

公司治理

Corporate Governance

本集團致力達至優良之企業管治，於年內已遵循香港金融管理局頒佈之監管政策手冊《本地註冊認可機構的企業管治》(CG-1)指引。

董事會及管理層

董事會負責為本集團整體業務確定目標、制定長遠策略及進行管理。董事會現時由九位具備不同經驗及專業之人士組成。當中五位為執行董事，其餘四位為非執行董事。在四位非執行董事中，三位為獨立非執行董事，發揮不可或缺的獨立監督作用。董事會定期召開會議並於年內召開了四次會議，年內出席率達91.20%。以總裁為首的管理層負責按已審定的策略及政策，制定及執行具體落實方案，並定期向董事會提交本集團表現之詳細報告，以便董事會能夠有效地履行其職責。現時董事會共設立下列六個委員會負責監督本集團各主要範疇。各委員會之詳情如下：

The Group strives to achieve high standards of corporate governance and has followed CG-1 “Corporate Governance of Locally Incorporated Authorised Institutions” of the Supervisory Policy Manual issued by the Hong Kong Monetary Authority during the year.

BOARD OF DIRECTORS AND THE MANAGEMENT

The Board is responsible for setting objectives and formulating long term strategies as well as managing the Group’s overall business. It comprises nine Directors with a variety of different experience and professionalism. Among them, five are Executive Directors, while the remaining four are Non-executive Directors. Of the four Non-executive Directors, three are Independent Non-executive Directors whose indispensable function is to provide independent scrutiny. The Board meets regularly and four board meetings were held in the year with attendance rate of 91.20% in the year. The Management, led by the Chief Executive, is responsible for formulating and implementing detailed programmes to effect the approved strategies and policies, and providing detailed reports on the Group’s performance to the Board on a regular basis to enable the Board to discharge its responsibilities effectively. The Board currently has set up the following six committees to oversee the major areas of the Group. Details of the committees are given below:

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執行委員會

執行委員會（「執委會」）在董事會的授權下負責本集團的整體管理，包括整體營運及重要行政管理事項，以促進本集團的整體協同營運及各項業務及管理的順暢及有效，其主要職責包括：

- 管理本集團的整體運作及業務；
- 協調處理和決定本銀行與附屬公司及本集團與控股公司之間的協同營運所涉及各類事項；
- 制定本集團的發展戰略，並提請戰略與發展委員會審議，以及於董事會批准後監督本集團發展戰略的執行和落實；
- 制定本集團年度業務及資金計劃、預算案及其他策略措施建議，以提請董事會審議，並於董事會批核後監督有關計劃、預算案及策略的執行和落實；
- 為本集團業務營運及發展所需，設立及維持有效的財務、營運及管理控制系統，並確保符合法律及監管規定，按監管當局及控股公司制定的政策，審議本集團的制度及執行細則；
- 討論及檢討有可能對本集團造成重大影響的其他政策事宜；及
- 在上述職責外，就董事會下設其他委員會職責和權力範圍外的事項行使管理、審議、建議、監督等權力，包括資訊科技管理、人力資源戰略及企業文化建設等。

年內，執行委員會共召開21次會議，於年底時，執行委員會成員包括陳孝周先生（主任）、方紅光先生、王湧世先生、孫建東先生、陳細明先生、肖沃根先生、曲和磊先生、程澤宇先生及駱航魯先生，其中陳孝周先生、方紅光先生、王湧世先生、孫建東先生及陳細明先生為本銀行的執行董事。

EXECUTIVE COMMITTEE

Under the authority given by the Board, the Executive Committee is responsible for the overall management of the Group, including overall operation and essential executive management, in order to facilitate the flow and effectiveness of the overall collaboration, businesses and management of the Group. Its main duties include:

