

Jilin Jiutai Rural Commercial Bank Corporation Limited

Terms of Reference of the Remuneration Committee of the Board of Directors

CHAPTER 1 GENERAL PROVISIONS

Clause 1 In order to regulate the conduct of the remuneration committee of the board of directors of Jilin Jiutai Rural Commercial Bank Corporation Limited (the “Bank”), further establish and improve the appraisal and remuneration management system of directors and senior management of the Bank and refine the corporate governance structure of the Bank, these terms are hereby formulated in accordance with the Company Law of the People’s Republic of China, the Commercial Banking Law of the People’s Republic of China, the Corporate Governance Guidelines for Banking and Insurance Institutions, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), the Articles of Association of Jilin Jiutai Rural Commercial Bank Corporation Limited (the “Articles”) and other relevant regulations.

Clause 2 The remuneration committee is a specialized committee established by the board of directors of the Bank pursuant to the Articles and is mainly responsible for formulating the appraisal criteria of directors and the senior management and carrying out the appraisal; formulating and reviewing the remuneration policies and plans of directors and the senior management, giving relevant suggestions on the remuneration and assessment plans to the board of directors and supervising the implementation thereof. The remuneration committee shall be accountable to the board of directors.

Clause 3 For the purpose of these terms, director(s) refers to the chairman of the board of directors and directors who receives remuneration from the Bank; the senior management refers to the president, vice president, the secretary to the board of directors and other senior management members specified by the board of directors.

CHAPTER 2 COMPOSITION

Clause 4 The remuneration committee shall comprise three to five directors with professional knowledge and work experience relevant to the remuneration committee’s duties and majority of whom shall be independent directors.

Clause 5 Members of the remuneration committee shall be nominated by the chairman of the board of directors, a majority of independent directors or not less than one third of directors for election by the board of directors.

Clause 6 The remuneration committee shall have one (1) chairman who shall be an independent director to organize the work of the remuneration committee. The chairman shall be elected by a majority of the members of the remuneration committee for approval by the board of directors.

Clause 7 The term of office of the 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 their terms of office. If any member ceases to be a director of the Bank during his/her term of office or any member who shall have been qualified as an independent director but no longer possesses the independence as required by the Articles, or related laws, regulations or the Listing Rules, he/she shall automatically be disqualified as a member. The board of directors shall fill the vacancy according to Clauses 4 to 6. The term of office of the replacing member shall be identical with that of his/her term as a director or an independent non-executive director.

Clause 8 A member of the remuneration committee shall be removed and replaced in any of the following circumstances subject to consideration and approval by the board of directors:

- (1) his/her term of office expires;
- (2) he/she tenders his/her registration in writing;
- (3) he/she is involved in material misconduct or in violation of laws, regulations, the Articles and these terms during his/her term of office;
- (4) other circumstances in which the member is considered by the board of directors not suitable to serve as a member.

Clause 9 A working team is established under the remuneration committee to compile information on the operation and management of the Bank and the performance of persons for appraisal. It is also responsible for the preparation of meetings of the remuneration committee and the implementation of the relevant resolutions adopted by the remuneration committee.

CHAPTER 3 DUTIES AND RESPONSIBILITIES

Clause 10 The major duties and responsibilities of the remuneration committee are:

- (1) To determine the criteria for appraisal of directors and senior management and to carry out appraisal based on the actual situation of the Bank and make recommendation;
- (2) To review the remuneration management system and policies of the Bank;
- (3) To make recommendation to the board of directors on the establishment of a standard and transparent procedure for the establishment of remuneration policy;
- (4) To make recommendation to the board of directors on the remuneration policies and plans of the directors and senior management and to supervise the implementation of the remuneration system of the Bank and to adjust the remuneration system. The remuneration committee shall consult the chairman of the board of directors or president about the remuneration proposals of executive directors and senior management;

- (5) To supervise the implementation of the remuneration system of the Bank;
- (6) To review and approve the remuneration proposals of the management with reference to the corporate targets and objectives of the Bank set by the board of directors;
- (7) To make recommendation to the board of directors on remuneration package of individual executive directors and senior management members;
- (8) To make recommendation to the board of directors on the remuneration of non-executive directors;
- (9) To propose the employment terms of other positions of the Bank by taking into account the salary levels of comparable companies, time commitment and responsibilities;
- (10) To review and approve compensation payable to executive directors and senior management for any loss or termination of office or appointment to ensure that the compensation is in compliance with contractual terms. In the event of any inconsistency with contractual terms, the compensation shall also be fair and reasonable but not excessive;
- (11) To review and approve the compensation arrangement for dismissal or removal of directors for misconduct to ensure that it is in compliance with the contractual terms. In the event of any inconsistency with contractual terms, the compensation shall also be reasonable and appropriate;
- (12) To review the performance of directors and the senior management and to carry out annual appraisal;
- (13) To ensure that no director or any of their associates (as defined in the Listing Rules) participate in the decision of their own remuneration;
- (14) To review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules;
- (15) To perform other duties required by laws, administrative regulations, departmental rules, normative documents, the Listing Rules, the Articles and authorized by the board of directors of the Bank.

Clause 11 The board of directors has the right to veto any remuneration plan or proposal that jeopardizes the interest of shareholders.

Clause 12 The remuneration plan of directors of the Bank as proposed by the remuneration committee shall be implemented only after it is approved by the board of directors and then considered and adopted at the general meeting; the remuneration distribution proposal of senior management of the Bank shall be approved by the board of directors.

Clause 13 The remuneration committee shall regularly formulate its annual work plans, discuss with the senior management and head of departments about the operation of the Bank and make suggestions and recommendations accordingly.

