

## HANG SENG BANK LIMITED

### Policy on Conflicts of Interest

The following sets out the policy of the HASE Group (the “**Policy**”) on the notification and review process of directors’ conflicts or potential conflicts of interest (“**conflicts**” or “**conflicts of interest**”). The Policy is compiled by reference to the policy adopted by the HSBC Group on the same subject matter, with appropriate modifications.

The Policy comprises:

- **Part A: Identifying conflicts of interest.** HASE directors should refer to this section for guidance on:
  - (i) their duties in relation to conflicts of interest;
  - (ii) how to spot conflicts; and
  - (iii) what is usually considered a conflict and what is usually not.

Note that all new external directorships and appointments should be notified (see paragraph 1.1.4 of Part A) even though it is recognised that most external directorships and appointments are unlikely to give rise to a conflict situation.

- **Part B: Notifying external appointments or conflicts of interest.** HASE directors should refer to this section for how to notify an external appointment or conflict of interest and to whom.
- **Part C: Review of conflicts of interest.** This sets out how the Board would usually consider a conflict of interest which has been referred to it by the Company Secretary and the action(s) or condition(s) it may impose in relation to it.
- **Part D: Board policy on subsequent reviews and non-compliance.** This sets out how the Board will subsequently review and consider compliance of conflicts which have been referred to it and the Board’s approach to dealing with any non-compliance with the Policy.

Appendix A contains the form on which a director should notify a conflict. The Policy is to address requirements of the Hong Kong Monetary Authority (“**HKMA**”) for the board of authorised institutions to adopt a board-level conflicts of interest policy. The following words have the following meanings in the Policy:

“HASE”	Hang Seng Bank Limited;
“HASE Group”	HASE and its subsidiaries;
“HASE Group entity”	any entity in the HASE Group; an updated list of HASE Group entities, with information on their respective place and nature of business, will be provided to the directors from time to time, to facilitate directors’ identification and determination as to whether there is any conflict or potential conflict under the Policy;

“HSBC Group”                    HSBC Holdings and its subsidiaries; and

“HSBC Holdings”                HSBC Holdings plc.

The Policy applies equally to directors of HASE subsidiaries where conflicts would be reviewed and considered from the perspective of the relevant subsidiary, with “HASE” being replaced by the relevant subsidiary in the context of the Policy.

**[Revised and approved by the Board on 9 February 2023.]**

## Part A Identifying conflicts of interest

### 1 General

#### 1.1 What is a director's duty?

- 1.1.1 A director must not put himself/herself in a situation in which he or she has, or could have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the HASE Group. This applies in particular (but is not limited) to the exploitation of any property, information or opportunity and it is immaterial whether the HASE Group could take advantage of the property, information or opportunity. Unless the shareholders of HASE have consented to the conflict, the consequences of a breach of this duty are: (i) HASE can avoid any relevant contract; and (ii) the director must account to HASE for any secret profit he or she has obtained out of the arrangement.
- 1.1.2 It is therefore each director's personal responsibility to avoid a conflict or a potential conflict unless it has been dealt with in accordance with the Policy. While the Policy sets out certain guidance which aims to help directors consider whether or not a conflict could be said to exist, each director must ultimately make that assessment himself/herself. The question of whether a conflict could be said to exist will be judged objectively - would a "reasonable person" consider there to be a conflict based on the relevant facts?
- 1.1.3 If the facts of a situation could not be reasonably regarded as likely to give rise to a conflict of interest, a director will not be in breach of his/her duty. However, if in doubt, the director should notify the matter to the Company Secretary so that it may be considered in accordance with the Policy.
- 1.1.4 The HKMA Supervisory Policy Manual on Corporate Governance module CG-1 provides that the Board's policy on conflicts should include a review or approval process for directors to follow before they engage in certain activities (such as serving on another board) so as to ensure that such activity will not create a conflict of interest. As such, each director should notify the Company Secretary of:
- (a) all new external directorships;
  - (b) all new external appointments (including appointments in respect of other companies, partnerships, other business entities, trusts, charities, political parties, campaign or interest groups, "think tanks" or other policy institutes, or similar organisations and entities); and
  - (c) any other conflict or potential conflict of interest.

While it is recognised that most external directorships or other external appointments are unlikely to give rise to a conflict situation, in order to put in place the review or approval process expected by the HKMA, each director should nonetheless notify changes to his/her directorships or other external appointments using the Notification Form set out in Appendix A.

