

# Bank of Zhengzhou Co., Ltd.

## Terms of Reference of the Remuneration and Assessment Committee of the Board of Directors (Revision)

### Chapter 1 General Provisions

**Article 1** In order to regulate the work practices of the Remuneration and Assessment Committee under the Board of Directors of Bank of Zhengzhou Co., Ltd. (the “Bank”), improve the legal person governance structure, regulate the work procedures, establish a sound management system of remuneration and assessment for directors and senior management of the Bank, strengthen the incentive restriction mechanism and promote the healthy, stable and sustainable development of the Bank, these Terms of Reference are formulated in accordance with the Company Law of the People’s Republic of China, Law of the People’s Republic of China on Commercial Banks, Guidelines on the Corporate Governance of Commercial Banks, Due Diligence Guidance for the Board of Directors of Joint-stock Commercial Banks (Trial), the Articles of Association of Bank of Zhengzhou Co., Ltd. (the “Articles of the Bank”) and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) as well as other relevant requirements.

**Article 2** The Remuneration and Assessment Committee is a special committee set up by the Board of Directors of the Bank in accordance with the requirements under the Articles of the Bank, which is mainly responsible for formulation of the remuneration and assessment plan for directors and senior management personnel, making recommendations on the remuneration and assessment plan to the Board of Directors and overseeing the implementation of the plan.

### Chapter 2 Composition

**Article 3** Members of the Remuneration and Assessment Committee shall be directors who possess professional knowledge and experience appropriate to the functions and powers of the Remuneration and Assessment Committee and the number of members shall be no less than three (3), above half of which are independent non-executive directors.

**Article 4** Members of the Remuneration and Assessment Committee shall be nominated by the chairman of the Board of Directors and shall be elected by the Board of Directors.

**Article 5** The Remuneration and Assessment Committee shall have a chairman who shall be an independent non-executive director and shall be responsible for presiding over the committee's work. The chairman shall be elected by more than half of all committee members and shall be reported to the Board of Directors for approval.

**Article 6** The term of office of the Remuneration and Assessment Committee shall be the same as that of the Board of Directors. A member may be re-elected and re-appointed upon expiry of his/her term of office. If any member ceases to serve as a director of the Bank during his/her term of office or any member who shall be an independent non-executive director no longer possesses the independence as specified in the Articles of the Bank or the relevant laws, regulations and the Listing Rules, the vacancy shall be filled by the Board of Directors in accordance with the Articles of the Bank and these Terms of Reference. The term of office of the member so appointed shall end upon expiry of the term of office of such member as a director or independent non-executive director.

**Article 7** Any member of the Remuneration and Assessment Committee may be replaced and dismissed in one (1) of the following circumstances subject to discussion and approval by the Board of Directors:

- (1) the expiry of his/her term of office;
- (2) he/she tenders his/her resignation in writing;
- (3) he/she is involved in gross misconduct or in violation of the laws, regulations, the Articles of the Bank and these Terms of Reference during his/her term of office;
- (4) other circumstances in which the Board of Directors considers not suitable to serve as a member.

### **Chapter 3 Main Functions and Powers**

**Article 8** The main functions and powers of the Remuneration and Assessment Committee are:

- (1) To be responsible for considering the Bank's remuneration management system and policy;
- (2) To be responsible for developing the assessment criteria for directors and senior management personnel, conducting assessment work and making recommendations;

- (3) To be responsible for making recommendations to the Board of Directors on the Bank's policies and structure for all remuneration of directors and senior management personnel and on the establishment of a formal and transparent procedure for developing policies on such remuneration, and supervising the execution of and amendments to the Bank's remuneration system. The Remuneration Committee shall consult the chairman of the Board of Directors or the president;
- (4) To review and approve the management's remuneration proposals with reference to the corporate policies and objectives established by the Board of Directors;
- (5) To make recommendations to the Board of Directors on the remuneration packages of individual executive directors and senior management personnel;
- (6) To make recommendations to the Board of Directors on the remuneration packages of non-executive directors;
- (7) To consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Bank;
- (8) To review and approve compensations payable to directors and senior management personnel for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
- (9) To review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
- (10) To review duty performance of directors and senior management personnel and make annual performance assessment on them;
- (11) To ensure that no director or any of his/her associates (as defined in the Listing Rules) is involved in deciding his/her own remuneration;
- (12) Other duties as required by the laws, administrative regulations, departmental rules and the Listing Rules, and as may be authorized by the Board of Directors.

**Article 9** The remuneration package for directors shall be submitted to the Board of Directors for approval and may only be implemented after obtaining approval from the shareholders' general meeting. The remuneration package for senior management personnel may only be implemented after being submitted to and obtaining approval from the Board of Directors.