- management of the overall operation and business of the Group;
- coordination and determination of all kinds of matters in the collaboration between the Bank and its subsidiaries and between the Group and its holding company;
- formulation of the Group's development strategies for the discussion and approval by the Strategy and Development Committee, and monitoring the execution and implementation of the Group's development strategy after the approval by the Board;
- proposal of the Group's annual business and capital plans, budgets and other strategic measures for the Board's approval and monitor the execution and implementation of the aforesaid plans, budgets and strategies thereafter;
- establishment and maintenance of effective financial, operational and management control systems for the Group's business operation and development with full compliance with relevant legal and regulatory requirements; and discussion and approval of the Group's systems and rules of implementation in accordance with the policies of the regulatory authority and the holding company;
- discussion and review of other policies which may have material impact on the Group; and
- other than the duties as mentioned above, management, discussion, approval, suggestion and monitoring of other matters beyond the duties and authorities of other committees under the Board, including information technology management, human resource strategies, building up corporate culture, etc.

During the year, the Executive Committee has convened 21 meetings. As at the end of the year, members of the Executive Committee included Messrs. Chen Xiaozhou (Chairman), Fang Hongguang, Wang Tong Sai, Sun Jiandong, Chan Sai Ming, Xiao Wogen, Qu Helei, Cheng Zeyu and Luo Hanglu, of which Messrs. Chen Xiaozhou, Fang Hongguang, Wang Tong Sai, Sun Jiandong and Chan Sai Ming were executive directors of the Bank.

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戰略與發展委員會

戰略與發展委員會負責對本集團中長期發展戰略和重大投資決策進行研究，並提出建議，其主要職責包括：

- 制備本銀行的中長期戰略計劃，呈董事會審批；
- 審查、動議、監控、重檢和更新本銀行的中長期戰略計劃，並向董事會提出調整建議；
- 審查本銀行中長期戰略的制定程式，確保其已充分考慮到一定範圍內的所有備選方案；
- 按照既定的標準監控中長期戰略實施情況，向高級管理人員提供方向性的指引；
- 審查高級管理人員提出的重大兼併及收購方案，並向董事會提出建議；及
- 就本銀行主要投資、資本性支出和戰略性承諾向董事會提出建議，並監控其實施情況。

年內，戰略與發展委員會共召開3次會議，於年底時，戰略與發展委員會成員包括陳孝周先生（主席）、方紅光先生、王湧世先生及孫建東先生（自2017年12月7日起獲委任）。彼等均為本銀行的執行董事。

STRATEGY AND DEVELOPMENT COMMITTEE

Strategy and Development Committee is responsible for the consideration and suggestion of the medium and long term development strategies of the Group. Its main duties include:

- preparation of the Bank's medium and long term strategies for the Board's approval;
- examination, proposing, monitoring, review and update of the Bank's medium and long strategies and recommend the Board on necessary adjustments of the strategies;
- examination of the formulation of the Bank's medium and long term strategies and ensure all the potential plans in a certain selective scope have been adequately considered;
- monitoring the implementation of medium and long term strategies in accordance with established standards and provide directive guidance to the Senior Management on the implementation;
- examination of material merge and acquisition plans proposed by the Senior Management and advise the Board on the plans; and
- giving advice to the Board on the Bank's major investment, capital expenditure and strategic commitment and monitoring the implementation of the aforesaid.

During the year, the Strategy and Development Committee has convened 3 meetings. As at the end of the year, members of the Strategy and Development Committee included Messrs. Chen Xiaozhou (Chairman), Fang Hongguang, Wang Tong Sai and Sun Jiandong (appointed effective from 7 December 2017). All of them were executive directors of the Bank.

