

# **JIANGXI BANK CO., LTD.**

## **Terms of Reference of the Remuneration and Nomination Committee of the Board of Directors**

### **Chapter 1 General Provisions**

**Article 1** To further establish and perfect the evaluation and remuneration management systems for Directors and senior management of Jiangxi Bank Co., Ltd. (hereinafter referred to as the “Bank”), standardize the generation of the Bank’s leaders, optimize the formation of the Board and improve the corporate governance structure, the Remuneration and Nomination Committee of the Board is hereby established and these Working Rules are 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 Guidelines on the Corporate Governance of Commercial Banks, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”), the Articles of Association of Jiangxi Bank Co., Ltd. (hereinafter referred to as the “Articles of the Bank”), Rules of Procedure for the Board of Jiangxi Bank Co., Ltd. and other relevant provisions.

**Article 2** As a specialized working organization established by the Board in accordance with the Articles of the Bank and accountable to the Board, the Remuneration and Nomination Committee is mainly responsible for considering the Bank’s remuneration management systems and policies, formulating remuneration proposals for Directors and senior management, making recommendations to the Board on remuneration proposals and supervising the implementation of the said proposals; for formulating the procedure and standard for appointing Directors and senior management, conducting initial review of their qualifications and eligibility and provide suggestions to the Board; for evaluating the fulfilment of duties of the Board and members of senior management; and for fulfilling other duties of the Remuneration and Nomination Committee as stipulated by the Hong Kong Listing Rules.

The Remuneration and Nomination Committee shall set a working group co-located with the Human Resources Department of the Bank, with leaders of the Bank responsible for the Human Resources Department serving as group leaders and persons-in-charge of the Human Resources Department and other relevant departments as members responsible for mating operations with the Committee.

### **Chapter 2 Composition**

**Article 3** The Remuneration and Nomination Committee shall consist of at least three Directors, and independent Directors shall be the majority and shall be Directors with professional knowledge and experience fitting with duties of the Committee.

**Article 4** Members of the Remuneration and Nomination Committee shall be nominated by the chairman of the Board and elected by the Board. Directors nominated by controlling shareholders shall not serve as members of the Remuneration and Nomination Committee.

**Article 5** The Remuneration and Nomination Committee shall have a chairperson (person-in-charge) who shall be an independent Director elected by the members of the Committee according to the simple majority principle and is responsible for presiding over the Committee. The duties of the chairperson of the Committee shall include:

- (1) to preside over the Committee and ensure the Committee to work efficiently and discharge its duty;
- (2) to convene and preside the committee meeting and determine relevant meeting agenda in accordance with these Working Rules;
- (3) to ensure that the committee meeting can discuss relevant matters in a timely manner and make clear conclusion for each topic discussed;
- (4) to attend the annual general meeting to answer the questions of shareholders. Should he/she fail to attend, another member of the Remuneration and Nomination Committee shall be delegated to attend the meeting by the chairman of the Board; failing which, an appropriate representative shall be appointed.

When the chairperson is unable to perform his/her duties, he/she shall appoint and delegate his/her duty to another member of the Committee.

**Article 6** The term of office of the members of the Remuneration and Nomination Committee coincides with that of members of the Board and members of the Committee may serve consecutive terms if re-elected upon the expiration of their terms. Where, during the term, a member ceases to be a Director of the Bank or no longer meets the requirements for independence of relevant laws and regulations, the Hong Kong Listing Rules or the Articles of the Bank, his/her membership shall be terminated automatically and the Board shall make up the members according to Articles 3-5 above.

### **Chapter 3 Responsibilities and Authorization**

**Article 7** The major responsibilities of the Remuneration and Nomination Committee are as follows:

- (1) making recommendations to the Board on the Bank's remuneration management systems, policies and structures, and supervise the implementation of the remuneration systems;
- (2) making recommendations to the Board on the establishment of a formal and transparent procedure for developing remuneration policy;
- (3) working out the remuneration proposals for Directors and senior management with reference to enterprise policies and goals set by the Board, making recommendations to the Board on the remuneration proposals, and supervise the implementation of the said proposals;
- (4) making recommendations to the Board on the remuneration packages of individual executive Directors and senior management;
- (5) making recommendations to the Board on the remuneration of non-executive Directors;

