

**Chong Hing Bank Limited**  
**(the “Bank”)**  
**Terms of Reference of the Nomination Committee**

**1. Constitution**

The Nomination Committee (the “Committee”) was established by resolutions of the Board of Directors of the Bank (the “Board”) on 14 February 2014 for reviewing and making recommendations to the Board on the structure, size and composition of the Board and overseeing the identification and assessment of potential candidates for the Board of the Bank and its subsidiaries (the “Bank Group”), where appropriate.

**2. Membership**

- 2.1 Chairman and members of the Committee shall be appointed by the Board from time to time and shall consist of not less than three members, a majority of whom shall be independent non-executive directors.
- 2.2 The Committee Chairman shall be either the Chairman of the Board or an independent non-executive director.

**3. Secretary**

The Company Secretary of the Bank or his/her deputy shall be the secretary to the Committee.

**4. Attendance at Meetings**

The Committee may invite other persons (including directors, senior management and external advisers) to attend all or part of the Committee meetings from time to time upon such conditions as the Committee members consider desirable. However, only the Committee members shall be entitled to vote at the Committee meetings.

**5. Frequency of Meetings and Quorum**

- 5.1 The Committee shall meet at least once a year and at such other times as the Chairman of the Committee may determine.
- 5.2 The quorum for meetings of the Committee shall be three members, including the Chairman, unless he or she is unable to attend due to exceptional circumstances, the majority of whom should be independent non-executive directors.

**6. Proceedings of Meetings**

- 6.1 Meetings and proceedings of the Committee shall be governed by the provisions for regulating the meetings and proceedings of the Board as stipulated in the Bank’s Articles of Association for the time being in force so far as the same are applicable thereto and are not replaced by any regulations imposed by the Board.
- 6.2 Questions arising at any meetings of the Committee shall be decided by a majority of votes, and in case of an equality of votes, the Chairman of the meeting shall have a second or casting vote.

- 6.3 A written resolution signed by a majority of the Committee members shall be as valid and effectual as a resolution passed at a meeting of the Committee duly convened and held.

**7. Annual General Meeting**

The Chairman of the Committee shall attend the annual general meeting of the Bank and be prepared to respond to any shareholders' questions on the Committee's decisions or recommendations or in his / her absence, another member of the Committee, or failing this, his / her duly appointed delegate.

**8. Authority**

- 8.1 The Committee is authorised by the Board to investigate any activity within these terms of reference. It is authorised to obtain any information it requires from any employee of the Bank Group and all such employees are directed to co-operate with any reasonable request made by the Committee.
- 8.2 The Committee shall be provided with sufficient resources to perform its duties. It is also authorised by the Board to seek independent professional advice at the Bank's expense to discharge its responsibilities as it shall deem appropriate and shall be responsible for selection and appointment of consultants to advise it on nomination matters.

**9. Duties and Responsibilities**

The Committee shall have the following duties, responsibilities and discretion:

- 9.1 to review annually the structure, size, composition (including the skills, knowledge and experience) and diversity of the Board and its committees and make recommendations on any proposed changes to the Board to support and facilitate implementation of the Bank's corporate strategy;
- 9.2 to review the efficiency and effectiveness of the functioning of the Board and its committees on an annual basis ;
- 9.3 to identify individuals suitably qualified to become directors and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- 9.4 to make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman and the chief executive officer, and designated senior management;
- 9.5 to assess the independence of the Bank's independent non-executive directors; and
- 9.6 to maintain and update these Terms of Reference as the Committee deems appropriate and submit such updates for the Board's approval.

## **10. Reporting Procedures**

- 10.1 The Committee should report to the Board on a regular basis; and
- 10.2 Minutes of the Committee meetings shall be circulated to all members of the Board at regular meetings of the Board. Minutes of the Committee meetings should be kept by the Company Secretary. Within a reasonable time after the Committee meetings, draft and final versions of the minutes of such meetings should be sent to all Committee members for their comment and records respectively.

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