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稽核委員會

稽核委員會協助董事會對本集團在以下方面履行監控職責：

- 財務報告的真實性和財務報告程序；
- 內部控制系統；
- 內部稽核職能和人員的工作表現；
- 外部核數師的聘任及其資格、獨立性和工作表現的評估；
- 本集團財務報告的定期審閱和年度審計；
- 遵循有關會計準則及法律和監管規定中有關財務訊息披露的要求；及
- 強化公司治理架構。

年內，稽核委員會共召開4次會議，於年底時，稽核委員會成員包括劉漢銓先生（主席）、藍鴻震先生及梁強先生。彼等均為本銀行之非執行董事。其中劉漢銓先生及藍鴻震先生均為獨立非執行董事。

AUDIT COMMITTEE

The Committee assists the Board in fulfilling its oversight role over the Group in the following areas:

- integrity of financial statements and the financial reporting process;
- internal control system;
- performance of internal audit functions and internal auditors;
- appointment of external auditor and evaluation of external auditor's qualifications, independence and performance;
- periodic review and annual audit of the Group's financial statements;
- compliance with applicable accounting standards and legal and regulatory requirements on financial disclosures; and
- enhancement of the corporate governance framework.

During the year, the Audit Committee has convened 4 meetings. As at the end of the year, the members of Audit Committee were Messrs. Lau Hon Chuen (Chairman), Lan Hong Tsung David and Liang Qiang. All were Non-executive Directors of the Bank. Among them, Mr. Lau Hon Chuen and Mr. Lan Hong Tsung David were Independent Non-executive Directors.

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風險管理委員會

風險管理委員會協助董事會就本銀行之風險管理履行以下的職責：

- 建立／重檢本集團的風險管理架構和風險管理戰略；
- 識別、評估、管理本集團面臨的重大風險；
- 監察、審查及評估本集團風險管理政策、程序、架構、風險資訊系統、基礎設施、資源及內部控制的情況，是否充分及有效；
- 審查、批准高層次的風險政策，並監督其執行情況；及
- 從風險管理角度評估本銀行薪酬激勵機制是否符合風險文化及風險取向。

年內，風險管理委員會共召開4次會議，於年底時，風險管理委員會成員包括梁強先生（主席）、方紅光先生、劉漢銓先生及藍鴻震先生。彼等均為本銀行之董事。其中劉漢銓先生及藍鴻震先生均為獨立非執行董事。

RISK MANAGEMENT COMMITTEE

The Risk Management Committee assists the Board in performing the duties in respect of the risk management of the Bank in the following areas:

- formulation/review of the risk management framework and risk management strategy of the Group;
- identification, assessment and management of material risks faced by the Group;
- oversight, review and assessment of the adequacy and effectiveness of the Group's risk management policies, procedures, system framework, risk management systems, infrastructure, resources and internal control;
- review and approval of high-level risk-related policies of the Group and monitoring the implementation of the aforesaid; and
- examine the remuneration system should align with the Group's risk culture and risk appetite from the risk management point of view.

During the year, the Risk Management Committee has convened 4 meetings. As at the end of the year, the members of the Risk Management Committee were Messrs. Liang Qiang (Chairman), Fang Hongguang, Lau Hon Chuen and Lan Hong Tsung David. All were Directors of the Bank. Among them, Mr. Lau Hon Chuen and Mr. Lan Hong Tsung David were Independent Non-executive Directors.

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關聯交易委員會

關聯交易委員會協助董事會就本銀行之關聯交易履行以下的職責：

- 審閱並批准本行關聯交易管理政策；
- 定期收取關聯交易報備，並充分瞭解本行關聯交易管理情況，並給出指導意見；及
- 按照法律、行政法規的規定和公正、公允的商業原則，及時審批重大關聯交易。

年內，關聯交易委員會共召開4次會議，於年底時，關聯交易委員會成員包括藍鴻震先生（主席）、劉漢銓先生及陳細明先生。彼等均為本銀行之董事。其中藍鴻震先生及劉漢銓先生均為獨立非執行董事。