- 1.1.5 In addition, where a director or a person connected with a director (see paragraph 1.2.2 below for this definition) has any material interest (directly or indirectly) in a transaction, arrangement or contract or proposed transaction, arrangement or contract with HASE which is of significance to HASE's business, the relevant director must continue to disclose to the Board the nature of such interest as soon as practicable in accordance with the Companies Ordinance and HASE's Articles. The disclosure can be made by way of the Notification Form set out in Appendix A.

It is defined in the Hong Kong Listing Rules that a "contract of significance" is one where any of the percentage ratios (as defined in the Hong Kong Listing Rules) of the transaction is 1% or more.

Attached in Appendix B is a table showing the threshold amount for each of the percentage ratios under the Hong Kong Listing Rules by reference to the latest audited consolidated financial statements and interim report of HASE.

A director's interest in a transaction, arrangement or contract will not be "material" unless:

- (a) in relation to any loan, guarantee or security which is a contract of significance, if the director or any person connected with the director is a party to that contract or if he or any person connected with him has an interest (whether direct or indirect) in more than 50% of the equity of the contracting party; or
- (b) in relation to any other contract of significance, if the director or any person connected with the director is a party to that contract or if he or any person connected with him has an interest (whether direct or indirect) in 10% or more of the equity of the contracting party.

- 1.1.6 A director also has an obligation to abstain from voting on any matter where the director may have a conflict of interest or where the director's objectivity or ability to properly fulfil his or her duties to HASE may be otherwise compromised.

## 1.2 **How can a director spot a conflict or potential conflict?**

- 1.2.1 There are a number of questions a director can ask himself/herself that may help to determine whether or not a conflict or potential conflict exists:

- (a) Could the director's interest/appointment/connection with a third party influence his/her actions as a director of HASE?
- (b) Could the director's interest/appointment/connection with a third party prevent him/her, when acting as a director of HASE, from giving sole consideration to the interests of HASE?

- (c) Could the activities undertaken by the director in a role be likely to prevent him/her from properly performing his/her duties as director of HASE?
- (d) Is the director part of the decision making process of a third party who may have interests that conflict with the interests of HASE?
- (e) Is the director a director of another company which competes with, or may compete with, HASE?
- (f) Does the director otherwise have any material interest (direct or indirect) in a significant contract or proposed contract with HASE? See paragraph 1.1.5 above.

1.2.2 Each director should also take reasonable steps to identify the interests of any person "connected" with himself/herself to consider whether a conflict could arise out of the interests of those persons.

For these purposes, a person is considered as connected to a director if that person is:

- (a) his or her spouse;
- (b) any child or step-child, natural or adopted, under the age of 18 years of the director (together with (a), the **"family interests"**);
- (c) any adult child or step-child, natural or adopted of the director;
- (d) any parent of the director;
- (e) an individual who lives together with the director as part of a couple;
- (f) a child, under the age of 18 years, of a person under (e), if the child lives with the director;
- (g) the trustees, acting in their capacity as such trustees, of any trust of which he/she or any of his/her family interests is a beneficiary or, in the case of a discretionary trust, is (to his/her knowledge) a discretionary object (other than a trust for the purposes of an employee share scheme or a pension scheme);
- (h) any company in the equity capital of which the director, his/her family interests, and/or any of the trustees referred to above, acting in their capacity as such trustees, taken together are directly or indirectly interested so as to exercise or control the exercise of 30% or more of the voting power at general meetings, or in accordance with whose directions a majority of the directors are accustomed to act and any other company which is its subsidiary; and
- (i) a partner, acting in their capacity as such partner, of the director, his/her family interests and/or any of the trustees referred to above acting in their capacity as such trustees (for these purposes, partner has the meaning given under the Partnership Ordinance).

Upon his/her appointment, each director would have provided information on his/her connected persons as defined above to the Company Secretary, to facilitate HASE's compliance with the requirements relating to connected transactions under the Hong Kong Listing Rules. Directors are advised to update such information from time to time.

Other indirect interests may also give rise to a conflict (see examples in paragraph 2 below).

- 1.2.3 A director's duty to avoid a conflict of interest is not qualified by awareness, although lack of awareness can be relevant in determining whether the duty has been breached. For example, if a director has made all such enquiries as a person ought reasonably to make and if on the facts of which that director is aware it would be reasonable to conclude that a conflict is not likely to arise, there are strong grounds to support the conclusion that there is no conflict and therefore the director would not be in breach of his/her duty if it later transpired that a conflict did exist which had not been authorised. For these purposes, it would be reasonable for a director to make enquiries of his/her connected persons. However, where such persons owe duties of confidentiality to third parties and cannot disclose information to the director (for example on the basis of normal client confidentiality), a director would not be expected to know about such a conflict (unless he/she was actually aware of it).

