

**Shengjing Bank Co., Ltd.**  
**The Terms of Reference for the Nomination and  
Remuneration Committee of the Board of Directors**

**Chapter I General Provisions**

**Article 1** To further establish and improve the nomination, assessment and remuneration management system of directors and senior management of Shengjing Bank Co., Ltd. (hereinafter referred to as the “Bank”), and to improve the corporate governance structure of the Bank, the Nomination and Remuneration Committee of the Board of Directors (hereinafter referred to as the “Nomination and Remuneration Committee” or the “Committee”) is hereby established and these Terms of Reference are formulated pursuant to the *Company Law of the People’s Republic of China, the Commercial Banking Law of the People’s Republic of China, the Code of Corporate Governance for Banking and Insurance Institutions, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* (hereinafter referred to as the “Listing Rules”), the *Articles of Association of Shengjing Bank Co., Ltd.* (hereinafter referred to as the “Articles of Association of the Bank”), the *Rules of Procedures of the Board of Directors of Shengjing Bank Co., Ltd.* and other relevant rules and regulations.

**Article 2** The Nomination and Remuneration Committee is a specialized organization established by the Board of Directors pursuant to the Articles of Association of the Bank, which is accountable to the Board of Directors and within its authorities assists the Board of Directors in carrying out relevant works. The Nomination and Remuneration Committee is mainly responsible for formulating the procedures and standards for electing the directors and senior management, conducting preliminary review of the qualifications and credentials of the candidates for such positions, formulating assessment plans and remuneration packages of directors and senior management, giving relevant suggestions to the Board of Directors and supervising the implementations of such assessment plans and remuneration packages.

**Chapter II Composition of Personnel**

**Article 3** The Nomination and Remuneration Committee shall consist of no less than three directors, a majority of whom shall be independent directors.

**Article 4** Members of the Nomination and Remuneration Committee shall be nominated by Chairperson of the Board and elected by the Board of Directors. Any adjustment and dismissal of the committee members of the Nomination and Remuneration Committee shall be proposed by Chairperson of the Board and considered and determined by the Board of Directors.

**Article 5** The Nomination and Remuneration Committee shall have one Chairperson (“Chairperson of the Committee”) who shall be an independent director. The Chairperson of the Committee shall be responsible for presiding over the routine work of the Committee. The Nomination and Remuneration Committee shall have one Vice Chairperson (“Vice Chairperson of the Committee”) who shall assist the Chairperson of the Committee. The Chairperson of the Committee and Vice Chairperson of the Committee shall be considered and approved by the Board of Directors.

**Article 6** The term of office of the Nomination and Remuneration Committee shall be identical with that of the Board of Directors and members of the Committee may serve consecutive terms if re-elected upon the expiration of his/her term. If any member ceases to be a director of the Bank or any member who shall be qualified as an independent director ceases to be independent as required by the Articles of Association of the Bank or related laws and regulations and the listing rules of the place where the shares of the Bank are listed, he/she shall automatically be disqualified as a member of the Committee. The vacancy shall be filled up by the Board of Directors in accordance with the provisions of the Terms of Reference.

**Article 7** The Nomination and Remuneration Committee shall set up a working group responsible for information collection and analysis, day-to-day work liaison and organization of meetings of the Committee. The Office of the Board of Directors, Party Committee Organization Department, Human Resources Department, Planning and Finance Department together with relevant departments shall be responsible for specific works.

**Article 8** Other directors, supervisors, senior management or heads of relevant departments may be invited to attend the meetings of the Nomination and Remuneration Committee as non-voting delegates.

### **Chapter III Responsibilities and Authorities**

**Article 9** The main duties and powers of the Nominations and Remuneration Committee are:

(I) Nomination and examination

(1) To review, at least annually, the structure, size and composition (including the skills, knowledge and experience) of the Board of Directors, according to the Bank’s operation, asset size and ownership structure, and making recommendations with regard to any contemplated changes made to the Board of Directors in line with the Bank’s development strategy and operation strategy implementations;

(2) To research and formulate the procedures and standards for electing the directors and senior management, identify individuals with suitable qualifications for positions of directors and of senior management of the Bank, and make recommendations to the Board of Directors in respect thereof; The Committee shall avoid being affected by shareholders and shall exercise the right to nominate directors in an independent and prudent manner;

(3) To conduct preliminary reviews of the qualifications of directors and senior management candidates, and to make recommendations to the Board of Directors.

