

Hang Seng Bank Limited

Nomination Policy

1. Objective

- 1.1 This policy sets out the approach and procedures which govern the nomination and selection of directors of Hang Seng Bank Limited (**the “Bank”**), including appointments and re-election of Directors.
- 1.2 The Nomination Committee (**the “Committee”**) of the Bank shall be responsible for:
 - (a) leading the process for Board appointments by identifying and nominating suitable candidates for approval by the Board to complement the Bank’s corporate strategy; and
 - (b) making recommendations to the Board for the re-election by shareholders of Directors retiring by rotation and succession planning for Directors.

2. Selection Criteria

- 2.1 The factors listed below would be used as reference by the Committee in assessing the suitability of a proposed candidate:
 - (a) reputation for integrity;
 - (b) accomplishment and experience in the financial services industry and other relevant sectors;
 - (c) commitment in respect of available time and relevant interests;
 - (d) diversity in all its aspects including, but not limited to, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service; and
 - (e) independence criteria (applicable to Independent Non-executive Directors (**“INED(s)”**) only).

The above criteria are for reference only and are not meant to be exhaustive or decisive. The Committee has the discretion to nominate any person, as it considers appropriate.

3. Nomination Procedures

3.1 **Appointment of Directors by the Board**

- 3.1.1 The Committee shall identify suitable candidates, including referral from Directors, shareholders, management, advisors of the Bank and external search firms, based on merit having regard to the balance of skills, knowledge and experience on the Board as well as the overall Board diversity. The Secretary of the Committee shall convene a meeting of the Committee to deliberate on the proposed candidates.

- 3.1.2 The Committee shall undertake adequate due diligence in respect of the proposed candidates and any potential conflicts of interest identified and make recommendations based on the selection criteria and such other factors that it considers appropriate for the Board's consideration and approval.
- 3.1.3 In accordance with the requirement under the Banking Ordinance, approval from the Hong Kong Monetary Authority will be obtained for new appointment(s).

3.2 Re-election of Directors

- 3.2.1 A retiring Director shall stand for re-election at an annual general meeting of the Bank pursuant to the Bank's Articles of Association. In determining the re-election of such retiring Director, the Board will review the profile of such retiring Director and other factors as well as the structure, size and composition of the Board at that time to consider he/she suitability.
- 3.2.2 Each Director shall be appointed for an initial three-year term subject to retirement by rotation and re-election by shareholders at least once every three years.
- 3.2.3 Pursuant to the Subsidiary Accountability Framework adopted by the HSBC Group which is applicable to the Bank, each INED should serve no more than two three-year terms (all counted from the year of his/her first election by shareholders) and should not serve beyond nine years since their first appointment to any HSBC subsidiary board, any of such extension should be subject to internal governance endorsements.
- 3.2.4 The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for re-election at any general meetings of the Bank.

3.3 Nomination from Shareholders

- 3.3.1 The nomination procedures and the process and criteria to select and recommend candidates for directorship by shareholders are set out in the "Procedures for shareholders to propose candidates for election as Directors of the Bank" which is available on the website of the Bank.

4. Review of this Policy

- 4.1 The Committee shall review this policy from time to time and make recommendations on any proposed revisions as may be required to the Board for approval.

5. Disclosure and Publication

- 5.1 This policy is available on the Bank's website for public information.

- 5.2 A summary of this policy, including the nomination procedures and the process and criteria adopted by the Committee to select and recommend candidates for directorship, will be disclosed in the Corporate Governance Report contained in the Bank's annual report.

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