## 2 Conflicts

- 2.1 In view of the potential for conflicts of interest, it is inappropriate for a director of HASE to hold any position (whether as director, employee, consultant, advisory committee member or otherwise) with any bank, deposit-taking company or other type of financial institution conducting business in any territory in which the HASE Group operates without the prior written consent of the Chairman of HASE.
- 2.2 While the above mentioned policy is designed to avoid conflicts, there may be other circumstances in which a conflict of interest could arise. Accordingly, the following examples provide guidance on how to spot conflicts. It should, however, be remembered that each situation will be judged on its own facts and other circumstances may exist which give rise to a conflict but are not covered in the scenarios set out below.

If a director, his/her connected persons or a company of which the director is a director or in which he/she is otherwise interested is (or has):

- 2.2.1 **a director or major shareholder of a company that operates in the banking or financial services sector in the same territories as the HASE Group operates:** While it is a Group general policy not to allow directors to sit on the boards of other major financial institutions, a director of HASE may be a director (or a major shareholder) of, for example, a boutique firm that provides investment advice. If, however, that firm were to compete with the HASE Group in any of its business lines, there is a potential for a conflict;

- 2.2.2 **a director or major shareholder of a company that advises a competitor of the HASE Group:** For example, acting as financial adviser to another entity which is considering making an acquisition, the subject of which the HASE Group is also interested in acquiring;
- 2.2.3 **banking with a HASE Group entity where special circumstances exist:** While most banking arrangements with a HASE Group entity will be on normal commercial terms and are unlikely to give rise to a conflict (see paragraph 3.1 below), special circumstances may exist which may give rise to a conflict. For example, if the director were an executive director of a company which is in financial difficulty, owes a substantial amount of money to a HASE Group entity pursuant to a loan facility and has defaulted on that facility;
- 2.2.4 **transacting as a supplier with a HASE Group entity where special circumstances exist:** While most supply arrangements with a HASE Group entity will be on normal commercial terms and are unlikely to give rise to a conflict (see paragraph 3.2 below), special circumstances may exist which will give rise to a conflict. For example, if the director were an executive officer or a director of a company which is proposing to enter into a significant contract with a HASE Group entity and such director participates in the consideration of the entry into that contract by that company; and/or
- 2.2.5 **other material commercial relationships with the HASE Group:** For example, if the director were a director of a company which has a joint venture with a HASE Group entity (or is party to another transaction with a HASE Group entity). (*Note: The director should consider whether the interest represents a material part of his/her personal assets or is material to the company in which he/she is a director, and in each case whether it could give rise to a conflict of interest with the HASE Group.*)

2.3 It should be noted that the circumstances described above are unlikely to give rise to a conflict where a director is not involved in the decision making process as a director or executive officer of HASE or of a company that has a conflicting interest. In addition, if the answer to each of the questions in paragraph 1.2.1(a) to (f) above is “no”, there is unlikely to be any conflict.

### **3 No conflict**

The following are examples of types of situation that the Board will usually not consider to give rise to a conflict. It should, however, be remembered that each situation must be judged on its own facts and while, in general, the situations set out below are unlikely to give rise to a conflict, circumstances may apply which could mean that there is a conflict. It is each director’s personal responsibility to ensure that a conflict is disclosed and dealt with in accordance with the Policy (or otherwise avoided).

If a director, his/her connected persons or a company of which the director is a director or in which he/she is otherwise interested is (or has):

3.1 **banking arrangements with a HASE Group entity on normal commercial terms:** For example, a bank account or mortgage with a HASE Group entity on normal commercial terms;

