

HATTON NATIONAL BANK PLC

POLICY ON BOARD COMMITTEES

1. OVERVIEW

The Board of Directors of the Bank has adopted the Policy on Board committees (the "Policy") to serve as a framework to the committees appointed by the Board to perform its duties with integrity, honesty and in a professional manner in accordance with the Banking Act, the Companies Act, the Listing Rules and the Bank's articles of association and other internal policies and procedures. This document sets forth a summary of such Policy.

Any capitalized term not specifically defined in this Summary will have the meaning therefor set forth in the Policy.

2. PURPOSE

The purpose of the Policy is to establish criteria and guidelines in respect of the composition of Board committees, their duties and responsibilities, procedure to convene and conduct meetings and other relevant policies to ensure that the Board committees effectively discharge their duties and functions delegated by the Board.

3. SCOPE

The Policy applies to the Bank and covers all Directors who serve as members of Board committees, Key Management Personnel and other employees of the Bank, to the extent applicable.

4. BOARD COMMITTEES

4.1 In accordance with the requirements set out in the Listing Rules and the CG Directions, the following committees have been constituted at present:

- (i) Nominations and Governance Committee;
- (ii) Board Audit Committee;
- (iii) Human Resources and Remuneration Committee;
- (iv) Board Integrated Risk Management Committee; and
- (v) Related Party Transactions Review Committee.

- 4.2 The Bank has constituted the following additional Board committees at present:
- (i) Strategy and Investment Review Committee;
 - (ii) Procurement and Assets Disposal Committee;
 - (iii) Board Credit Committee;
 - (iv) Board Recoveries Committee; and
 - (v) Special Board Committee on Digital Banking.
- 4.3 Directors will be appointed as members to each committee in accordance with the Listing Rules, the CG Directions and the terms of reference of the relevant committee.
- 4.4 The chairperson of each Board committee should be a non-executive Director appointed by the Board.

5. THE NOMINATIONS AND GOVERNANCE COMMITTEE

The composition, scope, object, duties and responsibilities of the Nominations and Governance Committee will be as set forth in the Listing Rules, the CG Directions and the Terms of Reference of the Nominations and Governance Committee. The frequency and the conduct of meetings will be as set out in the Policy and the Terms of Reference.

6. THE HUMAN RESOURCES AND REMUNERATION COMMITTEE

The composition, scope, object, duties and responsibilities of the Human Resources and Remuneration Committee will be as set forth in the Listing Rules, the CG Directions and the Terms of Reference of the Human Resources and Remuneration Committee. The frequency and the conduct of meetings will be as set out in the Policy and the Terms of Reference.

7. THE BOARD AUDIT COMMITTEE

The composition, scope, object, duties and responsibilities of the Board Audit Committee will be as set forth in the Listing Rules, the CG Directions and the Terms of Reference of the Board Audit Committee. The frequency and the conduct of meetings will be as set out in the Policy and the Terms of Reference.

8. BOARD INTEGRATED RISK MANAGEMENT COMMITTEE

The composition, scope, object, duties and responsibilities of the Board Integrated Risk Management Committee will be as set forth in the Listing Rules, the CG Directions and the Terms of Reference of the Board Integrated Risk Management Committee. The frequency and the conduct of meetings will be as set out in the Policy and the Terms of Reference.

9. THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The composition, scope, object, duties and responsibilities of the Related Party Transactions Review Committee will be as set forth in the Listing Rules, the CG Directions and the Terms of Reference of the Related Party Transactions Committee. The frequency and the conduct of meetings will be as set out in the Policy and the Terms of Reference.

10. OTHER COMMITTEES

The composition, scope, object, duties and responsibilities of the Strategy and Investment Review Committee, Procurement and Assets Disposal Committee, Board Credit Committee, Board Recoveries Committee and Special Board Committee on Digital Banking will be as set forth in the Policy.

11. PROCEEDINGS OF MEETINGS

The proceedings of the meetings of Board committees will be governed by the Articles which regulate the meetings of the Board. Additionally, Board committees will regulate its meetings in accordance with the Policy and its terms of reference. A member of the committee may participate in a meeting by means of a telephone conference or video conference or any other means of audio-visual communications, ensuring confidentiality and the person shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.