Clause 14 Before a meeting of the board of directors, the remuneration committee shall hold a meeting in advance to consider the resolutions to be proposed at the meeting of the board of directors within the scope of its duties in accordance with these terms, and shall provide directors with necessary materials or information through the secretary to the board of directors. Unless otherwise authorized by the board of directors pursuant to laws, no result of deliberation of the remuneration committee shall substitute the voting result of the board meeting.

CHAPTER 4 PROCEDURES FOR DECISION-MAKING

Clause 15 The working team under the remuneration committee shall be responsible for the preparation for decision making by the remuneration committee and the provision of information about the Bank regarding to:

- (1) Fulfillment of the major financial indicators and operation objectives of the Bank;
- (2) The respective scope of work and major duties and responsibilities of the senior management of the Bank;
- (3) Fulfillment of the targets involved in the performance appraisal system of directors and senior management;
- (4) Performance of directors and senior management in respect of business development and profit making;
- (5) Basis for the projection on the proposed remuneration distribution plans and methods formulated according to the operating results of the Bank.

Clause 16 The remuneration committee adopts the following procedures for performance appraisal of directors and senior management:

- (1) The directors and senior management shall provide description of their work and self-assessments to the remuneration committee;
- (2) The remuneration committee shall carry out performance appraisal of the directors and senior management according to the appraisal standards and procedures;
- (3) Proposal on the amount of remuneration and the form of rewards to be given to directors and senior management based on their performance appraisal and remuneration distribution policies, which will be submitted to the board of directors of the Bank for approval after it is adopted by the remuneration committee through voting.

CHAPTER 5 RULES OF PROCEDURE

Clause 17 Meetings of the remuneration committee shall include regular meetings and extraordinary meetings. Regular meetings shall be held at least once (1) a year. The notice of meeting shall be sent to all members at least seven (7) days before the meeting. All members shall be provided with basic information regarding the remuneration and appraisal to be tabled at the meeting of the remuneration committee for early review. A meeting of the remuneration committee shall be convened by the board of directors, the chairman of the remuneration committee or a majority of the members of the remuneration committee and shall be chaired by the chairman of the remuneration committee. In the absence of the chairman of the remuneration committee, another member appointed by him/her shall chair the meeting.

Clause 18 The notice of the remuneration committee meeting shall include:

- (1) the date and venue of the meeting;
- (2) the duration of the meeting;
- (3) the cause of the meeting and the matters to be discussed thereat;
- (4) the date of the notice of the meeting;
- (5) the contact person(s) of the meeting and his/her/their contact information.

The notice of the meeting shall be given by hand, fax, registered mail or e-mail.

Clause 19 The quorum of a meeting of the remuneration committee shall be more than two thirds of the members who do not have related party relationship or any material interests. If a member is unable to attend the meeting for any reasons, he/she shall explain the reason in writing and appoint another member in writing to vote on his/her behalf. The instrument of proxy shall specify the scope of authorization.

If the number of the members who do not have related party relationship or any material interests present at the meeting of the remuneration committee falls below the quorum as required in the preceding paragraph, the relevant proposals shall be submitted to the board of directors for approval. Each member of the remuneration committee shall have one (1) vote. Unless otherwise required by laws, administrative regulations, departmental rules, the Listing Rules or the Articles, a resolution of meeting shall be passed by a majority of the members of the committee.

Clause 20 Any voting at the meeting of the remuneration committee shall be made by a show of hands or by poll. Interim meetings may be convened by correspondence or written resolutions.

Clause 21 The remuneration committee shall be accountable to the board of directors and may submit proposals to the board of directors for approval.

Clause 22 The remuneration committee may invite directors, supervisors and senior management of the Bank to attend its meeting when necessary.

Clause 23 If proposals in relation to a member of the remuneration committee are considered at a meeting, such member shall abstain from the meeting.

Clause 24 The procedures of convening a remuneration committee meeting, voting method and the remuneration policies and distribution proposals adopted shall comply with the relevant laws, regulations, the Articles and these terms of reference.

Clause 25 A meeting of the remuneration committee shall have resolutions, minutes or summary and members present at the meeting shall sign on such resolutions, minutes or summary. Such resolutions, minutes or summary shall be kept by the office of the board of directors in accordance with the documentation and filing requirements of the Bank.

Clause 26 The resolutions adopted by meetings of the remuneration committee and the voting results shall be reported to the board of directors in writing.

Clause 27 The remuneration committee may seek for independent professional opinions when necessary at the expense of the Bank, provided that no trade secrets of the Bank shall be divulged improperly. The Bank shall provide the remuneration committee with sufficient resources for the performance of its duties.

Clause 28 Persons present at remuneration committee meetings shall keep confidential of matters considered at the meetings, and shall not disclose any relevant information without authorization.

Clause 29 The remuneration committee may make recommendations to the board of directors or general meeting on the remuneration of directors and senior management of the Bank.

CHAPTER 6 BYE-LAWS

Clause 30 These terms shall become effective from the date of resolution approved by the board of directors.

Clause 31 In the event of any matters not covered herein, the provisions of the relevant national laws, regulations, departmental rules, requirements of the securities regulatory authorities of the place where the shares of the Bank are listed, the Listing Rules and the Articles shall prevail. In the event of any conflicts between these terms and the subsequent promulgated laws, regulations, departmental rules, requirements of the securities regulatory authorities of the place where the shares of the Bank are listed, the Listing Rules or the Articles amended pursuant to the legal procedures, the provisions of the relevant national laws, regulations, departmental rules, requirements of the securities regulatory

authorities of the place where the shares of the Bank are listed, the Listing Rules and the Articles shall prevail while these terms shall be immediately revised and submitted to the board of directors for approval.

Clause 32 The interpretation of these terms shall be vested in the board of directors of the Bank.