

Supplementary information document for Identifying a Connected Party

The definitions of the terms in relation to Connected Parties under Banking (Exposure Limits) Rules (“BELR”) and Supervisory Policy Manual CR-G-9 Exposures to Connected Parties

- (1) **Relevant Employee** means the following –
- (a) An employee of ICBC (Asia) who is responsible, either individually or as a member of a committee, for approving applications for financial facility, including but not limited to an advance, loan or credit facility (including a letter of credit), a financial guarantee and a liability;
 - (b) Senior management, including chief executive, of ICBC (Asia);
 - (c) Manager means any individual, other than a director or chief executive of ICBC (Asia), appointed by ICBC (Asia), or by a person acting for or on behalf of or by an arrangement with ICBC (Asia), to be principally responsible, either alone or with others, for the conduct of any one or more of the affairs or business of ICBC (Asia) specified in the Fourteenth Schedule of the Banking Ordinance but it does not include a person, or a person belonging to a class of persons, declared in a notice that it is not a manager, or a class of managers, as the case may be, for the purpose of the definition of manager.
- (2) **Relative**, in relation to a natural person, means the following –
- (a) a parent, grandparent or great grandparent;
 - (b) a step-parent or adoptive parent;
 - (c) a brother or sister;
 - (d) the spouse;
 - (e) if the person is party to a union of concubinage --- the other party of the union;
 - (f) a cohabitee;
 - (g) a parent, step-parent or adoptive parent of a spouse;
 - (h) a brother or sister of a spouse;
 - (i) a son, step-son, adopted son, daughter, step-daughter or adopted daughter; or
 - (j) a grandson, granddaughter, great grandson or great granddaughter.
- (3) **Controller**, in relation to a company, means, in respect of all the provisions of the Banking Ordinance, any person who is an indirect controller or a majority shareholder controller as defined in section 2(1) of the Banking Ordinance, and includes, in respect of the provision of Part XIII, any person who is a minority shareholder controller of that company.
- (a) “An indirect controller”, in relation to a company, means any person in accordance with whose directions or instructions the directors of the company or of another company of which it is a subsidiary are accustomed to act, but does not include a Manager or Advisor, or any person in accordance with whose directions or instructions those directors are accustomed to act by reason only that on advice given by him in his professional capacity.
 - (b) “A majority shareholder controller”, in relation to a company, means any person who, either alone or with any associate or associates, is entitled to exercise, or control the exercise of, more than 50% of the voting power at any general meeting of the company or of another company of which it is a subsidiary.
 - (c) “A **minority shareholder controller**”, in relation to a company, means any person who, either alone or with any associate or associates, is entitled to exercise, or control the exercise of, 10% or more, but not more than 50%, of the voting power at any general meeting of the company or of another company of which it is a subsidiary.
- (4) For the purpose of Rule 94(2), a firm, partnership or non-listed company (**controlled entity**) is treated as being controlled by a natural person if –
- (a) the person owns more than 50% of the voting rights in controlled entity;
 - (b) the person has control of a majority of the voting rights in the controlled entity under an agreement with other shareholders (or similar holders of voting rights);
 - (c) the person has the right to appoint or remove a majority of the members of the controlled entity’s board of directors (or similar governing body);
 - (d) a majority of the members of the controlled entity’s board of directors (or a similar governing body) have been appointed solely as a result of the person exercising his or her voting rights; or
 - (e) the person has the power, under a contract or otherwise, to exercise a controlling influence over the management or policies of the controlled entity.