BOC Hong Kong (Holdings) Limited

(the "Company")

Summary of the Mandate 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 maximising shareholders' value and enhancing 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 respond to queries raised by any director as promptly and fully as possible. The Board is also entitled to invite any person it thinks fit to attend meetings of the Board.

The Board has the authority to conduct or direct any investigation required to fulfill 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) with at least one director of a different gender. Quorum of Board meeting is three directors.

In accordance with the requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), the Board shall include at least three Independent Non-executive Directors, and at least one Independent Non-executive Director who possesses appropriate professional qualifications, accounting or related financial management expertise; moreover, Independent Non-executive Directors must represent at least

one-third of the Board. In accordance with the Supervisory Policy Manual module CG-1 entitled "Corporate Governance of Locally Incorporated Authorised Institutions" issued by Hong Kong Monetary Authority, at least two of the Independent Non-executive Directors of an authorised institution should possess a background in accounting, banking or other relevant financial industry.

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 discharges 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 by the Board on the recommendation of the Nomination and Remuneration Committee. Non-executive Directors are appointed for a specific term but shall be subject to re-election in accordance with the Articles of Association of the Company and any regulatory requirements. Directors shall receive induction on appointment and fulfil the training hours requirement as specified in the Listing Rules from time to time. Directors shall participate in a program of continuous professional development in each financial year at the Group's expense. The continuous professional development must at least cover the topics as specified by the Listing Rules or regulatory bodies from time to time.

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 meetings and keep abreast of the roles and responsibilities of the Board as well as their responsibilities as directors and of the operations, business activities and development of the Group.

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

The Board shall approve the remuneration of directors (if no authorisation is needed from or such authorisation has been granted by the shareholders) in accordance with established policies and with due regard to the recommendations 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 Board 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

- Strategy and Budget Committee
- Sustainability Committee

A special committee, consisting of only Independent Non-executive Directors, shall be authorised by the Board from time to time to review, approve and monitor connected transactions (including continuing connected transactions) that are required to be approved by the Board and subject to shareholders' approval (if applicable) 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 include:

- review, approve and monitor the Group's mid and long-term strategy;
- review, approve and monitor the Group's sustainability strategy;
- review the development process for corporate strategic plans;
- monitor implementation through agreed metrics and provide strategic guidance to the Management;
- review, approve and monitor the annual business plan and financial budget;
- review, approve and monitor the formulation and implementation of human resources strategy 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, oversee the Group's risk management and internal control systems on an ongoing basis, and conduct at least annually a review of the effectiveness of the Group's risk management and internal control systems, including financial, operational and compliance controls functions.

Information Disclosure

It is the responsibility of the Board to prepare and approve, with due regard to recommendations of the Audit Committee as appropriate, the accounts and other public reports of the Group, including annual and half-year reports, quarterly trading updates or financial disclosures (if any), inside information 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 information disclosure process with the assistance of the Audit Committee.

Subject to shareholders' approval, the Board shall approve the appointment, reappointment and removal of the external auditor with due regard to the recommendations of the Audit Committee, and publish relevant announcement as required under regulatory requirements.

Corporate Governance and Compliance

The Board is responsible for the corporate governance and compliance of the Group. It shall:

- establish, review and monitor processes for corporate governance throughout the Group;
- review and monitor the training and continuous professional development of directors and senior management;
- review compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report;
- establish values and standards of business conduct and ethical behavior, nurture and maintain good corporate culture;
- monitor and manage potential conflict of interests of shareholders, directors and the Management, including prevention of misappropriation of corporate assets and improper related party transactions; and
- review and monitor processes for compliance with applicable laws and regulatory requirements.

Sustainability

The Board shall, with the assistance of the Sustainability Committee:

- review and approve on the Group's sustainability strategies, goals and priorities;
- review and approve on the appropriate boundaries applicable for the Group's sustainability strategies, including the appropriate entities, regions or businesses; and

- review and approve key policies relating to sustainability and corporate culture.

Supervision and Delegation of Authorisation to 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 authorisation and clear guidance to the Board Committees to enable them to discharge their duties under their respective terms of reference and review the same on a periodic basis.

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

The Board shall monitor, review or approve the composition, membership and remuneration of the Board 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 summarising 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 authorisation and clear directions to the Chief Executive and his/her management team as to the powers, limitations and reporting duties of the management in order to ensure a balance of power and authority.

The Board shall, with due regard to the recommendations of the Nomination and Remuneration Committee:

- review and approve the appointment and termination of the senior management of the Group;
- review and approve the remuneration packages (and any subsequent adjustments) including but not limited to remuneration upon joining, annual bonus and changes to the remuneration of the senior management of the Group as well as the remuneration policy and structure relating to such senior management;
- monitor and review succession planning of the senior management of the Group;
- approve the aggregate amount and allocation principles of the annual bonus; and
- approve the annual review report on the Group's major remuneration policies, including but not limited to "BOCHK Group Remuneration and Incentive Policy", "BOCHK

Group Bonus Funding Policy" and "BOCHK Group Variable Pay Deferral Policy", etc.

Communication with shareholders and other stakeholders

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 regularly, at least 5 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

At least once a year, the Board shall, with the assistance of the Nomination and Remuneration Committee, monitor and review its processes and effectiveness, and conduct evaluation of the performance of individual directors. The Board shall also monitor and review the continuing adequacy of its Mandate from time to time. A statement shall be made in the annual report of the Company about the membership, number of the meetings, attendance at those meetings and major work of the Board.