- (6) considering salaries paid by companies of similar nature, time needed and responsibilities, and employment conditions for other posts in the Bank;
- (7) reviewing and approving compensation payable to executive Directors and senior management 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;
- (8) reviewing and approving compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
- (9) ensuring that no Director or any of his associates (as defined in Hong Kong Listing Rules) is involved in deciding his own remuneration;
- (10) evaluating the performance of duties of Directors and senior management and making recommendations to the Board on the evaluation;
- (11) providing the Board with advice on the size and composition of the Board in line with the operations, assets size and equity structure of the Bank, reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually, and making recommendations on any proposed changes to the Board to complement the Bank's strategies;
- (12) working out the procedure and standard for appointing members of the Board and senior management and nominating candidate of Directors;
- (13) conducting initial review of the qualifications and eligibility of the Directors and senior management (reviewing the qualifications of candidates of independent Directors, particularly, their independency, professional knowledge, experience and abilities) and providing suggestions to the Board;
- (14) making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular, the chairman and chief executive Directors; and
- (15) Other matters stipulated by laws, regulations, rules, regulatory documents, listing rules of the place where the shares of the Bank are listed and the Articles of the Bank and authorized by the Board.

**Article 8** The Board shall have the right to reject the remuneration proposal or scheme damaging the shareholders' interests.

**Article 9** The remuneration proposal made by the Remuneration and Nomination Committee for Directors of the Bank shall be subject to approval by the Board and consideration by the shareholders' general meeting before implementation; the remuneration assignment scheme for senior management of the Bank shall be subject to approval by the Board.

## **Chapter 4 Meeting Procedures**

### **Article 10 Convening of meetings**

The Remuneration and Nomination Committee shall decide to convene committee meetings in accordance with relevant laws and regulations, the Articles of the Bank and the Board's duties while taking into consideration of the Bank's actual circumstances and needs. The committee meetings include regular meetings and interim meetings. Regular meetings shall be convened at least twice a year, and interim meetings shall be convened upon proposal by members of the Remuneration and Nomination Committee. The meetings shall be convened and presided over by the chairperson. If the chairperson is unable to attend the meetings, he/she may appoint another member to preside over the meetings. The frequency of interim meetings is not restricted.

### **Article 11 Form of meetings**

The Committee meetings may be convened onsite (including video conferencing). If members attend the onsite meetings in the form of teleconference or with the help of similar communication equipment, all attending members shall be deemed as having attended the meetings in person as long as onsite attending members can clearly hear their speeches at the meetings and communicate amongst themselves. Meetings attended via telephone or video shall be recorded or videotaped.

### **Article 12 Formation of proposals at meetings**

Members may severally or jointly propose meeting topics in writing. The chairperson shall arrange for listing relevant topics into the meeting agenda, and the general office of the Board shall coordinate preparation of meeting materials.

The Human Resources Department shall be responsible for cooperating with the general office of the Board to do well the preliminary preparatory work in relation to the decision-making of the Remuneration and Nomination Committee, and submit proposals to the general office of the Board.

The Remuneration and Nomination Committee shall convene meetings according to the final proposals and proposal contents submitted by the general office of the Board. The consideration results, if necessary, shall be submitted to the Board for consideration.

### **Article 13 Notice of meetings and communication before meetings**

- (1) The general office of the Board shall notify all the members seven days prior to a regular meeting and three days prior to an interim meeting. However, the general office of the Board may be exempt from the provision in the preceding paragraph concerning relevant notice deadlines upon consent by all the members. Notice of meetings may be sent by personal delivery, fax, registered mail or other means specified in the Articles of the Bank.

(2) Notice of meetings shall include:

1. the place, date, time and form of the meeting;
2. meeting agenda and matters for discussion;
3. date on which the notice is sent.

(3) During the period after the notice of meeting is sent and before the meeting is convened, the general office of the Board shall be responsible for communication and contacting with all the Committee members, obtain their opinions and suggestions concerning relevant proposals and feed back the said opinions and suggestions to the proposer, who shall improve relevant proposals he/she raised in a timely manner.

