officers (but non-management directors includes such directors who are not independent by virtue of a material relationship, former status or family membership, or for any other reason).
- 9.2 Chairperson to Be Appointed at Each Session.** One director will act as the chairperson of each executive session of the non-management directors. The presiding director at each executive session will be determined by a majority vote of the independent directors attending such meeting. The Company will disclose the foregoing in its annual report filed with the SEC on Form 20-F.
- 9.3 Communication with the Non-Management Directors.** The Company's chief executive officer (the "CEO") and, as appropriate, designated members of senior management speak for the Company. Individual directors may, on occasion and with the knowledge of management, meet or otherwise communicate with interested parties. Absent unusual circumstances or as contemplated by the Committee charters, such communications will be made only at the request of management. However the Board shall establish a method by which interested parties, including the Company's shareholders, may communicate directly with the non-management directors and otherwise make their concerns known. The Company will disclose the relevant method of communication in its annual report filed with the SEC on Form 20-F.
- 9.4 Separate Meeting of Independent Directors.** If the Company's non-management directors includes directors who do not satisfy the independence requirements of the NYSE relating to directors, then the Company's independent directors will also meet separately from the other non-management directors in an executive session to be held at least once per year.

## **10. Board Committees.**

- 10.1 Creation and Termination of Committees.** There are currently three (3) Board committees: the Audit Committee, the Compensation Committee, and the Corporate Governance and Nominating Committee. The Board may from time to time establish other committees subject to its Amended and Restated Articles of Association, applicable law and NYSE rules. The Board may, by resolution, at any time deemed desirable, discontinue any committee, subject to the requirements of its Amended and Restated Articles of Association, applicable law and NYSE rules.
- 10.2 Committee Assignments and Rotation.** Committee assignments will be made by the Board based upon recommendations of the Corporate Governance and Nominating Committee. Committee membership and the position of committee chair will not be rotated on a mandatory basis unless the Board determines that rotation is in the Company's best interest.
- 10.3 Frequency of Committee Meetings.** Each committee will meet as provided by its charter and will also meet at the call of its chairman or any two members of such committee.
- 10.4 Committee Agenda.** The chairperson of each committee will determine the committee's agenda prior to a meeting, giving consideration to management recommendations.
- 10.5 Audit Committee.** The Audit Committee's duties and responsibilities will be set forth in the Audit Committee charter and include all of the responsibilities of an audit committee under the NYSE and SEC rules and such other matters as may from time to time be delegated to the Audit Committee by the Board. Each member of the Audit Committee will satisfy the independence requirements of the NYSE and the SEC relating to directors and audit committee members.
- 10.6 Compensation Committee.** The Compensation Committee's duties and responsibilities will be set forth in the Compensation Committee charter and include all of the responsibilities of a compensation committee under the NYSE rules and such other matters as may from time to time be delegated to the Compensation Committee by the Board. Each member of the Compensation Committee will satisfy the independence requirements of the NYSE relating to directors.
- 10.7 Corporate Governance and Nominating Committee.** The Committee's duties and responsibilities will be set forth in the Corporate Governance and Nominating Committee charter and include all of the responsibilities of a corporate governance and nominating committee under the NYSE rules and such other matters as may from time to time be delegated to the Corporate Governance and Nominating Committee by the Board. Each member of the Corporate Governance and Nominating Committee will satisfy the independence requirements of the NYSE relating to directors.
- 11. Director Access to Management.** The Board shall have complete access to Company management in order to ensure that directors can ask any question that they may have and receive all information necessary to perform their duties adequately. Management shall comply promptly with any such requests from directors, and directors shall exercise judgment to ensure

that their contact with management does not distract the managers from their jobs or disturb the Company's business operations. The directors are expected to inform the CEO of contact with management.

**12. Director Access to Independent Advisors.** Directors will have complete access, as necessary and appropriate, to the Company's outside advisors as they deem necessary and appropriate. If appropriate, directors may retain independent legal, financial or other advisors.

**13. Director Compensation.** The Board will be responsible for setting director compensation. The Compensation Committee will periodically review the compensation of the Company's directors and make recommendations to the Board with respect thereto. Directors' fees and emoluments should not exceed what is customary for a company of the size and stature of the Company. In making such compensation determinations and in making determinations with respect to a director's independence, the Board and the Compensation Committee will consider and critically evaluate the questions that may be raised if fees and emoluments exceed what is customary or if the Company makes substantial charitable contributions to organizations with which a director is affiliated, or enters into consulting contracts with (or provides other indirect forms of compensation to) a director.

**14. Director Orientation and Continuing Education.** All new directors will participate in an orientation program shortly after they are elected to the Board. Orientation will include presentations by senior management to familiarize the directors with the Company's business and operations, its financial condition, its policies and procedures, its principal officers, internal and independent auditors, and the duties and responsibilities of its directors. Management will make presentations from time to time as necessary to ensure that the Board is aware of all business, legal and other developments relating to such matters.

**15. Annual Review of the CEO.** The Compensation Committee will, at least annually, (i) review and approve corporate goals and objectives relevant to the compensation of the CEO, (ii) evaluate the performance of the CEO in light of those goals and objectives, (iii) report the results of such evaluation to the Board and (iv) have the authority, either as a committee or together with the other independent directors (as directed by the Board), to determine the CEO's compensation level based on this evaluation

**16. Management Succession.** Every year the CEO will report to the Board on succession planning. The report will include policies and principles for chief executive officer selection and performance review, as well as policies regarding succession in the case of an emergency or retirement of the CEO.

**17. Annual Performance Evaluation of the Board.** The Board will conduct an annual self-evaluation in order to determine whether it and its committees are functioning effectively. The Corporate Governance and Nominating Committee will oversee the Board's annual self-evaluation.