(4) To assess the independence of the independent directors;

(5) To make recommendations to the Board of Directors on the appointment or re-appointment of directors and succession plan for directors, in particular the Chairperson and President of the Bank;

(6) To develop and review in appropriate circumstances the Bank's policy concerning diversity of Board members, and to make disclosure of the related policy or a summary of the policy in the Corporate Governance Report of the Bank.

## (II) Remuneration Appraisal

(1) To study and formulate the standards for appraising directors and senior management personnel of the Bank, and to conduct appraisals and put forward proposals to the Board of Directors;

(2) To be responsible for reviewing the remuneration management policies and systems of the Bank, to formulate appraisal, remuneration and incentive plans for the Directors and senior management to review matters relating to share schemes under Chapter 17 of the Listing Rules, and to make recommendations to the Board of Directors and supervise the implementation of relevant policies, systems and plans. The Nomination and Remuneration Committee shall consult Chairperson or President of the Bank in respect of the remuneration suggestions of executive directors and senior executives;

(3) To review and approve remuneration suggestions by management based on the corporate goals and objectives formulated by the Board of Directors;

(4) To determine the remuneration packages of the executive directors and senior management under authorization of the Board of Directors; or to make suggestions to the Board of Directors in respect of the remuneration packages of the executive directors and senior management;

(5) To make suggestions to the Board of Directors in respect of the remuneration of the non-executive directors;

(6) To consider the salaries paid by similar banks, time and responsibilities required for the posts and terms of employment of the Bank's other posts;

(7) To review and approve compensation payable to executive directors and members of senior management for any loss or termination of office or appointment, and ensure that such compensation is consistent with the terms of the contract; if inconsistent, the compensation shall be fair and reasonable but not excessive;

(8) To review and approve compensation arrangements relating to dismissal or removal of directors for misconduct, and ensure that such compensation is consistent with the terms of the contract; if inconsistent, the compensation shall be fair and reasonable;

(9) To ensure that no director or any of their associates is involved in deciding his or her own remuneration.

(III) Other duties required by the laws and regulations, rules, and the securities regulatory authority where the Bank's shares are issued and listed, or authorized by the Board of Directors.

**Article 10** The Nomination and Remuneration Committee is authorized to require the senior management of the Bank to provide full support to its work. The senior management shall ensure adequate information and resources for the Nomination and Remuneration Committee to perform its duties.

**Article 11** The Nomination and Remuneration Committee is entitled to initiate, or to conduct as delegated by the Board of Directors, investigations on the human resources and remuneration policies and the implementations of such policies of the Bank.

If necessary, the Nomination and Remuneration Committee may engage external experts or agencies to provide professional consulting services and the reasonable costs arising therefrom shall be borne by the Bank.

**Article 12** Members of the Nomination and Remuneration Committee shall hold the related information in confidentiality prior to the official disclosure and shall not disclose the information without authorization.

#### **Chapter IV Rules of Procedures**

**Article 13** Meetings of Nomination and Remuneration Committee shall be convened at least twice a year and extraordinary meetings, where necessary, shall be convened in a timely manner.

**Article 14** Meetings of Nomination and Remuneration Committee shall be classified into onsite meetings and and meetings convened through circulation of written resolutions.

Meetings of Nomination and Remuneration Committee shall be convened by Chairperson of the Committee. The Board of Directors or two members (or above) of the Nomination and Remuneration Committee are entitled to propose to Chairperson of the Committee to convene meetings of Nomination and Remuneration Committee. Meetings shall be chaired by Chairperson of the Committee. If Chairperson of the Committee cannot attend the meeting, he or she may delegate Vice Chairperson of the Committee to chair the meeting. If Vice Chairperson of the Committee cannot attend the meeting, he or she shall delegate another member of Nomination and Remuneration Committee to chair the meeting.

