



中國民生銀行股份有限公司  
**CHINA MINSHENG BANKING CORP., LTD.**

*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*  
(Stock Code: 01988)

**Terms of Reference for Compensation and  
Remuneration Committee of the Board of Directors of  
China Minsheng Banking Corp., Ltd.\***

**Chapter 1 General**

**Article 1** These terms of reference were 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, Administrative Measures for Independent Directors of Listed Companies, the Articles of Association of China Minsheng Banking Corp., Ltd. (hereinafter referred to as the "Articles of Association") and other relevant laws, administrative regulations, rules and regulatory documents.

**Article 2** The Compensation and Remuneration Committee of the board of directors (hereinafter referred to as the "Committee") is a special authority established by the board of directors in accordance with the Articles of Association and shall be accountable to the board of directors. It shall also provide professional opinions on the decision-making of the board of directors or make decisions on professional matters upon authorization by the board of directors.

**Article 3** The members of the Committee consisting of directors shall have professional knowledge or work experience appropriate to the duties of the Committee. The Committee shall comprise at least three members, with the majority being independent directors. The Committee shall have one chairman, who shall be an independent director. The composition of the Committee or change of the members shall be nominated by the chairman of the board of directors and shall be determined by the board of directors.

**Article 4** The term of office of the members of the Committee shall be the same as that of the directors, subject to re-election and reappointment upon expiration of their term of office. If any member ceases to hold office as a director of the Bank during his/her term of office, he/she will be automatically disqualified as a member of the Committee. If the number of members is less than three as a result of the vacancy, the board of directors shall fill the vacancy as soon as possible in accordance with Article 3 of these terms of reference.

**Article 5** The Committee shall establish a secretarial body and have one secretary to the Committee. The secretary to the Committee and the secretarial body shall assist the Committee in its performance and operation.

## Chapter 2 Duties and Obligations

**Article 6** The major duties of the Committee are:

- (1) studying and formulating remuneration policies, remuneration systems and proposals of the directors and senior management of head office for the establishment of formal and transparent procedures, making recommendations to the board of directors;
- (2) studying and formulating performance assessment standards and proposals of the directors and senior management of head office;
- (3) studying and formulating due diligence assessment system of the directors and senior management of head office, making recommendations to the board of directors and carrying out regular evaluations;
- (4) considering and determining the classes of positions and remuneration of senior management of head office;
- (5) formulating or amending the share option incentive plans and employee stock ownership plans of the Bank and its subsidiaries, ensuring that the Participants are granted interests and the conditions for exercising their rights and interests are met, and making recommendations to the board of directors;
- (6) the directors and senior management shall arrange shareholding plans in the subsidiaries to which the Company intends to spin-off and make recommendations to the board of directors;
- (7) reviewing and/or approving matters relating to the share scheme as described in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
- (8) reviewing the material remuneration system of the Bank, making recommendations on improvement;
- (9) studying and formulating the resignation policy of the directors and senior management of head office;
- (10) determining the remuneration and incentive and penalty proposals for directors and senior management of head office, including their benefits-in-kind, pension rights and compensations (including compensations for loss of office or appointment or removal from office or appointment which is not due to misconduct or termination of office or appointment) and making recommendations to the board of directors;
- (11) reviewing and approving compensation payment to the directors and senior management for their loss or termination of office or appointment or their removal or dismissal due to misconduct, which shall be determined based on the relevant contracts or, in the absence of the relevant contracts, fair and reasonable;

(12) other matters stipulated by laws, administrative regulations, rules, the securities administration authorities of the place where the Bank's shares are listed and conferred by the board of directors.

**Article 7** The Committee shall be authorized by the board of directors to consider the annual remuneration of senior management of head office. The Committee shall be authorized by the board of directors to determine the withdrawal, deduction and final payment of risk funds of the senior management.

The Committee shall be authorized by the board of directors to review the material remuneration system of the Bank.

