BEA東亞銀行

The Bank of East Asia, Limited
東亞銀行有限公司
(Incorporated in Hong Kong with limited liability in 1918)
(Stock Code: 23)

TERMS OF REFERENCE

OF

THE NOMINATION COMMITTEE

1. CONSTITUTION

The Board of Directors (the "Board" or the "Directors") of The Bank of East Asia, Limited (the "Bank"), together with its subsidiaries (collectively the "Bank Group"), has established a Nomination Committee (the "Committee"). The primary purpose of the Committee is to:

- identify and nominate candidates for appointment as Directors, Chief Executive/Co-Chief Executives, Deputy Chief Executives, Group Chief Auditor, Group Chief Compliance Officer, Group Chief Financial Officer, Group Chief Risk Officer and other members of Senior Management[1];
- oversee succession planning for the Board and Senior Management;
- define the Board diversity planning and maintain the Board skills matrix; and
- evaluate the effectiveness of the Board and individual Directors.

In these Terms of Reference, unless the context otherwise defines, words denoting one gender shall include the other gender.

2. MEMBERSHIP

2.1 The Board appoints Committee members from amongst the Directors. The Committee shall consist of at least two members. A majority of the Committee members shall be Independent Non-executive Directors ("INEDs").

2.2 The Chairman of the Committee shall be an INED.

2.3 The tenure limit of a Committee member shall coincide with their tenure of office as a Director on the Board or as may be determined by the Board.

2.4 The quorum of any Committee meeting is two members, at least one of whom shall be an INED.

2.5 The Company Secretary or his/her delegate shall act as the Secretary of the Committee.

[1] *Senior Management includes Co-Chief Executives, Deputy Chief Executives and all General Managers of the Bank Group.*

3. MEETINGS

3.1 Meetings will be held not less than once a year.

3.2 The Secretary will circulate the minutes of the Committee meetings to all Board members.

4. AUTHORITIES

4.1 The Committee is authorised by the Board to obtain independent professional advice, at the Bank's expense, to perform its responsibilities if it considers necessary.

4.2 The Committee shall be provided with sufficient resources to perform its duties.

5. DUTIES

The duties of the Committee include:

(a) review the structure, size and composition of the Board and its Committees at least annually; assess the Board's skill sets and recommend specific expertise or diversity requirements to enhance governance effectiveness; where necessary, identify improvements and propose Board changes to ensure the Board remains aligned with the Bank Group's corporate strategy;

(b) identify and recommend candidates to the Board for appointment or re-appointment, and oversee Directors' succession planning;

Notes:

1 The Committee must consider the balance of skills, experience and diversity appropriate to the Bank when making recommendations to the Board on appointments, re-appointments and succession planning.

2 The Committee must ensure all appointments are governed by a formal letter of appointment setting out the key terms, as required by the Corporate Governance Code (the "CG Code") of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

(c) assess the independence of INEDs in accordance with the Listing Rules and the Guidance on Empowerment of Independent Non-Executive Directors in the Banking Industry in Hong Kong issued by the Hong Kong Monetary Authority;

(d) identify and recommend candidates for the roles of Chief Executive/Co-Chief Executives, Deputy Chief Executives, Group Chief Auditor, Group Chief Compliance Officer, Group Chief Financial Officer, Group Chief Risk Officer, and other Senior Management;

(e) make recommendations to the Board regarding Senior Management appointments, removal and succession planning;

(f) annually evaluate the implementation and effectiveness of the *"Board Succession and Diversity Policy"* and its measurable objectives, including the review of related disclosures in the Annual Report's Corporate Governance Report;

(g) review the *"Procedures for Nomination of Directors"*, and recommend improvements to appointment standards for Board approval, ensuring Board's quality, continuity and diversity;

(h) review the "*Board Evaluation and Director Self-assessment*" and conduct annual evaluation of the Board's collective effectiveness and individual Director contributions. The Committee shall present the evaluation report to the Board, recommending enhancements where necessary, and may engage external consultants or facilitators to assist in the process as appropriate;

(i) assess each Director's annual time commitment and contributions, as well as their ability to discharge their responsibilities effectively, taking into account their respective professional qualifications, work experience, external directorships, significant external time commitments alongside other factors relevant to his/her character, integrity, independence and experience;

(j) annually assess each Director's potential conflict of interest;

(k) review the *"Management Succession Policy"* and attend to the matters prescribed under the policy; and

(l) annually assess the effectiveness of mechanisms and processes for providing independent views and input to the Board, and ensurinig compliance of disclosure requirements in the Corporate Governance Report.

6. REPORTING PROCEDURES

The following information will be disclosed in the Corporate Governance Report:

(i) the role and function of the Committee;

(ii) the composition of the Committee (including names of the Committee members and its Chairman);

(iii) the number of meetings held during a year and members' attendance by name;

(iv) a summary of work performed by the Committee during the year;

(v) a summary of the "*Procedures for Nomination of Directors*", including nomination procedures, processes and criteria adopted by the Committee in selecting and recommending candidates for directorship during the year;

(vi) a summary of the "*Board Succession and Diversity Policy*", including its measurable objectives set by the Bank and progress made towards its objectives;

(vii) the mechanism for ensuring independent views and input are made available to the Board;

(viii) the annual assessment of each Director's time and contributions;

(ix) the Board skills matrix and how its combination of skills, experience, and diversity serves the purpose, values, strategy and culture of the Bank; and

(x) other disclosures as required by the CG Code.

7. NOMINATION OF DIRECTORS BY SHAREHOLDERS

Pursuant to the CG Code, there should be a formal, considered and transparent procedure for appointment of new Directors to the Board. The specific criteria and processes for shareholder nominations are set out in the *"Procedures for Nomination of Directors by Shareholders"*, which is available on the Bank's website.

8. FREQUENCY OF REVIEW

These Terms of Reference will be reviewed annually or as required.

9. In the event of a conflict between the Chinese translation and the English text of these terms, the English text shall prevail.