**Article 10** The Remuneration and Assessment Committee shall regularly formulate its annual work plans, communicate regularly with the senior management and responsible persons of departments on the Bank's operation as well as make suggestions and recommendations.

**Article 11** Before the convening of meetings of the Board of Directors, the Remuneration and Assessment Committee shall hold a meeting in advance to consider the resolution of the Board of Directors within the scope of its duties in accordance with these Terms of Reference, and shall provide directors with necessary materials or information through the Secretary to the Board of Directors. Unless authorized by the Board of Directors in accordance with the law, the consideration opinions of the Remuneration and Assessment Committee shall not replace the voting results of the Board of Directors.

#### **Chapter 4 Procedures and Rules of Meetings**

**Article 12** A meeting of the Remuneration and Assessment Committee shall be convened by the Board of Directors, the chairman or above half of the committee members and shall be presided over by the chairman. If the chairman is unable to attend the meeting, he/she may appoint another member to preside over the meeting on his/her behalf.

**Article 13** The Remuneration and Assessment Committee shall convene meetings at any time when needs arise, but at least once (1) every year, and a notice of meeting shall be given to all members three (3) working days prior to that meeting and basic information on remuneration and assessment to be considered by the Remuneration and Assessment Committee shall be furnished to each member for review to enable them to have an early understanding.

**Article 14** The notice of a meeting shall contain the following contents:

- (1) the date, time and place of the meeting;
- (2) the duration of the meeting;
- (3) the reason for holding the meeting and topics for discussion;
- (4) the date of issuance of the meeting notice; and
- (5) the contact persons of the meeting and their contact information.

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

**Article 15** A meeting of the Remuneration and Assessment Committee shall be held only with presence of above half of the members who do not have related party relationship or any material interests. If a member is unable to attend the meeting for a certain reason, he/she shall explain the reason in writing and appoint another member in writing to vote on his/her behalf. The proxy shall include the authorized matters.

If the number of the members present at the meeting of the Remuneration and Assessment Committee who do not have related party relationship or any material interests is less than the number as provided in the forgoing paragraph, such proposals shall be submitted to the Board of Directors for approval.

**Article 16** Each member of the Remuneration and Assessment Committee shall have one (1) vote. Unless otherwise required under laws, administrative regulations, departmental rules, the Listing Rules or the Articles of the Bank, a resolution of meeting shall be passed by more than half of all members.

**Article 17** At a meeting of the Remuneration and Assessment Committee, voting shall be made by a show of hands or by a poll and may also be made by correspondence.

**Article 18** The Remuneration and Assessment Committee shall be accountable to the Board of Directors and may submit proposals to the Board of Directors for consideration and approval.

**Article 19** If proposals in relation to a member of the Remuneration and Assessment Committee are considered at a meeting, such member shall abstain from voting.

**Article 20** A meeting of the Remuneration and Assessment 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 remuneration and assessment office of the Board of Directors and office of the Bank in accordance with the Bank's materials filing requirements.

**Article 21** Resolutions passed at the meeting of the Remuneration and Assessment Committee and voting results thereof shall be submitted to and filed with the remuneration and assessment office of the Board of Directors in writing.

**Article 22** The Remuneration and Assessment Committee may engage professionals to give opinions on relevant matters when necessary with expenses to be borne by the Bank, provided that the Bank's trade secrets are not divulged. The Bank shall provide the Remuneration and Assessment Committee with sufficient resources to perform its duties.

**Article 23** Personnel present and observe at a meeting shall assume confidentiality obligations on matters considered at such meeting, and shall not disclose any relevant information without authorization.

**Article 24** Members of the Remuneration and Assessment Committee may express his/her opinion to the Board of Directors or at shareholders' general meeting in respect of the remuneration of directors and the senior management personnel of the Bank.

## **Chapter 5 Supplemental Provisions**

**Article 25** Any matters that are not covered herein or in conflict with laws, administrative regulations, departmental rules, the requirements of securities regulatory authorities in the place where the shares of the Bank are listed, the Listing Rules and the Articles of the Bank issued or modified after these Terms of Reference become effective shall be implemented in accordance with such laws, administrative regulations, departmental rules, the requirements of securities regulatory authorities in the place where the shares of the Bank are listed, the Listing Rules or the Articles of the Bank.

**Article 26** These Terms of Reference shall be interpreted and amended by the Board of Directors.

**Article 27** Subject to consideration and approval by the Board of Directors, these Terms of Reference shall become effective from the date of public offering of H shares of the Bank on the Stock Exchange of Hong Kong Limited. From the effective date of these Terms of Reference, the original Terms of Reference of the Remuneration and Assessment Committee of the Board of Directors of the Bank shall automatically become null and void.