提名及薪酬委員會

提名及薪酬委員會成員共有4名，其中包括1名非執行董事梁強先生，以及3名獨立非執行董事張信剛先生、劉漢銓先生及藍鴻震先生，委員會主席由藍鴻震先生擔任。自2017年6月8日起，非執行董事吳松雲先生辭任提名及薪酬委員會委員。獨立非執行董事佔委員會成員的75%。

CONNECTED TRANSACTIONS COMMITTEE

The Connected Transaction Committee assists the Board in performing the duties in respect of connected transaction of the Bank in the following areas:

- Review and approve the Bank's connected transaction policy;
- Regularly receives connected transactions information and fully understands the management of connected transactions of the Bank and gives guidance; and
- In accordance with the provisions of laws and administrative regulations and fair and equitable business principles, timely approve the bank's major connected transactions.

During the year, the Connected Transaction Committee has convened 4 meetings. As at the end of the year, the members of the Connected Transaction Committee were Messrs. Lan Hong Tsung David (Chairman), Lau Hon Chuen and Chan Sai Ming. All were Directors of the Bank. Among them, Mr. Lan Hong Tsung David and Mr. Lau Hon Chuen were Independent Non-executive Directors.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises four members, including one Non-executive Director, Mr. Liang Qiang, and three Independent Non-executive Directors, namely Messrs. Chang Hsin Kang, Lau Hon Chuen and Lan Hong Tsung David. It was chaired by Mr. Lan Hong Tsung David. With effect from 8 June 2017, Mr. Wu Songyun, a Non-executive Director of the Board, resigned as the member of Nomination and Remuneration Committee. The Independent Non-executive Directors represent 75% of the Committee members.

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提名及薪酬委員會 (續)

提名及薪酬委員會負責協助董事會對本集團在以下方面 (但不僅限於以下方面) 履行職責:

- 本集團的人力資源策略、薪酬策略及激勵框架;
- 監控本集團與機構企業文化相關的情況;
- 董事、董事會附屬委員會成員、及由董事會不時指定的高級管理人員的篩選和提名 (定義為「高級管理人員」);
- 董事會和各委員會的結構、規模、組成應遵循董事會成員多元化的原則 (包括但不限於性別、年齡、文化及教育背景、種族、地區、專業經驗、技能、知識等);
- 董事、各委員會成員、高級管理人員及主要人員的薪酬;
- 董事會及各委員會的有效性; 及
- 董事及高級管理人員的培訓及持續專業發展。

提名及薪酬委員會於2017年內的工作主要包括根據職責及權限進行審批、審議並向董事會建議:

- 重要人力資源及薪酬政策的制訂、重檢和修訂, 包括本行的《薪酬及激勵政策》及《浮薪遞延政策》等;
- 高級管理人員及主要人員2016年度的績效考核結果;
- 高級管理人員及主要人員2016年度花紅發放方案、2017年度薪酬調整方案及特別獎金發放;

NOMINATION AND REMUNERATION COMMITTEE (Cont'd)

The Nomination and Remuneration Committee assists the Board in performing the duties in respect of the Group in, among others, the following areas:

- human resources, remuneration strategy and incentive framework of the Group;
- monitor the culture-related matters of the Group;
- selection and nomination of Directors, Board Committee members and certain senior executives as designated by the Board from time to time (defined as "Senior Management");
- structure, size and composition of the board of directors and committees shall be governed by the principle of diversity of board members (including but not limited to gender, age, cultural and educational background, ethnicity, geographical location, professional experience, skills and knowledge etc.) of the Board and Board Committees;
- remuneration of Directors, Board Committee members, Senior Management and Key Personnel;
- effectiveness of the Board and Board Committees; and
- training and continuous professional development of Directors and Senior Management.

