

# **Rules of Procedures of the Nomination and Remuneration Committee under the**

## **Board of Directors of China CITIC Bank Corporation Limited**

**(As partially amended at the 18th Meeting of the 4th Session of the Board of Directors and adopted on 27 October 2016)**

### **Chapter 1 General Provisions**

**Article 1** To standardize the decision-making mechanism of the Board of Directors of China CITIC Bank Corporation Limited (the “Bank”) and improve the corporate governance structure of the Bank, the Board of Directors of the Bank hereby establishes under it the Nomination and Remuneration Committee (the “Committee”) and formulates these Rules of Procedures in accordance with the Company Law of the People’s Republic of China, the Guidelines on Corporate Governance of Commercial Banks , the Articles of Association of China CITIC Bank Corporation Limited (the “Bank’s Articles of Association”), the Rules of Procedures of the Board of Directors of China CITIC Bank Corporation Limited, relevant provisions of the securities regulators of the places where the Bank’s shares are listed, and other relevant rules and regulations.

**Article 2** The Committee is a specialized body established under the Board of Directors in accordance with the Bank’s Articles of Association, and shall, within its responsibilities, assist the Board of Directors in relevant work. The Committee shall be accountable to the Board of Directors.

### **Chapter 2 Responsibilities of the Committee**

**Article 3** The main responsibilities of the Committee shall include the following:

- (1) to formulate the procedures and standards for electing the Directors and senior management members that are for the Board of Directors to appoint and remove , to conduct preliminary review on the qualifications of the Directors and such senior management members, and to make recommendations to the Board of Directors;
- (2) may advise the Board of Directors on candidates of independent Directors, to review qualifications of such candidates in terms of their independence, expertise, experiences and capabilities; to review the structure, size and composition of the Board (including skills, knowledge and experience) at least on an annual basis, and to make recommendations on any proposed changes of the Board of Directors to match the Bank’s development strategy;
- (3) to deliberate the remuneration management rules and policies of the Bank, to formulate the performance review measures and remuneration schemes for the Directors and members of senior management, and to make recommendations on the remuneration schemes to the Board of Directors and supervise the implementation of

the remuneration schemes in order to ensure performance of contract on the part of the Directors and members of senior management;

(4) to prepare the budget plan on annual expenses of the Board of Directors, and to make recommendations to the Board of Directors;

(5) to examine compensations to be paid to executive Directors and senior management members for the loss or termination of their office or in connection with their appointment, to examine compensations to be paid to relevant Directors for their dismissal or removal due to their misconduct, in order to ensure that such compensations are reasonable and appropriate and comply with terms and conditions of concerned contracts, and to make recommendations to the Board of Directors; and

(6) other matters as prescribed by relevant laws, administrative regulations and rules and securities regulators of the places where the Bank's shares are listed and as authorized by the Board of Directors.

**Article 4** The Committee may investigate the Bank's policies on management of human resources and remunerations and the status of their implementation. Means of such investigation or review shall include but are not limited to the following: attending relevant meetings of the Bank as observers or as non-voting delegates, conducting investigations and researches within the Bank's systems, requiring senior management members or relevant responsible personnel to make oral or written explanations to the Committee within the prescribed time lines.

The Committee shall study existing problems and responses of the senior management members or relevant responsible personnel, and shall report the investigation results and make improvement recommendations to the Board of Directors.

### **Chapter 3 Composition of the Committee**

**Article 5** The Committee shall consist of at least three Directors, who shall mostly be independent Directors. Members of the Committee shall possess qualifications prescribed by relevant laws, regulations and requirements of the securities regulators of the places where the Bank's shares are listed.

**Article 6** The chairperson of the Board of Directors shall nominate the Committee members and propose their removal. Such nomination and removal proposal shall be submitted to the Board of Directors for deliberation.

**Article 7** The Committee shall have a chairperson to lead its work. The chairperson shall be an independent Director. The chairperson of the Board of Directors shall nominate the Committee chairperson and propose his/her removal. Such nomination and removal proposal shall be submitted to the Board of Directors for deliberation.

