REMUNERATION COMMITTEE - TERMS OF REFERENCE

Name

1 The committee shall be called the “Remuneration Committee”.

Membership

2 The committee shall consist of not less than three members of the board of directors of the Bank ("the Board"). Notwithstanding any vacancy in their body, the continuing members of the committee may act so long as the number of members of the committee does not fall below two for a period exceeding three months.

3 The members and chairman of the committee shall be appointed by the Board from time to time for a term of 3 years.

4 The majority of members should be independent directors. An independent director is one who is independent from management and business relationships. Directors appointed by the controlling shareholder as members of the committee shall be considered independent if they are deemed to be independent under the relevant guidelines that the controlling shareholder needs to comply.

5 If a member of the committee resigns, ceases to be a director or for whatever reason ceases to be a committee member, the Bank shall notify the Hong Kong Monetary Authority (“HKMA”) of the event within 7 business days.

Functions

6.1 The committee shall make recommendations to the Board on the Bank’s remuneration system, policies, structure and practices. In particular, the committee should make recommendations to the Board in respect of the remuneration packages of the Bank’s Senior Management and Key Personnel.

Senior Management and Key Personnel include:

• Chief Executive, Deputy Chief Executive, Group Executives, Executive Directors, and other senior executives who are defined as Material Risk Takers under the OCBC Bank Group; and
• Selected managers as defined and reported under the HKMA’s definition of “Managers” whose action may have a material impact on the risk exposure of the Bank.

6.2 The committee should be able to exercise competent and independent judgement on remuneration policies and practices and the incentives thereby created for managing risk, capital and liquidity.

6.3 The committee should ensure that a regular (at least annually) review of the remuneration system of Bank and its local and overseas subsidiaries that are subject to HKMA’s consolidated supervision. The review should be either internally conducted
or externally commissioned and is carried out independently of management, and the result is submitted to the HKMA.

6.4 The committee shall, in its deliberations, take into account remuneration principles, practices and standards that may be specified by the HKMA from time to time.

7 Every member of the committee shall have unfettered access to information which the Bank is in possession of or has access to, for the purposes of carrying out the responsibilities of the committee.

Meetings

8 The committee may meet at any time but at least once in every year together for the despatch of business and adjourn as it may think fit.

9 No business shall be transacted at a meeting unless at least two members of the committee are present, with at least one being an independent director.

10 At all meetings of the committee, the chairman of the committee, if present, shall preside. If the chairman of the committee is absent, the members present at the meeting shall elect a chairman of the meeting.

11 The committee may regulate its own procedures and in particular the calling of meetings, the notice to be given of such meetings, the voting and proceedings thereat, the keeping of minutes and the custody, production and inspection of such minutes.

12 Head of Human Resources Division or any officer appointed by the committee of the Bank shall be the secretary to the committee (the “Secretary”). The Secretary shall be in attendance and a record of the proceedings shall be kept.

13 Review and update its Terms of Reference and recommend any changes to the Board.

Written or Circulating Resolution

14 Any resolution in writing, signed or assented to by members of the committee in accordance with the Articles of the Bank as amended from time to time shall be as effective as a resolution duly passed at a meeting of the committee.

Minutes

15 Copies of the minutes of the meetings of the committee shall be circulated to all the directors of the Bank as soon as it is practicable to do so, with a copy provided to the Company Secretary of the Bank.