- 3.2 **transacting as a supplier with a HASE Group entity on normal commercial terms:** For example, a company in which the director is a director provides services (such as IT, recruitment etc) or goods (such as food, oil, electricity etc) to a HASE Group entity;
- 3.3 **a minority shareholder in HASE or another member of the HASE Group:** Provided the director (or other relevant person) does not own shares in HASE which represent a material part of his/her personal assets and there are no other circumstances which could give rise to a conflict of interest;
- 3.4 **a minority shareholder in another listed company which operates in the banking or financial services sector in the same territories as the HASE Group:** Provided the shares the director (or other relevant person) owns in such a listed company which competes with the HASE Group do not represent a material part of his/her personal assets and there are no other circumstances which could give rise to a conflict of interest;
- 3.5 **a director/shareholder in a company unconnected with the HASE Group:** If the director (or other relevant person) owns shares in (or if the director is a director of) any company which does not operate in the banking or financial services sector and any of the territories in which the HASE Group operates and has no contractual relationship with the HASE Group (other than a banking relationship or supply arrangement on normal commercial terms), the Board is unlikely to consider there to be a conflict (*Note: This may not be the case if in the future a contractual relationship or other competing interest arises, for example, if the company in question acquires an insurance company. As set out in paragraph 1.1.4, each director should notify the Company Secretary of all new external directorships or other external appointments using the Notification Form set out in Appendix A*);
- 3.6 **a shareholding managed on a discretionary basis:** If the director (or other relevant person) owns shares in any company and the holding is managed on his/her behalf by a discretionary fund manager (e.g. pension), the Board is unlikely to consider there to be a conflict.

#### **4 Change in circumstances**

- 4.1 **The circumstances described in the examples in paragraph 3 above do not give rise to a conflict of interest but a change in those circumstances may give rise to such a conflict.** For example, a loan arrangement on normal commercial terms between a company in which a director is interested and a HASE Group entity will not be a conflict of interest but will become a conflict if the company's financial condition deteriorates such that the said HASE Group entity calls in the loan.
- 4.2 It is important that, **where a director has considered that the situation in question could not give rise to a conflict of interest, the director monitors the situation to anticipate any material change in circumstances that could give rise to a conflict.** This is likely to be the case if, as a result of the change in circumstance, the director would feel that it would no longer be appropriate for him/her to be involved in the decision making process with regard to the subject matter of the conflict or where it could otherwise affect his/her actions as a director of HASE, or could be viewed by others as potentially affecting the director's actions.
- 4.3 If a change in circumstances could be considered to give rise to a conflict the director should treat it as a new situation and notify and handle that conflict in accordance with Parts B and C of the Policy.



## **Part B**

### **Notifying external appointments or conflicts of interest**

#### **1 Procedure for notifying external appointments or a conflict or potential conflict**

- 1.1 Before a conflict arises or before accepting any new directorship or appointment referred to in paragraph 1.1.4 of Part A, a director should notify such matter to the Company Secretary by submitting the Notification Form set out in Appendix A and take any action(s) as is considered appropriate by the Board to handle such conflict.
- 1.2 If all the statements in the Notification Form have been confirmed by the director and the Company Secretary believes there are no other grounds for referring the notified matter to the Board for further consideration as it is not considered to give rise to a conflict situation, the Company Secretary will inform the Board of the notified matter at the next scheduled Board meeting.
- 1.3 If any of the statements in the Notification Form have not been confirmed or the Company Secretary otherwise believes it would be appropriate to refer the matter to the Board for further consideration as it may give rise to a conflict situation, the notified matter will be referred to the Board for its consideration as a conflict or potential conflict of interest.
- 1.4 In considering whether a notified matter merits consideration by the Board, the Company Secretary will take into account the guidance set out in the Policy with regard to whether a conflict of interest may exist.
- 1.5 The Board does not intend to call special Board meetings to deal with the review of conflicts and therefore directors should manage their personal interests with this in mind. In particular, if a director is considering accepting an appointment to another board which may reasonably be regarded as giving rise to a conflict, he/she should ensure that it is notified to the Company Secretary before accepting the appointment and if the Board considers any action(s) should be taken before accepting such appointment, that such action(s) is taken. The review by the Board of such notification will be considered at the next scheduled Board meeting following the director's notification to the Company Secretary in accordance with paragraph 2.1 below and the referral to the Board by the Company Secretary.
- 1.6 After the Board's review and decision on such actions as may be appropriate for a conflict or potential conflict, where the facts of the conflict may change (or have changed) materially, the director should treat it as a new situation and notify it in accordance with this Part B.

#### **2 Who should be notified?**

- 2.1 Directors should send any notification of a potential conflict or any new external directorships or appointments referred to in paragraph 1.1.4 of Part A (in the prescribed form) to the Company Secretary.
- 2.2 On receipt, the Company Secretary will review the Notification Form in accordance with paragraphs 1.2 to 1.5 above and include the relevant information in the Board papers to be circulated ahead of the next scheduled Board meeting for the Board's consideration (where any of the statements in the Notification Form have not been confirmed or if the Company Secretary has decided to refer the notified matter to the Board as per paragraphs 1.3 and 1.5 above) or for its information (as per paragraph 1.2 above).

