MCB Capital Markets

MCB CAPITAL MARKETS LTD

Financial Products Supervisory Committee

CHARTER

1. Objectives of the Committee

The Terms of Reference of the Financial Products Supervisory Committee (the "Committee"), set up on 18th June 2015 at the level of MCB Capital Markets Ltd (MCBCM), sets out the objectives, roles and responsibilities, authority and composition of the Committee. The objective of the Committee is mainly to review all financial products in issue or proposed to be issued by MCBCM entities including the Structured Products issued by MCB Structured Solutions Ltd (hereinafter collectively referred to as the "MCBCM Products". The Committee will also approve (or recommend for approval to the relevant Board within MCBCM) all new financial products being launched by any MCBCM entity. For the avoidance of doubt, Collective Investment Schemes (or products linked to Collective Investment Schemes such as the MCB Education Plan and MCB Retirement Plan) do not fall within the purview of the Committee but of that of the CIS Supervisory Committee.

2. Membership

- The Committee shall comprise of a minimum of 3 and a maximum of 6 members, who shall be appointed by the Board.
- The Board may co-opt specialists as permanent members of the Committee.
- The Board shall appoint the Committee chairperson. The chairperson on the Board shall not be eligible to be appointed as the chairperson of the Committee. In the absence of the chairman of the Committee, the members present at any meeting of the Committee shall elect one of them to chair the meeting.
- The company secretary shall act as the secretary of the Committee.
- Each member of the Committee shall disclose to the Committee any personal financial interest in matters to be decided by the Committee.

3. Role and responsibilities of the Committee

The Committee shall:

- Review, under advice from the Company's legal advisor, if required, any legal matters that could have an impact on the MCBCM Products.
- Monitor compliance with legislation, rules and regulations affecting the MCBCM Products.
- Review where applicable the performance reports of the MCBCM Products.
- Ensure that all material risks pertaining to the MCBCM Products are being properly managed.

- Bring to the attention of the Board any discrepancy noted in relation to the MCBCM Products.

- Investigate any matter or take any other action that may be required by the Board.

4. Authorities

- The Committee should be provided with sufficient resources to undertake its duties.

- The Committee may seek internal and external legal or other professional advices; and to secure the attendance at meetings of outsiders with relevant expertise and experience if it reasonably considers this necessary, at the Company's expense and subject to the Board's approval.

- The Committee shall have access to the services of the secretary on all Committee matters.

- The Committee is authorised to investigate any activity within its terms of reference.

- The Committee shall have full authority to commission any reports or surveys which it deems necessary to help it fulfil its obligation.

5. Meeting

- The Committee shall meet at least twice yearly.

- The quorum necessary for the transaction of business shall be 2 members when the Committee shall consist of 3 or 4 members and 3 members when the Committee shall consist of 5 or six members. A duly convened meeting of the committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the committee. A member may participate in a meeting of the Committee by telephone and be counted in the quorum.

- The secretary shall minute the proceedings and resolutions of all meetings of the committee, including recording the names of those present and in attendance.

- Minutes of committee meetings shall be circulated promptly to all members of the committee.

6. Reporting

- The approved minutes of each meeting of the Committee shall be circulated at the Board meeting immediately succeeding the approval of such minutes.

- The chairperson of the Committee should give, whenever requested by the Board, a verbal summary of the Committee's deliberations at the next board meeting. The chairman of the Committee must be prepared to answer appropriate and legitimate questions pertaining to the Committee's work to the board.

- The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

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