Key tasks performed by the Nomination and Remuneration Committee during 2017 included the approval, review and proposal to the Board on the following according to the responsibilities and authorities:

- formulation, review and amendment on major human resources and remuneration policies, including the review of the "Remuneration and Incentive Policy" and "Deferral Variable Remuneration Policy" etc.;
- performance appraisal result of the Senior Management and Key Personnel for year 2016;
- proposal on staff bonus for year 2016, salary adjustment for year 2017 and special bonus of the Senior Management and Key Personnel;

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提名及薪酬委員會 (續)

- 2017年度高級管理人員及主要人員的績效考核目標；
- 重檢提名及薪酬委員會職責約章、工作規則及會議常設議程；
- 重檢董事獨立性政策；
- 2017年董事輪選事宜；
- 2016年董事獨立性報告；
- 2016年董事會及各附屬委員會的自我評估報告；
- 處理本集團調整及委任董事事宜；
- 處理主要人員任免事宜。

提名及薪酬委員會於2017年內共召開2次會議，全部董事出席率達90%。

NOMINATION AND REMUNERATION COMMITTEE (Cont'd)

- key performance indicators of the Senior Management and Key Personnel for year 2017;
- review of the Mandate, Working Rules and Standing Agenda of the Nomination and Remuneration Committee;
- review of Directors' Independency Policy;
- election of Directors for 2017;
- Directors' independency report for 2016;
- self-evaluation report of the Board and Board Committees for 2016;
- consideration of the matters relating to the adjustment and appointment of the Directors of the Group;
- consideration of the appointment and resignation of Key Personnel.

There were two Nomination and Remuneration Committee meetings held during 2017. The attendance rate of all the Directors was 90%.

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薪酬及激勵機制

本集團的薪酬及激勵機制按「有效激勵」及「穩健薪酬管理」的原則，將薪酬與績效及風險因素緊密掛鉤，在鼓勵員工提高績效的同時，也加強員工的風險意識，實現穩健的薪酬管理。

本集團的薪酬及激勵政策已符合金管局《穩健的薪酬制度指引》訂明的總體原則，並適用於南洋商業銀行有限公司及其所有附屬機構。

• 「高級管理人員」及「主要人員」

本集團下列人員已界定為符合金管局《穩健的薪酬制度指引》定義之「高級管理人員」及「主要人員」：

- 「高級管理人員」：董事會直接管理的高級管理人員，負責總體策略或重要業務，包括管理董事、總裁、副總裁、執委會委員、執委會各小組負責人、首席策略官、財務總監、風險總監、技術總監、董事會秘書、稽核部主管及其他指定崗位人員。
- 「主要人員」：個人業務活動涉及重大風險承擔，對風險暴露有重大影響，或個人職責對風險管理有直接、重大影響，或對盈利有直接影響的人員，包括業務盈利規模較大的單位主管、主要附屬公司第一責任人、資金處主管及風險管理部主管。

REMUNERATION AND INCENTIVE MECHANISM

The Remuneration and Incentive Mechanism of the Group is based on the principles of “effective motivation” and “sound remuneration management”. It links remuneration with performance and risk factors closely. It serves to encourage staff to enhance their performance, and at the same time, to strengthen their awareness of risk so as to achieve sound remuneration management.

The Remuneration and Incentive Policy of the Group is generally in line with the broad principles set out in the HKMA’s “Guideline on a Sound Remuneration System” and applicable to Nanyang Commercial Bank Limited and all of its subsidiaries.

• “Senior Management” and “Key Personnel”

The following groups of employees have been identified as the “Senior Management” and “Key Personnel” as defined in the HKMA’s “Guideline on a Sound Remuneration System”:

- “Senior Management”: The senior executives directly managed by the Board who are responsible for oversight of the firm-wide strategy or material business lines, including Managing Director, Chief Executive, Deputy Chief Executives, Executive Committee Members, Heads of Executive Committee Working Group, Chief Strategy Officer, Chief Financial Officer, Chief Risk Officer, Chief Technology Officer, Board Secretary, Head of Audit Department and other particular personnel.
- “Key Personnel”: The employees whose individual business activities involve the assumption of material risk which may have significant impact on risk exposure, or whose individual responsibilities are directly and materially linked to the risk management, or those who have direct influence to the profit, including heads of material business lines, heads of major subsidiaries, Head of Treasury, as well as Head of Risk Management Department.

