

BOC HONG KONG (HOLDINGS) LIMITED

Mandate of the Nomination Committee

1. Purpose

1.1 The Nomination Committee (the “Committee”) is a standing committee of the Board of Directors (the “Board”). The purpose of the Committee is to assist the Board in fulfilling its oversight responsibility for BOC Hong Kong (Holdings) Limited (the “Company”), Bank of China (Hong Kong) Limited (the “Bank”) and its subsidiaries (together, the “Group”) relating to:

- the identification, nomination and appointment of directors, Board committee (“Board Committee”) members and certain senior management under the Board’s direct management as defined by the Board from time to time (defined as “Senior Management”).
- ensuring that directors and Board Committee members have the skills, experience and knowledge to fulfil their duties on an ongoing basis.
- promoting the effectiveness of the Board and Board Committees by organising annual self-assessment of the Board and Board Committees.

The role of the Committee is one of oversight. Subject to the provisions of this Mandate and subject to the strategies and policies as approved by the Board or the Committee (as the case may be), the Chief Executive has the overall accountability in the appointment and termination of the Bank’s staff as part of his management responsibility.

2. Roles and Responsibilities

2.1 Overall Human Resources Strategy

2.1.1 The Committee is responsible for reviewing and recommending for the approval of the Board on the overall human resources strategies for the Group, across the following areas:

- recruitment, development and training of staff, to ensure the level and skills of staff are sufficient to meet the business needs of the Group into the future.

2.1.2 The Committee is responsible for monitoring at a high-level the implementation of the Group’s strategies on human resources and ensuring that the policies based on these strategies and their implementation are legal, fair, reasonable and are in accordance with the strategies formulated pursuant to 2.1.1.

2.1.3 The Committee shall encourage the Management to establish a human resources culture which is in compliance with the overall strategy of the Group and which supports fulfilment of the Group’s vision, mission and value.

2.2 Procedures for Nomination and appointment of Directors and Senior Management

2.2.1 The Committee shall review and approve the development and maintenance of procedures for identifying, nominating and appointing directors and Board Committee members, and Senior Management as defined by the Board from time to time.

Board and Board Committees

2.2.2 On an ongoing basis, the Committee shall:

- regularly monitor and review the leadership needs of the Group, to ensure the Group can continue to compete effectively in the markets in which it operates.
- regularly monitor and review the structure, size, composition and membership of the Board and Board Committees and make recommendations for any changes deemed necessary.
- assist the Board to establish, approve and review the standards of director independence with the support of the Board Secretary, and assess the independence of independent non-executive directors.

2.2.3 When changes to the Board or Board Committees are required or when vacancies arise, the Committee shall identify the key requirements for the new candidate(s) sought and objective criteria for selection for the Board's approval with adherence to the principles stated in the Board Diversity Policy (including but not limited to gender, age, cultural and educational background, ethnicity, geographical location, professional experience, skills and knowledge, etc) and, take into account the existing composition of the Board and Committees, as well as the business requirements of the Group. The Committee shall consider candidates from a wide variety of backgrounds, identify and nominate potential candidates to the Board for approval.

2.2.4 External advisors may be used as and when deemed necessary by the Committee to identify potential candidates.

2.2.5 The identification and nomination process shall include specification of the expected time commitment, and any involvement required by the Group outside Board and Board Committee meetings. The procedures for the nomination and appointment of Independent Non-executive Directors are set out in the working rules of the Committee.

2.2.6 Non-executive directors shall be appointed for a specific term, subject to re-election in accordance with the Articles of Association of the Company and the Bank and any regulatory requirements. The Committee shall review and make recommendations to the Board on the re-appointment of any non-executive directors on the completion of their specified term, and make recommendations on matters in relation to the election or re-election of directors by shareholders, and the continuation in office of any director at any time.

2.2.7 The Committee shall ensure that appropriate succession plans for directors are in place, and shall review these regularly to ensure that they meet the Group's requirements.

Senior Management of the Company and the Bank

- 2.2.8 The Committee shall review the nominations and make recommendations to the Board for approval of the appointment and termination of the Senior Management of the Company and the Bank.
- 2.2.9 The Committee shall ensure that appropriate succession plans for Senior Management are in place, and shall review these regularly to ensure that they meet the Group's requirements.
- 2.2.10 The Committee shall review and approve policies on any part time engagements outside the Group by the Senior Management.