- 2.3 Where the Director has indicated in the Notification Form or the Company Secretary is of the view that the notified matter requires disclosure to the other Directors under Division 5 of Part 11 of the Companies Ordinance (i.e. declaration of a Director's interest in a transaction, arrangement or contract, or a proposed transaction, arrangement or contract with the Bank that is significant to the Bank's business and Director's interest is material), the Company Secretary must within 15 days after receiving the Notification Form, send a copy of the form to each other Director.

### **3 Notification Form**

- 3.1 All notifications should be made using the Notification Form set out in Appendix A to the Policy, which must include full details.
- 3.2 A conflict will not exist if the relevant situation could not be regarded as reasonably likely to give rise to a conflict of interest. However, it is recognised that, to be cautious, directors may wish to notify a situation which does not currently give rise to a conflict of interest but may do in the future if the circumstances change. Notably, in accordance with the expectations of the HKMA for a review or approval process and the Policy, all external directorships and other external appointments should be notified to the Company Secretary in accordance with paragraph 1.1.4 of Part A above on a Notification Form, albeit most of these are in practice unlikely to give rise to a conflict unless special circumstances exist.

## Part C Review of conflicts of interest

### 1 Review by the Board

- 1.1 The Board as a whole is responsible for considering directors' notifications of conflicts (where referred by the Company Secretary in accordance with paragraphs 1.3 and 1.5 of Part B) and deciding the appropriate action(s) if any in relation to such conflict (see paragraph 4 below).
- 1.2 Notifications received since the previous Board meeting will be distributed to directors for their information or, where referred by the Company Secretary, for their consideration.

### 2 Factors to consider

Where a notification is referred by the Company Secretary for the Board's consideration, in deciding the appropriate action(s) in relation to the conflict, the Board will consider the following factors:

- 2.1 Has the director not confirmed any of the statements contained in the Notification Form and if so for what reason?
- 2.2 Do the circumstances relating to the conflict fall within one of the examples of a likely conflict or no conflict set out in Part A of the Policy and are there any other factors which should be considered which could rebut the presumption of a conflict or no conflict?
- 2.3 Does the conflict have, or could it have, any impact on HASE, either in financial or public relations terms or in other respects? (*Note: If there is no impact, and the Board cannot think of a situation where there would be an impact, there is unlikely to be a conflict in the first place.*)
- 2.4 Are the detrimental effects on HASE outweighed by the potential benefits that could arise out of the conflict? (*Generally speaking, where, on balance, the benefits outweigh any detrimental impact on HASE of the conflict (for example, if HASE benefits from having the expertise of a particular director even though he may be an executive director of a supplier), the Board is not likely to require the director to reject the conflict but will exclude the relevant director from board meetings (if any) at which the subject of the conflict is dealt with, e.g. policies with regard to suppliers.*)
- 2.5 Is the relevant situation de minimis such that, on a qualitative assessment of the facts, it is reasonable to conclude the situation is not likely to affect the judgment and/or actions of the director in question and accordingly there is no conflict? Alternatively, if the Board considers that the situation could affect the judgment and/or actions of the director but nevertheless the matter is de minimis, would it be appropriate to permit the activity and, if so, on what terms (see paragraph 4 below)?
- 2.6 Can the conflict be managed such as by requiring the director to abstain from all relevant board discussions (see paragraph 3 below)? If not, the Board may require the director to reject the situation giving rise to the conflict altogether or elevate it to shareholder approval as may be required.

**3 When will the Board usually consider a potential conflict situation can be managed so as to avoid an actual conflict?**

3.1 The following are specific examples of situations that the Board will usually consider as those which can be managed to avoid an actual conflict:

3.1.1 a director is considering being appointed to (or has been appointed to) another board of a company that the Board does not consider is a competitor of the HASE Group;

3.1.2 a director, his/her connected persons or a company of which he/she is a director or otherwise interested in, own shares in HASE;

3.1.3 a director, his/her connected persons or a company of which he/she is a director or otherwise interested in, own shares in a competitor of the HASE Group provided the director has confirmed that the shareholding does not form a material part of the relevant person's assets or the shareholding is held by a discretionary fund manager;

3.1.4 a director, his/her connected persons or a company of which he/she is a director or otherwise interested in, have a banking relationship with a HASE Group entity on normal commercial terms; and

3.1.5 a director, his/her connected persons or a company of which he/she is a director or otherwise interested in, are party to supply contracts with a HASE Group entity on normal commercial terms.