No director or any of his/her associates shall take part in the determination of his/her own remuneration. No directors shall take part in the evaluation of their own performance, except for the self assessment of their performance.

**Article 8** The Committee may establish a work leadership for major works to specifically instruct the conduct of such works.

**Article 9** The Committee may engage an intermediary to conduct special consultation on important matters.

**Article 10** The Committee may require the relevant departments of the Bank to provide such information as may be necessary for performing its duties and shall be authorized to require the relevant departments and employees of the Bank to provide assistance in the discharge of its duties.

### **Chapter 3 Rules of Proceedings**

**Article 11** Meetings of the Committee shall be convened by its chairman when necessary and a notice specifying the items to be discussed, venue and time of the meeting shall be given by the secretarial body to the Committee to all members of the Committee five days prior to such meeting. The chairman of the Committee (or in his or her absence or being unable to preside over the meeting, a member who is an independent director designated by the chairman) shall chair the meeting.

In case of an emergency where an extraordinary meeting shall be held as soon as possible, the above-mentioned notice period to convene a meeting may be exempted subject to the consent of the chairman of the Committee, provided that the chairman of the Committee shall make an explanation at the meeting.

**Article 12** The quorum of the meetings of the Committee shall be more than two thirds of the members. A resolution proposed to the board of directors shall be passed by not less than half of all members of the Committee before being submitted and a resolution authorized by the board of directors to resolve shall be passed by not less than two thirds of all members of the Committee.

**Article 13** The meetings of the Committee may be convened in the form of meeting in person or circulating written resolutions.

**Article 14** Subject to the consent of the chairman of the Committee, the Committee may invite other relevant directors, supervisors and senior management of the Bank to attend the meetings. The Committee may also invite intermediaries to send representatives to attend the meetings when necessary.

**Article 15** The meetings of the Committee shall vote by a poll. Each member shall be entitled to one vote provided that any members interested in the resolution to be considered shall abstain from voting on such resolution.

Members of the Committee who are not able to present in person at the meeting may submit their written opinions to the chairman of the Committee before the convening of the meeting.

**Article 16** Minutes of the meetings shall be kept after the physical meetings of the Committee, which shall be true, accurate and complete, and fully reflect the opinions of the attendees on the matters considered and the voting results of each voting matter. Relevant personnels, including the directors, the secretary to the board of directors and the person who takes the minutes attending the meetings, shall sign on the minutes of the meetings for confirmation. Based on the review of the directors, the Bank shall keep the finalized minutes of the meetings for filing, which shall be circulated to all members of the Committee.

Minutes of the meetings shall be kept at meetings convened through circulation of written proposal, setting out the voting results of each voting matter, and the minutes of the meetings shall be circulated to all members of the Committee and filed.

**Article 17** Members of the Committee and other personnel present at the meetings shall have an obligation to keep all matters discussed in such meetings confidential and shall not disclose the relevant information without authorization.

**Article 18** Members of the Committee shall duly perform their duties and participate in the meetings and activities of the Committee on time. The attendance of the members shall be a criterion of the evaluation of the performance of directors.

**Article 19** Independent directors serving as members of the Committee shall perform their duties in accordance with the relevant laws, administrative regulations, rules, regulatory documents and the Articles of Association. When performing their duties, independent directors noticing the significant matters of the Bank within the scope of duties of the Committee can bring forth the matters to the Committee for discussion and consideration in a timely manner in accordance with the procedures.

**Article 20** The Committee shall submit an annual working report or (when necessary) provisional report to the board of directors.

**Article 21** The Bank shall prepare and keep the files of the meetings of the Committee, which include meeting notices, meeting materials, votes, minutes of the meeting signed and confirmed by the attending directors or the minutes of the meetings shall be kept at meetings convened through circulation of written proposal, etc. The meeting records of the Committee shall be kept permanently.