**Article 8** Members of the Committee shall attend meetings of the Committee as scheduled and shall express their viewpoints and exercise their voting right regarding

matters discussed at the meetings. Such members shall perform their duties with due diligence and adequate time commitment and shall develop a good understanding of the Bank's operation and management, business activities and development profile in relation to their due diligence to ensure competence for duty performance.

Members of the Committee may propose topics for discussion at a Committee meeting. To perform their duties, such members may attend relevant meetings of the Bank as observers or as non-voting delegates, conduct investigations and researches, and access reports, documents and information required for their work.

**Article 9** The chairperson of the Committee shall lead the Committee's work, including presiding over Committee meetings, proposing the convening of extraordinary meetings, finalizing the agenda of each Committee meeting, and signing off meeting resolutions, etc.

The chairperson shall make sure that all members attending a Committee meeting are informed of the matters to be deliberated at the meeting and have access to complete and reliable information, and shall ensure that each proposal discussed by the Committee comes to a clear conclusion, which means adoption, rejection, or reconsideration of the proposal after supplementation of further information.

**Article 10** A Committee member shall serve the same term of office as that of a Director, and may be re-elected for another term upon expiry of the existing term of office.

If a Committee member ceases to be a Director of the Bank, his/her membership of the Committee shall automatically terminate, and the Board of Directors shall timely elect a new member to fill the vacancy and as such ensure compliance of the Committee composition. The term of office of the new member so elected shall terminate upon the expiry of his/her term of office as a Director of the Bank.

**Article 11** The Committee shall establish under it a supporting group to render professional support to the day-to-day operation, compliance and duty performance of the Committee.

**Article 12** The supporting group shall perform the following functions: to prepare annual work plans of the Committee, submit them to the Committee for deliberation and adoption, and file them with the Board of Directors; to assist the Committee in the implementation of its annual work plans and matters assigned by the Committee; to prepare the annual report on duty performance of the Committee, submit it to the Committee for deliberation and file it with the Board of Directors; and to take care of other matters assigned by the Committee. The supporting group shall report its work to the Committee and file it with the Board of Directors.

**Article 13** Member units of the supporting group shall include the Board Office, the

Human Resources Department, and the Finance and Accounting Department at the Head Office of the Bank. Changes of member units shall be reported, via the Board Office, to the chairperson of the Committee and chairperson of the Board of Directors for approval and filed with the Board of Directors.

Each member unit of the supporting group shall assign a departmental head, a division chief and a backbone professional to be members of the group. In case of any change in such group membership, the relevant member units shall notify the Board Office of the change in a timely manner and file the change with the Committee.

Other departments at the Head Office of the Bank shall render support to the operation of the Committee in accordance with actual work needs of the Committee and in coordination with the supporting group.

**Article 14** The supporting group shall be led by the Board Office and the Human Resources Department. The Board Office shall be responsible for communication and coordination between the supporting group and the Committee and other specialized committees of the Board and for organizing meetings of the Committee plus follow-up implementation of matters assigned by the Committee. Together with the Board Office and other relevant departments, the Human Resources Department shall be responsible for rendering professional support to the operation of the Committee in accordance with regulatory provisions and the Committee's requirements for performance of its duties.

**Article 15** The supporting group shall, as required by its work, determine specific matters such as its work flows and report them to the Committee for deliberation and approval.

#### **Chapter 4 Rules of Procedures**

**Article 16** The Committee shall formulate annual work plans to plan for its meetings, investigations and researches, and routine information reporting by the management.

**Article 17** The Committee shall convene no fewer than two meetings per annum, which may take the forms of onsite meeting (including video conference), conference call and written circulation.

**Article 18** The Committee's procedures for convening of meetings, methods of voting and adoption of proposals at its meetings shall comply with requirements of relevant laws and regulations, requirements of the securities regulators of the places where the Bank's shares are listed and provisions of the Bank's Articles of Association.

**Article 19** The Board of Directors, the chairperson of the Board of Directors, the chairperson of the Committee or more than half of all the Committee members shall have the right to propose the convening of a Committee meeting. The Committee meeting shall only be held with the attendance of no less than half of all the

Committee members.