**4 Potential Actions**

4.1 If referred to the Board, the Board may consider the following in relation to a conflict or potential conflict:

4.1.1 no further action needs to be taken;

4.1.2 further action(s) to "manage" the potential conflict situation (see paragraph 4.2 below); or

4.1.3 the conflict cannot be "managed" and therefore one of the actions under paragraph 4.3 should be taken.

4.2 If the Board considers the potential conflict situation can be managed, the Board will usually require the following:

4.2.1 the director absenting himself/herself from Board or committee meetings when any matter is being discussed to which the conflict in question gives rise to, or may give rise to, a conflict of interest and the Company Secretary may choose not to circulate relevant Board papers to that director if appropriate;

- 4.2.2 the director may withhold confidential information which may be relevant to HASE where he/she owes a duty of confidentiality to a third party with respect to that information (for example because he/she is a director of that third party and has acquired the information in his/her role as such) provided that:
- (a) at such time the third party has agreed a reciprocal arrangement where the director is also entitled to withhold from such third party confidential information relating to the HASE Group; and
  - (b) the director also agrees that he/she will not disclose any confidential information relating to the HASE Group to that third party (or anyone else) or use such information for the benefit of the third party (or anyone else);
- 4.2.3 the director not taking part in the decision making process of a third party in relation to, or otherwise be directly involved in, any matter that conflicts with the interests of the HASE Group;
- 4.2.4 the director agreeing to notify the Company Secretary as soon as the director becomes aware that the facts or circumstances of the conflict situation notified under this policy may change (or have changed) materially (including where any reciprocal agreement relating to confidentiality (see above) may be (or has been) withdrawn by a third party; and/or
- 4.2.5 in addition, the Board may decide to attach any other specific conditions or actions if it considers it necessary to manage the potential conflict situation appropriately. This may include reference to a particular change in the fact scenario, which, were such change to occur, would require fresh consideration by the Board, for example, a director is a director of a third party which does not currently compete with the HASE Group but then that third party acquires a competing business.

4.3 If the Board considers there is a real possibility the potential conflict situation cannot be managed, it may require the director to:

- 4.3.1 reject the conflict entirely (for example, not accepting the external appointment) or stand down as director of HASE; or
- 4.3.2 seek shareholder approval.

The above action(s) will generally only be required in the event that the Board considers there is a real possibility of conflict that cannot be managed by imposing any of the requirements set out in paragraph 4.2 above, for example, because the risk of conflict would prevent the director participating in Board meetings on a frequent basis.

## 5 Procedure at Board meetings

- 5.1 Notification of conflicts will be considered at Board meetings if the director cannot confirm any statements on the Notification Form or if otherwise referred to the Board by the Company Secretary. The Board papers distributed for the meeting will include for information, the particulars of any other situations notified to the Company Secretary on a Notification Form received since the previous Board meeting.
- 5.2 For notifications to be considered by the Board, the Board will have the opportunity to ask the interested director(s) any questions before the matter is considered at the meeting.
- 5.3 Any director(s) interested in the matter may be asked to leave the meeting while the matter is being discussed and must abstain from any voting on the appropriate action(s) to be taken in relation to the conflict.
- 5.4 A register will be maintained (the “**Register**”) in which particulars of any conflicts which may from time to time be referred to and reviewed by the Board will be entered.

**Part D**  
**Board policy on subsequent reviews and non-compliance**

**1 Subsequent Reviews**

- 1.1 The Board will review annually any conflicts which have been referred to it by the Company Secretary, together with any updates that have been provided by the relevant director. The Board will also consider the compliance by directors of any condition(s)/action(s) imposed in relation to a conflict in accordance with the Policy. Provided that there has been no material change in circumstance and the Board is of the view that the conflict has not affected the director in his/her role as a director of HASE and the director has complied with the relevant condition(s), the Board will not usually change any of the actions or conditions which have been imposed.
- 1.2 Following receipt of a notification from a director that the facts of the conflict may change (or have changed) materially, the Company Secretary will review the change in circumstance and consider any appropriate action(s) to be taken (including referral to the Board following the procedure set out in Parts B and C of the Policy).
- 1.3 If a director notifies the Company Secretary that the circumstances giving rise to a conflict have ceased to exist, that fact will be noted in the Register. If a director has ceased to be a director of HASE, that fact will also be noted in the Register. In either case, details of any conflict previously notified will be retained by HASE.