## Chapter 4 Working Procedures

**Article 22** The Committee shall formulate its annual working plan based on the strategies and working plan of the board of directors.

**Article 23** The working procedures of the Committee shall include proposing resolutions, decision-making, reporting, handling extraordinary resolutions and feedback upon decisions.

**Article 24** Proposing resolutions procedures. Proposals of the meeting include matters specifically required to be considered and voted on, reports to be heard or matters to be reported.

The proposal submitting department shall submit the proposal signed by the authorized person in writing to the secretarial body of the Committee, who shall request the chairman of the Committee to convene a meeting to study such proposal. The time limit for submission of the proposal shall meet the operational and management requirements of the Committee.

The Committee shall, based on its duties and the Bank's development needs, and also has the right to discuss and study the relevant matters required to be decided by the board of directors and directly make a proposal.

**Article 25** Decision-making procedures. The chairman of the Committee shall organize the meeting to study and consider or listen to the proposal, and if necessary, communicate with the management, relevant functional departments, other special committees or other directors on the contents of the proposal before the meeting to form a review opinion. The Committee shall submit the proposal considered and approved to the board of directors. The secretarial body of the Committee shall notify the proposal submitting department in a timely manner of the opinions or requests of the Committee for proposals that have not been passed, that have been postponed for voting, or that the Committee considers to be inaccurate, unspecific, or insufficient in relevant materials.

The Committee shall exercise its decision-making authority over the matters authorized for decision-making by the board of directors, and form resolutions as needed, and shall notify relevant departments in a timely manner for implementation and report to the board of directors for filing.

**Article 26** Reporting procedures. The Committee shall discuss and study the matters within its terms of reference that are not required to be decided based on its duties and working plan. If it is necessary to report to the board of directors according to relevant requirements or the Committee deems it necessary to further report to the board of directors, the Committee shall report to the board of directors after its study and approval.

**Article 27** Handling extraordinary resolutions procedures. The Committee shall arrange and convene a meeting for the discussion of extraordinary resolutions forwarded by the chairman of the board of directors or approved by the chairman of the Committee immediately after the receipt of such resolutions.

**Article 28** Feedback upon decisions procedures. Upon forming a resolution or deliberating an opinion, the Committee shall issue a notice to or share Committee’s opinion with the proposal submitting department or the undertaking department, make arrangements and exercise supervision when necessary, and listen to the reporting of the implementation progresses.

## **Chapter 5 Miscellaneous**

**Article 29** The senior management of head office referred to in these terms of reference shall include other management personnel at the bank level.

A “meeting in person” referred to in these terms of reference shall mean a meeting attended in person or convened by way of video or telephone, etc. which can make sure that attendants can communicate and discuss matters instantly.

A meeting convened by way of “circulating written resolutions” referred to in these terms of reference shall mean a meeting method of voting on a proposal by serving it for consideration or by circulating it for consideration, respectively, or by circulating a report and giving feedback.

**Article 30** Unless otherwise specified, terms used herein shall have the same meanings as those defined in the Articles of Association.

**Article 31** These terms of reference shall come into effect upon the passing of the resolution of the board of directors. The original Terms of Reference for the Compensation and Remuneration Committee of the Board of Directors of China Minsheng Banking Corp., Ltd. (considered and approved at the twenty-ninth meeting of the eighth session of the board of directors on 30 November 2022) was repealed simultaneously.

**Article 32** For any matters not covered by these terms of reference or in the event of any conflict with the relevant provisions of the laws, administrative regulations, rules, regulatory documents or the Articles of Association promulgated or amended after these terms of reference come into effect, such provisions shall prevail.

**Article 33** The interpretation of these terms of reference shall be vested in the board of directors of the Bank.

\* *Important: The above is an English translation of the Chinese version of the Terms of Reference for Compensation and Remuneration Committee of the Board of Directors. In case of any discrepancies or inconsistencies, the Chinese version shall always prevail.*