**Article 15** The working group of the Nomination and Remuneration Committee shall give all the Nomination and Remuneration Committee members a notice at least three days prior to the meeting. Such period of notice may be waived subject to the unanimous consent of all the members of the Committee.

The meeting notice and materials may be delivered to all the Committee members by delivery by hand, facsimile, registered mail, email or other means.

**Article 16** Members of the Nomination and Remuneration Committee shall attend the Committee meetings in person. If he/she cannot attend the meeting, he/she shall authorize other Committee member as proxy with written proxy statements. The written proxy statements shall include the authorized matters and the authorized member shall not be materially interested in the matters deliberated in the meeting.

Unless otherwise stated in the Articles of Association of the Bank, related laws and regulations or binding agreements of the Bank, members shall not authorize individuals other than members of the Committee as proxy to attend the meeting.

**Article 17** The quorum of a meeting of Nomination and Remuneration Committee is more than half of members of the Committee. Each member shall have one vote. A resolution shall be passed if approved by more than half of the total number of the Committee members. Any member who has interests in the matters deliberated in the meeting shall abstain from voting.

**Article 18** Voting at meetings of the Nomination and Remuneration Committee shall be by way of open ballot voting. Meetings may be convened in ways of voting on onsite meeting votes and voting by circulation of written resolutions. Appointments or dismissals of senior executives and other matters that may have significant impact on the Bank stated in the Articles of Association of the Bank and matters which the Chairperson of the Committee considers necessary to be deliberated on onsite meetings shall not be voted by way of circulation of written resolutions.

In the case of voting by circulation of written resolutions, each member shall sign his/her comments on the voting ticket within time limits specified by the meeting and deliver the signed tickets to the Bank by facsimile or e-mail and the original copies of voting tickets shall be delivered to the Bank by delivery by hand or registered mail. Those who fail to provide their comments within the specified time limits shall be deemed to have abstained from voting.

**Article 19** The convening procedure, voting methods and the proposals passed at meetings of Nomination and Remuneration Committee shall be in compliance with related laws and regulations, the listing rules of the place where the shares of the Bank are listed, the Articles of Association of the Bank and these Terms of Reference.

**Article 20** The minutes, resolutions or summaries of meetings of Nomination and Remuneration Committee shall be recorded by a person appointed by the working group. The drafts and final versions of the meeting minutes shall be delivered to all members of the Committee within a reasonable period of time after the meeting. The drafts of meeting minutes are for all members' comments and the final minutes are for record. The Committee members present at the meeting shall sign the minutes, resolutions or summaries thereof. The minutes, resolutions or summaries as the Bank's important materials shall be handed over by the working group to the Office of the Board of the Directors of the Bank on an annual basis for records.

**Article 21** Resolutions or summaries deliberated and approved by the Nomination and Remuneration Committee shall be submitted to the Board of Directors and the Board of Supervisors on a regular basis.

**Article 22** Any person who attends or presents at meetings of Nomination and Remuneration Committee shall keep the minutes, resolutions or summaries, materials and matters deliberated at the meeting in confidentiality, and shall not disclose the information without authorization.

## **Chapter V Supplementary Provisions**

**Article 23** Unless otherwise specified, the terms used herein shall have the same meanings as those in the Articles of Association of the Bank.

**Article 24** These Terms of Reference shall become effective upon consideration and approval by the Board of Directors.

**Article 25** Any matters that are not covered herein shall be handled in accordance with related PRC laws and regulations, normative documents, the listing rules of the place where the shares of the Bank are listed and the provisions of the Articles of Association of the Bank. If any of these Terms of Reference conflicts with any laws or regulations or normative documents promulgated subsequently, or the listing rules of the place where the shares of the Bank are listed, or the Articles of Association of the Bank duly amended thereafter, these Terms of Reference shall be revised as soon as practicable in accordance with related PRC laws and regulations, normative documents, the listing rules of the place where the shares of the Bank are listed and the provisions of the Articles of Association of the Bank, and be submitted to the Board of Directors for deliberation and approval.

**Article 26** The Board of Directors of the Bank shall have the right to interpret and revise these Terms of Reference.