#### **Article 14** Attendance at meetings

- (1) Meetings of the Remuneration and Nomination Committee shall be convened only if more than half of the members are present.
- (2) The committee members shall attend meetings in an earnest and responsible manner, and provide definite opinions on the matters discussed. Attendance at meetings shall be taken as content of evaluation on duty performance of members.
- (3) The committee members shall attend the committee meetings in person. If any member cannot attend the meetings in person for any reason, he/she may submit a signed power of attorney to appoint another member to attend the meetings and express opinions on behalf thereof. The power of attorney shall specify the scope and period of authorization. If any independent Director member cannot attend the meetings in person for any reason, he/she shall appoint another independent Director member to attend the meetings on behalf thereof. Unless otherwise specified in the Articles of the Bank, relevant laws and regulations or agreements binding on the Bank, the committee members shall not authorize anyone other than committee members to attend the meetings on behalf thereof.

#### **Article 15** Voting and resolutions at meetings

- (1) Voting at meetings of the Remuneration and Nomination Committee shall be conducted by a show of hands or by poll; voting of interim meetings may take the form of correspondence. Each member shall have one vote; resolutions made at the meetings shall be approved by more than half of all the members.
- (2) Any member with any interest relation with the said matter shall abstain from voting on the said matter when voting at meetings.

- (3) If any member attends the onsite meetings via telephone, video or with the help of similar communication equipment, the said member may cast votes by such means as fax, email or verbal vote, and shall responsively affix the written signature after the meetings and mail the originals of the votes to the general office of the Board. The verbal vote by a member shall have the same effect as the written signature, provided that there is no discrepancy between the opinions expressed by such member in completing the written signature and the opinions orally expressed by him/her during the meetings. The verbal vote at onsite meetings shall prevail in case of any discrepancy between the written signature and verbal vote.
- (4) Proposals and voting results adopted at the meetings of the Remuneration and Nomination Committee, if subject to the Board for consideration, shall be reported to the Board in writing.

#### **Article 16 Minutes of meetings**

Minutes shall be recorded for the meetings of the Remuneration and Nomination Committee and by the note-taker arranged by the general office of the Board, and shall be signed by the attending members; the minutes shall be kept by the secretary to the Board of the Bank for at least 10 years.

**Article 17** The Remuneration and Nomination Committee shall study the election criteria and selection procedures and the term of office of Directors and senior management of the Bank in accordance with relevant laws and regulations and the Articles of the Bank while taking into consideration of the Bank's actual circumstances, and the formulated resolutions shall be filed and submitted to the Board for consideration and implemented accordingly.

**Article 18** The convening procedures and voting formula of the meetings of the Remuneration and Nomination Committee and the proposals adopted at the meetings shall comply with relevant laws, regulations, rules, regulatory documents, listing rules of the place where the shares of the Bank are listed, the Articles of the Bank and these Working Rules.

### **Chapter 5 Coordination and Communication**

**Article 19** Senior management may attend the meetings of the Remuneration and Nomination Committee. Other Directors and Supervisors of the Bank may also be invited to attend the meetings if necessary.

**Article 20** If necessary, the Remuneration and Nomination Committee may engage intermediaries to provide professional advice for its decision-making, with the expenses to be borne by the Bank.

**Article 21** The Remuneration and Nomination Committee shall be accountable to the Board, fulfil its duties in accordance with the authorization and resolutions by the Board, and submit its proposals to the Board for consideration and decision.

**Article 22** Members present at the meetings shall keep confidential all matters discussed at the meetings. Unauthorized disclosure of the relevant information shall be prohibited.

## **Chapter 6 Miscellaneous**

**Article 23** These Working Rules shall take effect as from the date on which they are considered and approved by the Board and the H shares publicly issued by the Bank are listed and traded at the Stock Exchange of Hong Kong Limited.

**Article 24** Any matters that are not covered herein shall be implemented in compliance with relevant state laws, regulations, rules, regulatory documents, regulatory rules of the place where the shares of the Bank are listed and the Articles of the Bank; if any of these Working Rules conflicts with state laws, regulations, rules, regulatory documents, regulatory rules of the place where the shares of the Bank are listed and the Articles of the Bank, the said relevant state laws, regulations, rules, regulatory documents, regulatory rules of the place where the shares of the Bank are listed and the Articles of the Bank shall prevail. In this case, these Working Rules shall be amended in a timely manner and reported to the Board for consideration and approval.

**Article 25** Unless otherwise specified, the terms used herein shall have the same meanings as those in the Articles of the Bank.

**Article 26** The Board of the Bank shall have the right to interpret these Working Rules.