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薪酬及激勵機制 (續)

• 薪酬政策的決策過程

為體現上述原則，並確保本集團的薪酬政策能促進有效的風險管理，本集團層面的薪酬政策由人力資源處主責提出建議，視實際需要徵詢風險管理、財務管理、及合規等風險監控職能單位意見，以平衡員工激勵、穩健薪酬管理及審慎風險管理的需要。薪酬政策建議提呈提名及薪酬委員會審查後，報董事會審定。提名及薪酬委員會及董事會視實際需要徵詢董事會其他屬下委員會（如風險管理委員會、稽核委員會等）的意見。

• 薪酬及激勵機制的主要特色

1. 績效管理機制

本集團的績效管理機制對集團層面、單位層面及個人層面的績效管理作出規範。本集團年度目標在平衡計分卡的框架下，向下層分解，從財務、客戶、基礎建設／重點工作、人員、風險管理及合規等維度對高級管理人員及不同單位（包括業務單位、風險監控職能單位及其他單位）的績效表現作出評核。對於各級員工，透過分層績效管理模式，將本集團年度目標與各崗位的要求連結，並以員工完成工作指標、對所屬單位整體績效的影響、履行本職工作風險管理責任及合規守紀等作為評定個人表現的主要依據，既量度工作成果，亦注重工作過程中所涉及風險的評估及管理，確保本集團安全及正常運作。

REMUNERATION AND INCENTIVE MECHANISM (Cont'd)

• Determination of the Remuneration Policy

To fulfill the above-mentioned principles and to facilitate effective risk management within the framework of the Remuneration Policy of the Group, Human Resources Division is responsible for proposing the Remuneration Policy of the Group and will seek consultation of the risk control units including risk management, financial management and compliance if necessary, in order to balance the needs for staff motivations, sound remuneration and prudent risk management. The proposed Remuneration Policy will be submitted to the Nomination and Remuneration Committee for review and thereafter to the Board of Directors for approval. The Nomination and Remuneration Committee and the Board of Directors will seek opinions from other Board Committees (e.g. Risk Management Committee, Audit Committee, etc.) where they consider necessary.

• Key Features of the Remuneration and Incentive Mechanism

1. Performance Management Mechanism

The Group has put in place a performance management mechanism to formalise the performance management at the levels of the Group, units and individuals. The annual targets of the Group will be cascaded down under the framework of balanced scorecard whereby the performance of the Senior Management and different units (including business units, risk control units and other units) would be assessed from the perspectives of financial, customer, building blocks/key tasks, human capital, risk management and compliance. For individual staff at different levels, annual targets of the Group will be tied to their job requirements through the performance management mechanism. Performance of individuals will be appraised on their achievement against targets, their contribution towards performance of their units and fulfilment of risk management duties and compliance, etc. Not only is target accomplishment taken into account, but the risk exposure involved during the course of work could also be evaluated and managed, ensuring security and normal operation of the Group.

公司治理 Corporate Governance

薪酬及激勵機制 (續)

- 薪酬及激勵機制的主要特色 (續)

2. 薪酬的風險調節

為落實績效及薪酬與風險掛鈎的原則，因應本集團風險調節方法，把銀行涉及的主要風險調節因素結合到本集團的績效考核機制中。風險調節主要針對風險合規、內控審計、風險管理、負債及流動性管理等方面出現的重大問題。而本銀行的浮薪總額則按經董事會審定的風險調節後的績效結果計算，並由董事會酌情決定，以確保本銀行浮薪總額是在充分考慮本銀行的風險概況及變化情況後決定，從而使薪酬制度貫徹有效的風險管理。

