



FIRST PACIFIC COMPANY LIMITED

第一太平有限公司

(Incorporated with limited liability under the laws of Bermuda)

Website: www.firstpacific.com

(Stock Code: 00142)

FINANCE COMMITTEE TERMS OF REFERENCE

1. OBJECTIVES

The Finance Committee (the “**Committee**”) of First Pacific Company Limited (the “**Company**”) is established to review the Company’s key financial operations and decisions. The Committee’s scope of work is set forth in paragraph 5 below. The Committee reports directly to the board of directors of the Company (the “**Board**”).

2. MEMBERSHIP

- i. All members of the Committee (the “**Members**”) shall be appointed by the Board and can be removed by the Board at its sole discretion.
- ii. The Committee shall consist of four independent non-executive directors and the Chief Executive Officer of the Company.
- iii. The chairman of the Committee (the “**Chairman**”) shall be appointed by the Board and must be an independent non-executive director.
- iv. The Board may from time to time vary the composition of the Committee.
- v. The Company Secretary shall be the Secretary of the Committee. In the absence of the Secretary, his/her representative or any one of the Members shall be the Secretary of the Committee.

3. MEETINGS

i. Frequency

The Committee shall meet at least twice a year. In addition, the Chairman may convene additional meetings at his/her discretion, and at such other times as the Committee may determine appropriate to perform its responsibilities.

ii. Notice

Notice of meetings of the Committee will be given at least fourteen (14) days prior to the relevant meeting being held, unless all Members unanimously waive such notice. Irrespective of the length of notice being given, attendance at a meeting by a Member shall be deemed waiver of the requisite notice by the Member. The requisite notice period is not required if a Committee meeting is adjourned for less than 14 days.

iii. Quorum

The quorum of the Committee shall be three (3) Members, two (2) of whom must be independent non-executive directors, who are either present in person or by means of telephone conference or similar communications equipment by means of which all persons participating in the meeting are capable of hearing each other.

iv. Attendance

- a. The Committee may invite the Chairman of the Board, other Directors, external advisers and/or any other persons who have specific responsibility for, or interest or expertise in, the subject under review to attend all or part of any meetings of the Committee.
- b. Only Members are entitled to vote at Committee meetings.
- c. In the absence of the Chairman, the remaining Members present shall elect one of the Members to chair the Committee meeting.
- d. The Chairman, or in his/her absence another Member, shall attend the annual general meetings of the Company and be prepared to respond to questions from shareholders on the activities of the Committee and its responsibilities.

v. Resolutions

- a. Resolutions of the Committee shall be passed by a majority of votes.
- b. A resolution in writing signed by all the Members shall be as valid and effectual as if it has been passed at a meeting of the Committee duly convened and held.

vi. Minutes

The Secretary of the Committee shall keep full minutes of all Committee meetings. Draft minutes of meetings of the Committee shall be sent to all Members for their comments within a reasonable time after each meeting. The final version of the minutes, duly signed by the Chairman, shall be sent to all Members for their records.

4. AUTHORITY

- i. The Committee shall report regularly and formally to the Board at the next meeting of the Board following a meeting of the Committee, on matters within its remit.
- ii. The Committee shall be provided with sufficient resources to perform its duties. It may employ, instruct, appoint or retain any independent external professional advisors and secure assistance from external parties with relevant experience and expertise where it considers necessary. The Committee shall have the sole authority to approve all reasonable related fees and terms of engagement, which fees shall be borne by the Company.

5. SCOPE OF WORK

The scope of work of the Committee shall include but not be limited to the following:

- i. To review the Company's investment strategies, including capital allocation strategies and monitoring investment performance.
- ii. To review the Company's strategies on addressing the Net Asset Value (the "NAV") discount.
- iii. To review and advise the Board on the Company's and the Group's capital allocation, mergers & acquisition and disposal proposals.
- iv. To review any capital raising plans including the issuance of shares and/or debt securities.

- v. To review the liquidity, loan covenant compliance and liability management program of the Group.
- vi. To address and deal with such other matters as may be delegated by the Board to the Committee.
- vii. To identify any related matters for referral to the Board for review and further consideration.

6. REPORTING PROCEDURES

- i. The Committee shall report to the Board on its decisions, advice and recommendations, either orally or in writing, at regular meetings of the Board or more frequently if required, unless there are legal or regulatory restrictions on its ability to do so (such as a restriction on disclosure due to regulatory requirements).
- ii. The meetings and proceedings of the Committee shall be governed by the provisions of the Company's Bye-laws for regulating meetings and proceedings of directors.

7. LANGUAGE

If there is any discrepancy between the English and Chinese versions of these Terms of Reference, the English version shall prevail.

8. PUBLICATION OF THESE TERMS OF REFERENCE

A copy of these Terms of Reference will be uploaded to the respective websites of the Company and The Stock Exchange of Hong Kong Limited.

Approved by the Board and the Finance Committee on 19 July 2019