**2 Change to actions/conditions**

- 2.1 The Board will consider changing any actions or conditions imposed on a director if, in the opinion of the Board:
- 2.1.1 the conflict is preventing a director from properly discharging his/her duties as a director of HASE (for example, the director is frequently required to absent himself/herself from Board meetings);
  - 2.1.2 the facts of the conflict have changed materially resulting in a detrimental impact on HASE which cannot be managed;
  - 2.1.3 if there is a reciprocal agreement with regard to the withholding of confidential information from a third party and that agreement is withdrawn by such third party; and/or
  - 2.1.4 the director has not complied with the requirements previously imposed.
- 2.2 Before any change in the required actions or conditions, the Board will be able to ask the relevant director questions and the director will have the opportunity to make representations to the Board on the matter.
- 2.3 Any director(s) interested in the matter may be asked to leave the meeting while the matter is being considered and must abstain from voting on that matter (which will be recorded in the minutes for that meeting).
- 2.4 Following the Board meeting at which the change of actions or conditions is considered, the relevant director will be notified if the Board imposes new required actions or conditions and the Register will be updated as necessary.

### **3 Board's approach to non-compliance with the Policy**

- 3.1 A failure to comply with the Policy shall, in the first instance, be reviewed and considered by the Company Secretary who, as appropriate, shall consult the Chairman in accordance with the provisions of this paragraph 3.
- 3.2 A case of non-compliance in respect of a purely administrative matter of the Policy shall not require consultation by the Company Secretary with the Chairman or a referral to the Board. For the purposes of this paragraph 3, a purely administrative matter includes (but is not limited to) matters in connection with the Notification Form submitted by a director where the notified matter meets the criteria in paragraph 1.2 of Part B of the Policy.
- 3.3 In the case of non-compliance with the Policy other than in respect of a purely administrative matter as referred to in paragraph 3.2 above, the Company Secretary shall consult with the Chairman. If the Chairman believes it would be appropriate to refer the matter to the Board for further consideration, the matter will be referred to the Board for its consideration. In considering whether a non-compliance with the Policy merits consideration by the Board, the Chairman may take into account:
- 3.3.1 the guidance set out in the Policy with regard to whether a conflict of interest may exist (including but not limited to the examples given in paragraph 2.2 of Part A of the Policy);
  - 3.3.2 the time between the occurrence of the event giving rise to an actual or potential conflict of interest and the date of notification to the Company Secretary; and
  - 3.3.3 the extent of, and circumstances surrounding the non-compliance.
- 3.4 Once a matter has been referred to the Board in accordance with this paragraph 3, the Board may consider and take any action(s) as is considered appropriate by the Board, having regard to the extent of and circumstances surrounding the non-compliance; such action(s) may include, but are not limited to, taking no further action, requiring the relevant director to attend and complete any training on conflicts of interest, (if the seriousness of the non-compliance warrants such action) requiring the relevant director to stand down as director of HASE, reviewing the Policy to determine whether any updates to the Policy are required and any other action which the Board deems appropriate.
- 3.5 Any director(s) interested in the matter may be asked to leave the meeting while the matter is being discussed and must abstain from any voting on the appropriate action(s) to be taken in relation to the non-compliance.
- 3.6 The Company Secretary will retain a record of all notified instances of non-compliance with the Policy.



**HANG SENG BANK LIMITED (“HASE”)  
CONFLICTS OF INTEREST  
NOTIFICATION FORM**

**Name of director:** .....

**Description of matter which is being notified (please attach separate sheets if required):**

.....  
 .....  
 .....  
 .....

*If an interest arises as a result of another office or directorship, please complete the boxes below, stating whether it is an executive or non-executive office or directorship and, if an executive office or directorship, include brief details of job title/role.*

Company name (in English and Chinese, if any) and nature of business	Position – executive or non-executive (and brief details if executive office or directorship) (in English and Chinese, if any)	Date of appointment

*If an interest arises as a result of a shareholding in another company, please use the space below to include details of the percentage of the interest and approximate monetary value.*

Company name and nature of business	Number of shares acquired	Interest as a percentage	Approximate monetary value

**In relation to each matter described above, I confirm that:**

- It will not influence my actions as a director of HASE.
- It will not prevent me, when acting as a director of HASE, from giving sole consideration to the interests of HASE.
- It will not have an adverse impact on my time commitment as a director of HASE.
- The activities I undertake as a result of the matter described above will not prevent me from properly performing my duties as director of HASE.
- I will not be part of the decision making process of the entity described above in relation to any matters which may involve the HASE Group or give rise to an interest that conflicts with the interests of the HASE Group.
- The entity described above does not compete with, nor is it likely to compete with, the HASE Group.
- In the case of an investment or other monetary interest, it does not represent a material part of my personal assets.