3. 以績效為本、與風險掛鈎的薪酬管理

員工的薪酬由「固定薪酬」和「浮動薪酬」兩部分組成。固薪和浮薪的比重在達致適度平衡的前提下，因應員工職級、角色、責任及職能而釐定。一般而言，員工職級愈高及／或責任愈大，浮薪佔總薪酬的比例愈大，以體現本集團鼓勵員工履行審慎的風險管理及落實長期財務的穩定性的理念。

每年本集團將結合薪酬策略、市場薪酬趨勢、員工薪金水平等因素，並根據本集團的支付能力及集團、單位和員工的績效表現，定期重檢員工的固薪。如前所述，量度績效表現的因素，包括定量和定性的，也包括財務及非財務指標。

REMUNERATION AND INCENTIVE MECHANISM (Cont'd)

- Key Features of the Remuneration and Incentive Mechanism (Cont'd)

2. Risk Adjustment of Remuneration

To put the principle of aligning performance and remuneration with risk into practice, based on the risk adjustment method of the Group, the key risk modifiers of the bank have been incorporated into the performance management mechanism of the Group. Risk adjustment focuses on major issues such as risk compliance, internal control audit, risk management, liability and liquidity management. The size of the variable remuneration pool of the Bank is calculated according to the risk adjusted performance results approved by the Board and is subject to its discretion. This method ensures the Bank to fix the Bank's variable remuneration pool after considering risk exposures and changes and to maintain effective risk management through the remuneration mechanism.

3. Performance-based and Risk-adjusted Remuneration Management

The remuneration of staff is composed of "fixed remuneration" and "variable remuneration". The proportion of one to the other for individual staff members depends on job grades, roles, responsibilities and functions of the staff with the prerequisite that balance has to be struck between the fixed and variable portion. Generally speaking, the higher the job grades and/or the greater the responsibilities, the higher will be the proportion of variable remuneration so as to encourage the staff to follow the philosophy of prudent risk management and sound long-term financial stability.

Every year, the Group will conduct periodic review on the fixed remuneration of the staff with reference to various factors like remuneration strategy, market pay trend and staff salary level, and will determine the remuneration based on the affordability of the Group as well as the performance of the Group, units and individuals. As mentioned above, performance assessment criteria include quantitative and qualitative factors, as well as financial and non-financial indicators.

公司治理 Corporate Governance

薪酬及激勵機制 (續)

- 薪酬及激勵機制的主要特色 (續)

3. 以績效為本、與風險掛鈎的薪酬管理 (續)

按本銀行《浮薪資源總額管理政策》的相關規定，董事會主要根據本銀行的財務績效表現、與本銀行長期發展相關的非財務戰略性指標的完成情況，結合風險因素等作充分考慮後，審批浮薪資源總額。除按有關規定的公式計算外，董事會可根據實際情況對本銀行的浮薪資源總額作酌情調整。在本銀行業績表現較遜色時（如未達至銀行績效的門檻條件），原則上不發當年浮薪，惟董事會仍有權視實際情況作酌情處理。

在單位及員工層面方面，浮薪分配與單位及個人績效緊密掛鈎，有關績效的量度須包含風險調節因素。風險控制職能單位人員的績效及薪酬評定基於其核心職能目標的完成情況，獨立於所監控的業務範圍；對於前線單位的風險控制人員，則透過跨單位的匯報及考核機制確保其績效薪酬的合適性。在本集團可接受的風險水平以內，單位的績效愈好及員工的工作表現愈優秀，員工獲得的浮薪愈高。

REMUNERATION AND INCENTIVE MECHANISM (Cont'd)

- Key Features of the Remuneration and Incentive Mechanism (Cont'd)

3. Performance-based and Risk-adjusted Remuneration Management (Cont'd)

According to the Bank Bonus Funding Policy, the size of the variable remuneration pool of the Bank is determined by the Board on the basis of the financial performance of the Bank and the achievement of non-financial strategic business targets under the long-term development of the Bank. Thorough consideration is also made to the risk factors in the determination process. The size of the pool is reached based on pre-defined formulaic calculations but the Board can make discretionary adjustment to it if deemed appropriate under prevailing circumstances. When the Bank's performance is relatively weak (e.g. failed to meet the threshold performance level), no variable remuneration will be paid out that year in principle. However, the Board reserves the rights to exercise its discretion.

