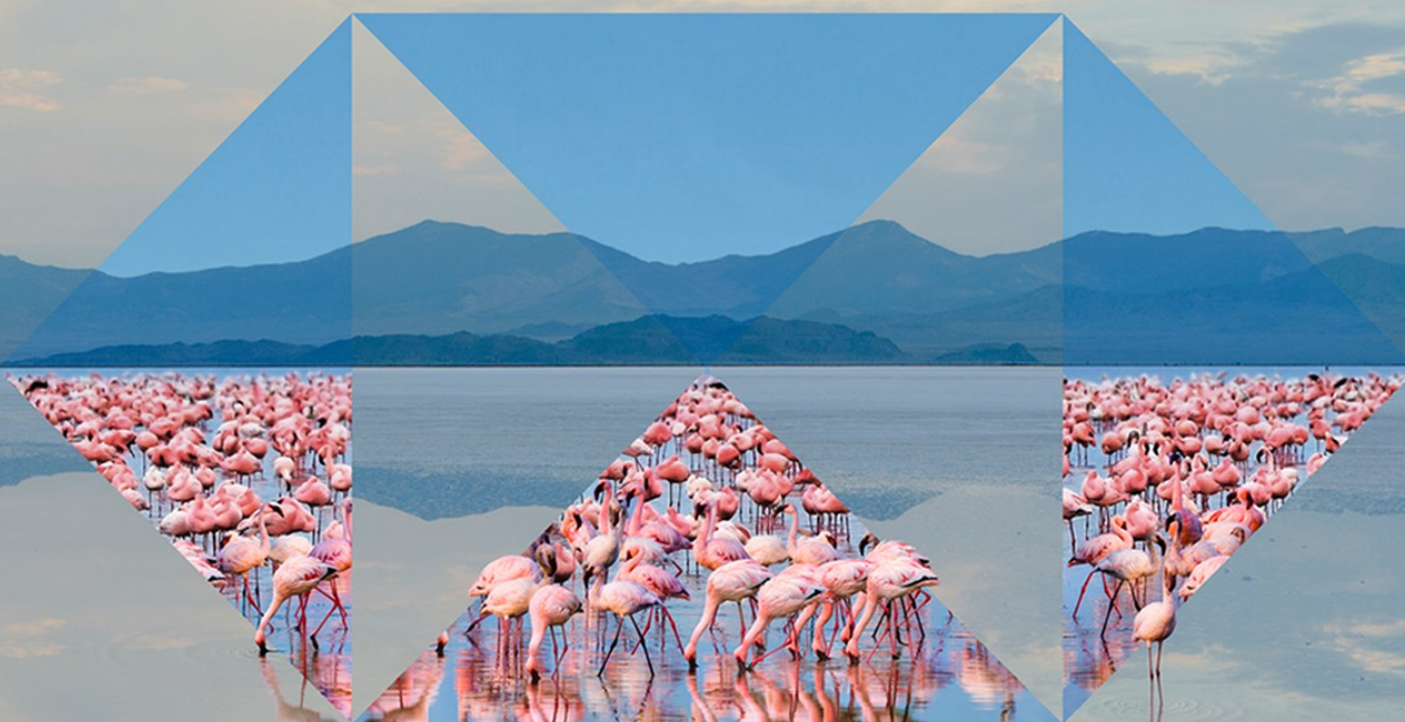


# HSBC Bank (Mauritius) Limited (The “Company”)

## Nomination and Appointment Processes of Non-Executive Directors



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# Constitutional Requirements Governing Directors' Appointments

## Appointment to fill a casual vacancy

The Board of Directors (the "Board") may at any time appoint any person to be a Director either to fill a casual vacancy or as an addition to the existing directors up to the maximum number permitted by the Constitution until the next Annual Meeting of Shareholder (s) where the Director shall then be eligible for re-election by the sole shareholder.

## Appointment by Notice

Appointment of Directors may be effected by notice in writing signed by the sole shareholder, provided the directors have not resigned or been removed or disqualified from office. The Directors shall hold office until such time as they resign, are disqualified or are removed from office in accordance with the Company's Constitution.

## Appointment of Directors by resolution

A person may be appointed as a Director of the Company by Ordinary Resolution passed in a general meeting, subject to:

- ◆ The potential candidate having delivered a notice in writing duly signed before the commencement of the meeting
- ◆ The notice having been duly signed by the sole shareholder confirming their intention to propose such person for election

# Nomination and Appointment Process

Under the leadership of the Chairman, the Board is responsible for the orderly succession of Board membership. In the performance of this responsibility, the Board will consider the size and composition of the Board and recommend any necessary changes, recommend individuals for nomination as potential new non-executive directors, and recommend candidates to board committees.

Having due regard for the maximum number of directors that may be appointed under the Constitution and after considering the necessary and desirable competencies for new directors, prudential fitness and propriety criteria and relevant regulatory and statutory requirements, the Board's collective membership should comprise directors with an appropriate mix of skills, experience and personal attributes that allow them both individually and collectively to:

- ◆ Discharge their responsibilities and duties under the law effectively and efficiently;
- ◆ Understand the business of HBMU and the environment in which the bank operates so as to allow them to set management objectives, goals and strategic direction; and
- ◆ Assess the performance of management in meeting those objectives and goals.

Once the Board has reviewed and is satisfied with the profile of the candidates, they shall then:

- either appoint a director either to fill a casual vacancy or as an addition to the existing directors until the next Annual Meeting of Shareholders (refer to Section 1 above); or
- shall propose the election of the potential candidate/s by way of an ordinary resolution/s in a general meeting, the notice of which shall be duly provided to the shareholder.

- ◆ All Board appointments are subject to the endorsement of the Chief Executive Officer of the sole shareholder, The Hongkong and Shanghai Banking Corporation Limited. The date of appointment shall be that date upon which the Bank of Mauritius (BoM) confirmed their non-objection to the appointment.
- ◆ Reappointment of a Director at the end of his/her mandate shall be subject to approval from the Board of Directors and to election by the shareholder at their Annual Meeting of Shareholder (s).
- ◆ A Memorandum for Directors, which sets out the local legal and regulatory requirements is provided to the new directors where applicable.
- ◆ Necessary filing is effected with regulatory authorities.
- ◆ The Company Secretary shall ensure that an Induction Programme is arranged as soon as practicable in order to aid the new Director(s) in their understanding to the nature of the Bank's activities and to that of its component businesses.