**Please indicate below if you are unable to confirm any of the above statements or if there is another reason why any of the matters which are being notified may give rise to a conflict of interest and state why you consider it appropriate to accept/undertake the matter. Please attach additional sheets if required.**

.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....

**Signed:** ..... **Date:** .....

This form must be signed by the director making the request and sent to the Company Secretary of HASE.

## APPENDIX B

### Threshold amount for each of percentage ratios under the Hong Kong Listing Rules (based on **2024 Financial Statements**)

Ratio	Approximate Threshold amount for a ratio of 1%
<p><b><u>Assets ratio</u></b> The total assets which are the subject of the transaction divided by the total assets of HASE. For this purpose, the amount of the total assets of HASE based on figures in the <b>2024 Financial Statements</b> (after adjustment of <b>2024 4th interim dividend</b>) is <b>HKD1,789,173 million</b>.</p>	<b>HKD17,891 million</b>
<p><b><u>Profits ratio</u></b> The profits attributable to the assets which are the subject of the transaction divided by the profits of HASE. For this purpose, the amount of the profits of HASE based on figures in the <b>2024 Financial Statements</b> is <b>HKD21,014 million</b>.</p>	<b>HKD210 million</b>
<p><b><u>Revenue ratio</u></b> The revenue attributable to the assets which are the subject of the transaction divided by the revenue of HASE. For this purpose, the amount of the revenue of HASE based on figures in the <b>2024 Financial Statements</b> is <b>HKD41,537 million</b>.</p>	<b>HKD415 million</b>
<p><b><u>Consideration ratio</u></b> The consideration divided by the total market capitalisation of HASE. The total market capitalisation is the average closing price of HASE's shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the transaction. <b><i>The figures shown in this row are calculated based on the average closing share price for the period from <b>12 Feb to 18 Feb 2025</b> of <b>HKD103.38</b> per share (i.e. a total market capitalisation of <b>HKD194,588 million</b>). The figures in this row will change with the fluctuation of HASE's market cap.</i></b></p>	<b>HKD1,945 million</b>
<p><b><u>Equity capital ratio</u></b> The number of equity shares to be issued by HASE as consideration for the transaction, divided by the HASE's total number of issued equity shares immediately before the transaction. (Note : <b><i>This ratio is not applicable if no equity capital is issued as consideration for a transaction.</i></b>)</p>	1%

Updated on **19 February 2025**

**LIST OF HASE GROUP ENTITIES** (as at **1 March 2023**)

<u>Name of Companies</u>	<u>Place of business</u>	<u>Nature of Business</u>
1. Hang Seng Bank Limited	Hong Kong	Banking
2. Fulcher Enterprises Company Limited	Hong Kong	Property investment holding
3. Hang Seng Bank (China) Limited	China	Banking
4. Hang Seng Bank (Trustee) Limited	Hong Kong	Trustee services
5. Hang Seng Bullion Company Limited	Hong Kong	Investment holding
6. Hang Seng Credit Limited	Hong Kong	Lending
7. Hang Seng Data Services Limited	Hong Kong	Provision of data services
8. Hang Seng Finance Limited	Hong Kong	Lending
9. Hang Seng Financial Information Limited	Hong Kong	Staff secondment arrangement
10. Hang Seng Indexes Company Limited	Hong Kong	Compilation and dissemination of Hang Seng share index
11. Hang Seng Indexes (Netherlands) B.V.	Hong Kong	Public relations, market research and public opinion polling
12. Hang Seng Insurance Company Limited	Hong Kong	Retirement benefits and life assurance
13. Hang Seng Investment Mgt Limited	Hong Kong	Fund management
14. Hang Seng Investment Services Limited	Hong Kong	Provision of investment commentaries
15. Hang Seng (Nominee) Limited	Hong Kong	Nominee services
16. Hang Seng Qianhai Fund Management Company Limited	China	Fund management
Hang Seng Real Estate Management Limited	Hong Kong	Property management
18. Hang Seng Security Management Limited	Hong Kong	Provision of security services
19. Hang Seng Securities Limited	Hong Kong	Stock brokerage and money changer
20. Haseba Investment Company Limited	Hong Kong	Investment holding
21. HASE Wealth Limited	Hong Kong	Provision of directorship service
22. High Time Investments Limited	Hong Kong	Property investment holding
23. HSI International Limited	Hong Kong	Index-related services
24. Imenson Limited	Hong Kong	Investment holding
25. Yan Nin Development Company Limited	Hong Kong	Property investment holding