As far as individual units and individual staff are concerned, allocation of the variable remuneration is closely linked to the performance of the units, and that of each individual staff as well as the unit he/she is attaching to, and the assessment of which should include risk modifiers. The performance and remuneration arrangement of risk control personnel are determined by the achievement of their core job responsibilities, independent from the business they oversee; for front-line risk controllers, a cross-departmental reporting and performance management system is applied to ensure the suitability of performance-based remuneration. Within the acceptable risk level of the Group, the better the performance of the unit and the individual staff, the higher will be the variable remuneration for the individual staff.

公司治理 Corporate Governance

薪酬及激勵機制 (續)

- 薪酬及激勵機制的主要特色 (續)
- 4. 浮薪發放與風險期掛鈎，體現本集團的長遠價值創造

為實現薪酬與風險期掛鈎的原則，使相關風險及其影響可在實際發放薪酬之前有足夠時間予以充分確定，員工的浮薪在達到遞延發放的門檻條件下，按規定，以現金形式作遞延發放。就遞延發放的安排，浮薪水平愈高的員工，遞延浮薪的比例愈大。遞延的年期為3年。

遞延浮薪的歸屬與本集團長遠價值創造相連結，其歸屬條件與本集團未來3年的年度績效表現及員工個人行為緊密掛鈎。每年在本集團績效達到門檻條件的情況下，員工按遞延浮薪的歸屬比例歸屬當年的遞延浮薪。若員工在浮薪遞延期間被發現曾有欺詐行為、任何評定績效表現或浮薪所涉及的財務性或非財務性因素其後被發現明顯遜於當年評估結果、因個人行為或管理模式對其所在單位乃至集團造成負面影響，包括但不限於不適當或不充分的風險管理等情況，本集團將取消員工未歸屬的遞延浮薪，不予發放。

- 薪酬披露

本集團已完全遵照金管局《穩健的薪酬制度指引》第三部份要求，披露本集團薪酬及激勵機制的相關資訊。

REMUNERATION AND INCENTIVE MECHANISM (Cont'd)

- Key Features of the Remuneration and Incentive Mechanism (Cont'd)
- 4. *Linking the payout of the variable remuneration with the time horizon of the risk to reflect the long-term value creation of the Group*

To work out the principle of aligning remuneration with the time horizon of risk and to ensure that sufficient time is allowed to ascertain the associated risk and its impact before the actual payout, payout of the variable remuneration of staff is required to be deferred in cash if such amount reaches certain prescribed threshold. The higher amount of the variable remuneration received by the staff, the higher will be the proportion of deferral. Deferral period lasts for 3 years.

The vesting of the deferred variable remuneration is linked with the long term value creation of the Group. The vesting conditions are closely linked to the annual performance of the Group in the next 3 years and the individual behaviour of the staff concerned. When the Group's performance has met the threshold requirement, the deferred variable remuneration would be vested following the corresponding schedule. However, if a staff is found to have committed fraud, or any financial or non-financial factors used in performance measurement or variable pay determination are later proven to have been manifestly worse than originally understood in a particular year, or individual behaviour/management style pose negative impacts to the business unit and even the Group, including but not limited to improper or inadequate risk management, etc., the unvested portion of the deferred variable remuneration of the relevant staff would be forfeited.

- Disclosure on remuneration

The Group has fully complied with the guideline in Part 3 of the "Guideline on a Sound Remuneration System" issued by the HKMA to disclosure information in relation to our remuneration and incentive mechanism.