Chong Hing Bank Limited
(the "Bank")

Terms of Reference of the Executive Committee

1. Constitution

The Executive Committee (the "Committee"), established by resolutions of the Board of Directors of the Bank (the "Board") on 28 May 2014, is responsible for the overall management, including day-to-day operations and administration of the Bank and its subsidiaries (the "Bank Group"), within the framework of the Bank Group's policies, its terms of reference and such other directives as the Board may determine from time to time.

2. Membership

The Chairman of the Committee shall be appointed by the Board from time to time. The members of the Committee shall consist of:

Executive Director and Chief Executive (Chairman)
Executive Director and Deputy Chief Executive
Deputy Chief Executive
Chief Risk Officer and Alternate Chief Executive
Head of Treasury and Markets and Alternate Chief Executive
Chief Financial Officer
Chief Operating Officer
Chief Business Officer, Personal Banking
Chief Business Officer, Wholesale Banking
Head of Personal Banking Division
Head of Human Resources Division

Subject to the consent of the Chairman of the Committee, a member of the Committee may appoint any employee of the Bank (including another member of the Committee) to serve as his / her alternate member during his / her absence and to attend and vote at meetings of the Committee (and any adjourned meetings), and generally at such meeting to perform all the functions of his / her appointor as a member of the Committee and for the purposes of the proceedings at such meeting, such appointment will be effective only upon and subject to the approval of the Chairman of the Committee. Regardless of whether or not the alternate member himself / herself is a member of the Committee, if the alternate member is appointed by one or more member of the Committee to attend any such meeting as an alternate, his / her voting rights shall be cumulative. If his / her appointor is not in Hong Kong for the time being or unable to attend or act, his / her signature to any resolution in writing of the Committee shall be valid as the signature of his / her appointor.

An alternate member shall not, save as aforesaid, have power to act as a Committee member nor be deemed to be a member of the Committee by virtue of these Terms of Reference.

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 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. The following persons (if appointed and not a member of the Committee) are normally invited to attend:

Chief Information Officer
Branch Manager of Guangzhou Branch
Head of Legal and Compliance Division
Head of Strategic Management and Synergy Division
Head of Office of Chief Executive

Only the Committee members and the alternate member being appointed pursuant to Clause 2 of these Terms of Reference shall be entitled to vote at the Committee meetings.

5. Frequency of Meetings and Quorum

5.1 The Committee should meet once every month and at such other times as the Chairman of the Committee may determine or upon request by any member of the Committee.

5.2 The quorum for meetings of the Committee shall be seven members, one of whom should be the Chairman of the Committee or, in his / her absence, the Deputy Chief Executive.

5.3 An alternate member being appointed pursuant to Clause 2 of these Terms of Reference shall be counted in a quorum. However, if that alternate member is currently a Committee member or an alternate for more than one Committee member, he / she shall for quorum purposes be counted as only one Committee member.

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 or approved 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. Delegation of Authority

7.1 The Committee is authorized by the Board to act on its behalf in the day-to-day management of the Bank Group including the power to sub-delegate its powers, authorities and discretions conferred on it to any specialized committee(s) or individual(s) for such time and on such terms as the Committee thinks fit.

7.2 Terms of Reference for each such specialised committee setting out its roles and responsibilities should be approved by the Committee. Each of such committee(s) shall make regular reports to the Committee at regular intervals in a form, timeframe and quality that enable the Committee to discharge its duties effectively.

8. Duties and Responsibilities

The duties, powers and functions of the Committee shall be as follows:

8.1 to manage the day-to-day capital management activities, operations (including but not limited to property investment and purchase, sale and lease of property by the Bank Group) and control of the business of the Bank Group in conformity with its policies and procedures adopted by the Bank Group from time to time;

8.2 to develop and review annual business plans (including human resources plans which comprise the manpower development action plan and, if applicable, the reskilling plan), capital plans (including but not limited to the recovery plan), budgets and other strategic initiatives of the Bank Group for recommendation to and consideration by the Board and, to the extent approved by the Board, monitor and implement these plans, budgets and strategies to ensure that the Bank Group's business activities are consistent with the strategies approved by the Board;

