



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

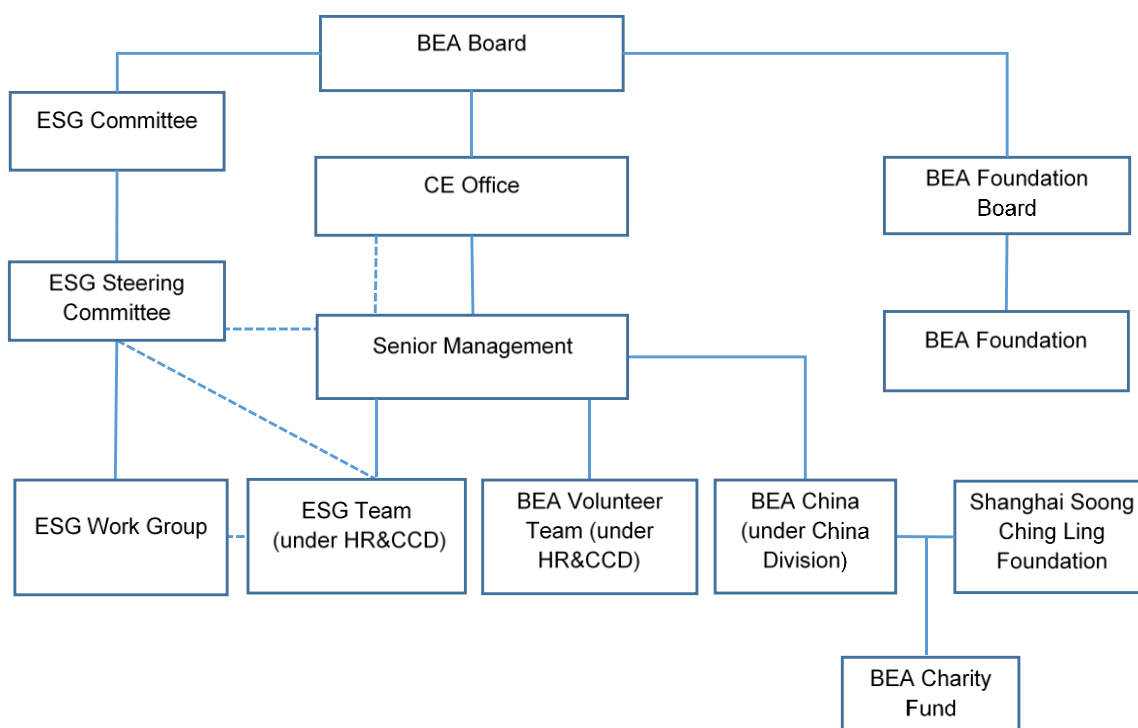
THE ENVIRONMENTAL, SOCIAL, AND GOVERNANCE

COMMITTEE

1. CONSTITUTION

The Board of Directors (the “Board”) of The Bank of East Asia, Limited (“BEA” or the “Bank”) has resolved to establish a committee known as the Environmental, Social, and Governance (“ESG”) Committee (the “ESG Committee”) to strengthen the Bank Group’s (hereinafter including all overseas branches and subsidiaries of the Bank) governance structure to support greater ESG development.

ESG Committee Structure of the Bank and its subsidiaries (collectively, the “Bank Group”)¹



The Senior Management includes the Co-Chief Executives, Deputy Chief Executives, and all General Managers of the Bank. The Bank of East Asia (China) Limited (“BEA China”) and The Bank of East Asia Charitable Foundation (“BEA Foundation”) are wholly-owned subsidiaries of the Bank.

2. MEMBERSHIP

2.1 The ESG Committee members shall be appointed by the Board and shall consist of not less than four members. At least half of the members of the

¹ Solid lines represent direct reporting lines whereas dotted lines represent secondary reporting lines. “CE Office” stands for “Chief Executive Office” while “HR&CCD” stands for the “Human Resources & Corporate Communications Division”.

ESG Committee should be Independent Non-executive Directors.

2.2 The Chairman of the ESG Committee shall be an Independent Non-executive Director appointed by the Board.

2.3 The quorum of any ESG Committee meeting is two members, of which at least one should be an Independent Non-executive Director.

2.4 Once appointed, the office of the members of the ESG Committee shall last as long as he/she remains as a Director (Executive or Non-executive) of the Bank, and the tenure will expire upon the termination or resignation of the member of the ESG Committee as a Director. Notwithstanding the foregoing, the Board may terminate the appointment of any member of the ESG Committee at any time.

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

3. FREQUENCY OF MEETINGS

Meetings will be held not less than twice a year.

4. DUTIES

The specific duties of the ESG Committee are as follows:

- (a) to review and advise the Board on ESG-related issues as required to enable BEA to conduct its business and operations responsibly and sustainably for the benefit of its stakeholders, both present and future;
- (b) to oversee the Bank Group's ESG performance, particularly in regard to strategy and reporting as well as the governance structure for ESG matters, as set forth by the Hong Kong Monetary Authority, The Stock Exchange of Hong Kong Limited and/or other regulators from time to time;
- (c) to review and approve ESG strategies, goals, and targets as presented by the ESG Steering Committee and monitor progress and make recommendations to the Board for approval as appropriate;
- (d) to oversee the assessment of the Bank Group's environmental and social impacts and related risks of ESG issues, and report to the Board for any significant issues;

- (e) to identify and evaluate ESG and climate-related risks and opportunities in the context of the Bank Group's strategic objectives including the extent of the material risks relating to ESG that the Board is willing to take to achieve the Bank Group's strategic objectives, and ensuring that appropriate and effective risk management and internal control systems relating to ESG are in place;
- (f) to determine the ESG issues that are material to the Bank Group and report on these issues to the Board²;
- (g) to resolve ESG-related matters escalated to the ESG Committee by the ESG Steering Committee;
- (h) to review and approve ESG-related policies submitted by the ESG Steering Committee on an annual basis;
- (i) to work closely with other relevant committees of the Board, including but not limited to the Remuneration Committee, Risk Committee and the Audit Committee; and
- (j) to review the annual ESG Report and recommend it to the Board for approval.

5. REPORTING PROCEDURES

- (a) The Secretary will circulate the minutes of meetings of the ESG Committee to all members of the Board.
- (b) Disclosure in the Bank Group's annual ESG Report, which should include information required by Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and a statement from the Board with the following information:
 - (i) the Board's oversight of ESG issues;
 - (ii) the Board's ESG management approach and strategy, including the process used to evaluate, prioritise, and manage material ESG-related issues (including risks to the Bank Group's businesses); and
 - (iii) how the Board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the Bank Group's businesses.

² Materiality refers to those ESG issues that are relatively important to investors and other stakeholders. Please refer to HKEX Leadership Role and Accountability in ESG: Guide for Board and Directors, 2020.

- (c) Disclosure in the Sustainability section of the Bank Group’s Annual Report, which should include the following information:
 - (i) a discussion on the Bank Group’s environmental policies and performance, and
 - (ii) an account of the Bank Group’s key relationships with its employees, customers and suppliers and others that have a significant impact on the Bank Group and on which the company’s success depends³.

6. FREQUENCY OF REVIEW

The Terms of Reference of the ESG Committee should be reviewed on a yearly basis or as required.

In the event of a conflict between the Chinese translation and the English text hereof, the English text will prevail.

³ Companies Ordinance (Chapter 622), Schedule 5, Contents of Directors’ Report: Business Review