Directors of major subsidiaries within the Group

- 2.2.11 In relation to the major subsidiaries within the Group (as determined by the Board) and subject to the provisions contained in the shareholders agreement (if any) governing any of the major subsidiaries, the Committee shall regularly review the appointment, termination and remuneration of directors of the boards of the major subsidiaries within the Group.

2.3 Induction and Training

- 2.3.1 The Committee is responsible for establishing an effective induction and training scheme for directors and members of Board Committees. This scheme shall include a comprehensive, formal and tailored induction for new directors and new members of Board Committees on their appointment.
- 2.3.2 The Committee shall ensure that all directors and members of Board Committees participate in a program of continuous professional development to develop and refresh their knowledge and skills to help ensure their contribution to the Board and Board Committees remains informed and relevant. If necessary, the Committee shall obtain external expert advice on the development required for the directors and members of Board Committees.
- 2.3.3 Both the induction and the ongoing development programmes shall be recommended in consultation with the Board and/or other Board Committees.
- 2.3.4 The Board Secretary shall coordinate among secretaries of Board Committees who are responsible for the implementation of induction/training scheme, and the Group shall fund such programmes.

2.4 Reporting Responsibilities

- 2.4.1 The Committee shall report to the Board on the matters set out in this Mandate, regularly update the Board about the Committee's activities and consider other topics as defined by the Board.

- 2.4.2 The Committee shall regularly communicate with other Board committees as appropriate.
- 2.4.3 The Committee shall review any other reports submitted by the Group relating to the Committee's responsibilities.

3. Composition

3.1 Membership

- 3.1.1 All of the Committee members are non-executive directors. The Committee is chaired by the chairman of the Board and a majority of its members should be independent non-executive directors. If the Board seeks advice from the Committee, adviser(s) of the Board (if any) could act as the adviser(s) to the Committee.
- 3.1.2 Members of the Committee shall possess appropriate authority and necessary skills and experience and be prepared to determine and advise on complex human resources management and other related issues.
- 3.1.3 A quorum shall be three members.
- 3.1.4 Members of the Committee shall:
- regularly attend the meetings of the Committee and actively express their opinions on the matters discussed during the meeting; and
 - keep abreast of the roles and responsibilities of the Committee as well as their responsibilities as members of the Committee and of the conduct, business activities and development of the Group.

3.2 Other attendees

- 3.2.1 Representative(s) of the Human Resources Department is(are) normally expected to attend meetings of the Committee to render assistance. If required, other members of the Management and representatives of external consultants are also expected to attend some or all or parts of the Committee meetings. All these "other attendees" are expected to provide open, candid and comprehensive input to the Committee as requested.
- 3.2.2 If the Committee seeks professional advice from external advisors, the advice should be commissioned by, and provided directly to, the Chairman of the Committee independently of management.
- 3.2.3 The secretary/secretaries of the Committee (the "Committee secretary") shall be appointed by the Board.

3.3 Roles

- 3.3.1 The Chairman of the Committee shall be appointed by the Board. The duties and responsibilities of the Chairman of the Committee include but are not limited to:
- providing leadership for the Committee and ensuring that the Committee works effectively and discharges its responsibilities;

- ensuring that all key and appropriate issues are discussed by the Committee in a timely manner, and that clear and explicit conclusions are achieved for every agenda item discussed in the meetings;
- being primarily responsible for drawing up and approving the agenda for each Committee meeting taking into account, where appropriate, any matters proposed by the other Committee members and the Management for inclusion in the agenda so as to ensure that, other than exceptional circumstances, all Committee members and the Management are given an opportunity to include matters in the agenda for a Committee meeting. The Chairman may delegate such responsibility to a designated member or the Committee secretary;
- ensuring that all Committee members are properly briefed on issues arising at Committee meetings, and that Committee members receive adequate information, which must be timely, complete and reliable;
- encouraging all Committee members to make a full and active contribution to the Committee's affairs and take the lead to ensure that the Committee acts in the best interests of the Group; and
- attending in person or nominating another Committee member to attend the annual general meeting and answering questions at the meeting.

