

Summary of the Board of Directors

Role of the Board

The Board of Directors (the “Board”) is responsible for supervising the management of the business and affairs with due regard to maximizing shareholder value and enhancing the corporate governance of the Group. The role of the Board is to provide strategic guidance for the Group and effective oversight of the Management.

Authority

The Board shall exercise all the powers that are not otherwise exclusively reserved for the shareholders to manage the business of the Group.

The Board is entitled to seek adequate administrative support from the Management and have separate and independent access to the senior management. The Board may require any member of the Management and any employee of the Group to attend a meeting and to respond to queries raised by any director as promptly and fully as possible.

The Board has the authority to conduct or direct any investigation required to fulfil its responsibilities and has the ability to retain, at the Group’s expense, such legal, accounting or other advisers, consultants or experts as it considers necessary from time to time in the performance of its duties.

Upon reasonable request, the Board shall resolve to provide separate independent professional advice to directors to assist them to discharge their duties to the Group.

Membership

The Board consists of Executive Directors and Non-executive Directors (including Independent Non-executive Directors). Quorum of Board meeting is three directors.

The Board shall include at least three Independent Non-executive Directors, representing at least one-third of the Board, and at least one Independent Non-executive Director who possesses appropriate professional qualifications, accounting or related financial management expertise in accordance with relevant regulatory requirements.

The chairman of the Board shall be appointed by the Board and responsible for providing leadership for the Board and ensuring that the Board works effectively and

discharge its responsibilities. The roles of the Chairman and the Chief Executive shall be separate and shall not be performed by the same individual.

Directors are appointed on the recommendation of the Nomination and Remuneration Committee. Non-executive Directors are appointed for a fixed term but shall be subject to re-election in accordance with the Articles of Association of the Company and the Bank and any regulatory requirements. Directors will receive induction and continuous training procedures at the Group's expense.

Directors shall regularly attend the meetings of the Board and any Board Committees on which they serve, actively express their opinions on the matters discussed during the meeting and keep abreast of the roles and responsibilities of the Board as well as their responsibilities as directors and of the conduct, business activities and development of the Group.

The Board may, if it considers necessary, appoint an Advisor(s)/Senior Advisor(s) to the Board (the "Advisor") who shall perform an advisory roles and have no right to vote in the Board or any of the Board Committees.

Subject to shareholders approval, the Board shall approve the remuneration of directors with due regard to the recommendation of the Nomination and Remuneration Committee. No director shall be involved in deciding his or her own remuneration.

Board Committees

The Board may establish Committees as it considers necessary or appropriate to assist it in carrying out its responsibilities. As a minimum, the Board shall establish the following Committees and shall approve and adopt mandates and working rules governing the purpose, roles and responsibilities, composition, authority and operation of those Committees:

- Audit Committee
- Risk Committee
- Nomination and Remuneration Committee; and
- Strategy and Budget Committee

A special committee, consisting of only Independent Non-executive Directors, shall be authorized by the Board to review, approve and monitor connected transactions pursuant to applicable laws, rules and regulations, including their disclosure in the financial statements.

Delegation to the Management

The Board delegates to the Chief Executive the authority and power to manage the day-to-day business and affairs of the Group subject to such specific delegations and limits that the Board makes from time to time. The Chief Executive has authority to sub-delegate such authority and power to such members of the Management as he/she shall determine from time to time.

Duties and responsibilities

Strategy and Planning

The Board shall develop an in-depth understanding of each substantial segment of the Group's business. The most significant responsibilities of the Board are to

- review, approve and monitor the Group's medium to long-term strategy;
- review the development process for corporate strategic plans;
- monitor implementation and provide strategic guidance to the Management;
- review, approve and monitor the annual business plan and financial budget;
- review, approve and monitor the human resources and remuneration strategy;
- make decisions concerning the management of the Group's capital structure and dividend policy; and
- review, approve and monitor major capital expenditure, investments and strategic commitments.

Risk Management and Internal Control

The Board is responsible for the review, approval and monitoring of the Group's overall risk appetite, risk management strategy, and risk management framework and policies with the assistance of the Risk Committee.

The Board has an oversight responsibility over the Group's capital management and allocation. Pursuant to its delegated authority to run the Bank, the Management is responsible for managing the Group's capital and for ensuring that the Group has adequate capital to support its risks by reference to the capital policy, capital adequacy goals and capital targets approved by the Board. The capital required should enable the Group to operate as a going concern and be sufficient to provide for future business growth.

The Board shall, with the assistance of the Audit Committee and the Risk Committee, review the effectiveness of the system of internal control, and conduct at least annually a review of the internal control system of the Group, including financial, operational and compliance controls and risk management functions.

Integrity of Public Reporting

It is the responsibility of the Board to prepare and approve, with due regard to the recommendation of the Audit Committee, the accounts and other public reports of the Group, including annual and half-year reports, price-sensitive announcements and financial disclosures required under the Listing Rules or other regulatory requirements. Such reports shall present a balanced, clear and comprehensible assessment of the Group's performance, position and prospects.

The Board shall review and monitor the effectiveness of the Group's public reporting process with the assistance of the Audit Committee.

Subject to shareholders approval, the Board shall determine the appointment, reappointment and removal of the external auditor with due regard to the recommendation of the Audit Committee.

Corporate Governance and Compliance

The Board is responsible for the corporate governance and compliance of the Group, shall establish values and standards of business conduct and ethical behaviour, and shall monitor and manage potential conflict of interests of shareholders, directors and the Management.

Supervision and Authorization of Board Committees

The Board shall review the need for establishment of Board Committees with due regard to best corporate governance practices and shall approve and adopt their mandates and working rules.

The Board shall give sufficient but non-exclusive authorization and clear guidance to the Board Committees to enable them to execute their duties under their respective terms of reference and review the same on a periodic basis.

The Board shall review reports prepared by the Board Committees, and give appropriate guidance when needed, approve and decide on matters that fall outside the terms of reference of the Board Committees, and approve and decide on matter(s) which may have a material impact on the overall management or conditions of the Group.

The Board shall regularly monitor, review or approve the composition, membership and remuneration of the Board and its Committees with the assistance of the Nomination and Remuneration Committee.

The Board shall, with the assistance of the Nomination and Remuneration Committee, establish and review processes to ensure that Board Committees shall at least annually conduct a self-assessment of their effectiveness, and, upon review of reports summarizing the outcome of such self-assessment, give such directions and guidance as may be necessary to enhance their effectiveness.

Management Oversight

The Board shall give proper authorization and clear directions to the Chief Executive and his/her management team as to the powers, limitations and reporting duties of management in order to ensure a balance of power and authority.

The Board shall:

- approve the appointment, termination, remuneration of the senior management of the Group;
- monitor and review succession planning of the senior management of the Group;
- approve all appointments of directors to the boards of the major subsidiaries within the Group;
- establish and review performance goals, performance standards and policies for senior management;
- approve and review the compensation of senior management, employees and directors of the Group.

Communication with shareholders and other interested parties

The Board shall maintain an on-going dialogue with shareholders and the investment community to understand their issues and concerns.

When the Board is aware of material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern, it shall ensure that such uncertainties shall be clearly disclosed.

Meetings

The Board shall meet frequently, at least 6 times each year. Where appropriate, the meetings shall coincide with the key dates in the Group's financial reporting cycle and other matters.

Annual Performance Appraisal and Report

The Board shall, with the assistance of the Nomination and Remuneration Committee, monitor and make self-evaluation on its process and effectiveness on at least an annual basis. The Board shall also monitor and review the continuing adequacy of its Mandates from time to time.