8.3 to discuss and review the Bank Group's business performance delivery against plans and other new business opportunities arising from changing markets and competitive conditions at each monthly Committee meeting and report to the Board on such progress at approximately monthly intervals;

8.4 to manage and oversee the liquidity risk management strategy, policies and procedures of the Bank Group in accordance with the liquidity risk appetite and risk tolerance set by the Board from time to time, and to ensure that the Bank Group's business activities are consistent with the risk tolerance approved by the Board;

8.5 to review and endorse the development and revision of capital-related policies of the Bank Group (for example, the capital management policy), and to determine the actions to be adopted to address potential capital shortfalls and sustain the Bank Group's competitive position;

8.6 to establish and maintain proper and effective systems of financial, capital control, liquidity risk management, operational and management control for the business of the Bank Group to ensure conformity with all statutory and regulatory requirements and relevant internal policies of the Bank Group that are in force from time to time;

8.7 to formulate strategies and policies for the establishment and maintenance of business units/branches/subsidiaries within the Bank Group, including the identification and assessment of the associated risks of setting up the structures or business activities, and to regularly review the relevant strategies and policies; and to ensure that the approved structures and the activities conducted within them are subject to regular internal and external audit reviews;

8.8 to oversee and formulate strategies and frameworks for operational, technology, reputation, strategic, customer data governance and protection, and Environmental, Social and Governance ("ESG") (including but not limited to climate change, green and sustainable finance) risk management for the Bank Group to align with its overall

business objectives, and review periodically and approve the respective risk management policies;

8.9 to review and approve the policies of the Bank Group as required under the Supervisory Policy Manual modules IC-5 (Stress-testing), IC-6 (The Sharing and Use of Consumer Credit Data through Credit Reference Agencies), IC-7 (The Sharing and Use of Commercial Credit Data through a Commercial Credit Reference Agency), CR-G-2 (Credit Approval, Review and Records), CR-G-5 (Country Risk Management) and IR-1 (Interest Rate Risk in the Banking Book) promulgated by the Hong Kong Monetary Authority (as amended from time to time);

8.10 to discuss and review other policy matters with potential for a material impact on the Bank Group;

8.11 to approve the Disclosure Policy setting out the approach used by the Bank Group to determine the content, appropriateness and frequency of the information it discloses to the general public relating to its state of affairs, including its profit and loss and its financial resources and the internal controls it has over the disclosure process;

8.12 to develop, approve and monitor the code of conduct applicable to employees of the Bank Group;

8.13 to monitor the "Business Ethics and Morality" as specified in the Employees' Code of Conduct (as amended from time to time) and the implementation and operation of the "Reporting Procedures", and to report to the Board in a timely manner when material conflicts of interest, both actual and potential, are identified;

8.14 to receive the results from the assessment and feedback mechanisms for staff's actual behavior at least annually and when warranted;

8.15 to ensure that senior management has access to regular training to maintain and enhance their professional capabilities and to keep themselves updated on industry and regulatory developments relevant to their areas of responsibility;

8.16 (i) to review and approve policies and plans relating to ESG (including but not limited to climate change, green and sustainable finance) related risks and other significant ESG related issues, promote and supervise the relevant departments in implementing such policies and plans, ensure that climate change, environmental and other ESG related risks facing the Bank Group are effectively controlled; (ii) to decide the goals of the aforesaid plans and review the progress of such goals; (iii) to review the Environmental, Social and Governance report; and (iv) to confirm the appropriateness of the key performance indicators;

8.17 to act in accordance with the directions and requirements as defined by the Board from time to time;

8.18 to oversee the implementation of the policies, procedures and controls that support the cyber incident response and recovery activities in accordance with the Bank Group's needs; and

8.19 to review at least annually these Terms of Reference and recommend any necessary changes to the Board for approval.

9. Reporting Procedures

9.1 The Committee should report to the Board on a regular basis.

9.2 Minutes of the Committee meetings shall be circulated to all Directors at regular Board meetings. 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 minutes of such meetings should be sent to all Committee members for their comment and records respectively.

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