3.3.2 The duties and responsibilities of the Committee secretary include but are not limited to:

- providing technical advice and expertise to support the work of the Committee, the Chairman of the Committee and other Committee members;
- organizing, administering and coordinating the operation of the Committee;
- arranging Committee meetings as coordinated by the Board Secretary;
- reviewing the material to be presented to the Committee, ensuring the Management submits reports and documents to the Committee appropriately;
- reporting on the work of the Committee to the Board under the authorization of the Chairman of the Committee;
- requesting the Management to provide relevant data and material to assist the Committee members to understand the relevant information;
- facilitating induction for new Committee members and assisting with professional development as required;
- coordinating the work of the Committee with similar functions in Bank of China group; and
- other duties and responsibilities entrusted by the Committee.

3.4 Independence Standards

3.4.1 The Committee members who are independent non-executive directors shall observe the independence standards approved by the Board.

3.5 Nomination, Terms, Remuneration and Training

3.5.1 The Committee is responsible for nominating Committee members from amongst the non-executive directors for approval by the Board.

- 3.5.2 The Committee shall make recommendations to the Board on the selection criteria, nominated candidates and terms of appointment of the Committee members to ensure that they serve the purpose of the Committee.
- 3.5.3 The remuneration of the Committee members shall be approved by the Board if no authorization is needed from or such authorization has been granted by the shareholders.
- 3.5.4 The Committee shall review and approve induction/training procedures for the Committee members, and ensure that the procedures are practical for the Committee. The Committee secretary is responsible for the implementation of induction/ training procedures for the Committee members with the coordination of the Board Secretary.
- 3.5.5 Every new Committee member shall receive a comprehensive, formal and tailored induction on appointment; and all Committee members shall participate in a program of continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Committee remains informed and relevant. The Group shall fund such induction/training programmes.

3.6 Frequency of meetings

- 3.6.1 The Committee shall meet at least once a year, with meetings align with the actual circumstances as required. In addition, there shall be open dialogue between the Management and the Committee between meetings on an as-needed basis. The Committee may request for additional meetings with the Management or other advisors between scheduled meetings if they consider it necessary.

4. Authority

- 4.1 The Committee is authorized to seek adequate administrative support from the Management and have separate and independent access to the Group's senior management.
- 4.2 The Management is expected to support the work of the Committee with the utmost good faith and to ensure that the Committee is provided with all the information relating to the human resources management and other issues of the Group necessary and appropriate for the Committee to discharge its responsibilities on a fair and timely basis. The Committee is authorized to require any member of the Management and any employee of the Group to respond to queries raised by any member of the Committee as promptly and fully as possible. Information provided to the Committee shall be accurate and complete and be in such form and of such quality as will enable the Committee to make an informed decision.
- 4.3 The Committee is authorized to invite any person it thinks fit to attend the meetings of the Committee.
- 4.4 The Committee shall be authorized, on its own initiative or at the request of the Board, to review the Group's human resource policies and practices, consider any findings and the Management's response and advise the Board of the results of such review and its recommendations.

4.5 Members of the Committee are authorized, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the Group's expense.

4.6 The Committee is authorized to have access to the advice and services of the Committee secretary and the Board Secretary with a view to ensuring that Committee procedures, and all applicable rules and regulations, are followed.

5. Consulting or special sub-committees

5.1 As necessary and appropriate, the Committee may form and dismiss consulting or special sub-committees after approval by the Board.

5.2 The Committee is responsible for the management of the sub-committees and delegating sufficient power and authority to them for ensuring effective and efficient operation.

6. Annual performance appraisal

6.1 The Committee shall monitor and review its composition, evaluate the balance of skills, knowledge and experience on the Committee and monitor and review its processes and effectiveness on at least an annual basis. The result shall be reported to the Board.

6.2 The Committee shall also monitor and review the continuing adequacy of its Mandate from time to time, and report to the Board the main findings.

7. Effective date and amendments

7.1 This Mandate shall come into effect on the date when it is approved by the Board.

7.2 Any amendments to this Mandate shall be recommended by the Committee and come into effect on the date when they are approved by the Board.