**Article 20** The notice of a Committee meeting shall be delivered seven days prior to the meeting. Such requirement on the notice timeline, however, may be exempted upon unanimous consent of all the Committee members. The chairperson of the Committee shall preside over the meeting, and may, when unable to perform such duty, entrust a Committee member to preside on his/her behalf.

Particulars of the meeting notice shall include the following: time, venue and form of the meeting; agenda and matters to be considered at the meeting and other relevant details; and the date of delivering the notice.

The meeting notice shall be delivered by courier, facsimile, registered mail, email or other ways specified in the Bank's Articles of Association.

**Article 21** Members of the Committee shall attend the Committee meetings in person. When unable to perform such duty, a Committee member may, in writing, entrust another Committee member to attend as proxy. The letter of authorization shall specify the name of the agent, the matters entrusted, and the scope and duration of authorization, and the principal shall sign his/her name or affix his/her stamp on the letter.

A Committee member may not authorize anyone other than a Committee member as proxy unless otherwise provided in relevant laws and regulations, the Bank's Articles of Association, or agreements that are binding on the Bank.

The Committee may, where necessary, invite persons other than Committee members to attend its meetings as non-voting delegates.

**Article 22** If a member of the Committee participates in an onsite meeting (including video conference) or a conference call of the Committee through telephone or similar communication equipment, as long as he/she can make himself/herself heard by the other participants at the meeting and can communicate with them, all the participating members shall be deemed to be present at the meeting in person. An onsite meeting of the Committee shall be tape or video recorded. Voting at an onsite meeting of the Committee shall be made by a show of hands or by poll.

If a member of the Committee participates in an onsite meeting of the Committee through telephone or similar communication equipment, his/her oral voting opinion expressed via such device shall be deemed valid. However, he/she shall sign the written voting document and deliver the original to the Bank after the meeting as soon as practicably possible. The oral vote and the subsequently signed written document shall have the same effect. In case of any discrepancy between the two, the oral opinion shall prevail. If voting is conducted by poll, the Committee member may vote via facsimile or e-mail and shall deliver the original of the signed voting document to the Bank after the meeting as soon as practicably possible.

**Article 23** For voting via written circulation, the Committee shall service each of its

members a meeting notice and information about the proposal to be voted on. Such member shall send back his/her viewpoints about the proposal within the time frame prescribed by the meeting notice for timely study and feedback by relevant departments of the Bank.

Such member shall sign his/her voting opinion (“for,” “against” or “abstain”) and send back the signed voting document within the time frame prescribed by the meeting notice. Members failing to do so shall be deemed to have abstained from voting.

**Article 24** Each Committee member shall have one vote. Resolutions of the Committee shall be adopted by more than half of all the Committee members. When the numbers of votes against and in favor of a certain proposal are equal, the chairperson of the Committee shall have a casting vote.

**Article 25** When the Committee deliberates matters relating to candidates for Board directorship or senior management membership, a Committee member shall be deemed as having conflicted interests with such matters if any of the following circumstances is met and shall therefore apply to the Committee for abstention in advance:

- (1) the Committee member is recommended as a nominee;
- (2) a close relative of the Committee member is recommended as a nominee; and
- (3) other circumstances that may affect the Committee member’s objective and fair judgment.

Close relatives mentioned in this article shall include parents, spouse, siblings and their spouses, adult children and their spouses, spouse's parents, spouse's siblings and their spouses, parents’ siblings and their spouses, as well as adult children of parents’ siblings and their spouses.

Such abstention shall comply with the following specific procedures:

- (1) any member who has conflicted interests with the matter proposed to the Committee shall apply for abstention on his/her own accord; otherwise, other members of the Committee shall have the right to request the relevant member to abstain;
- (2) the dispute as to whether a member has conflicted interests with the proposed matter shall be settled by a resolution adopted by more than half of all the Committee members other than the member having conflicted interests with such matter;
- (3) a member who has conflicted interests with the proposed matter shall abstain from discussions or voting in relation to such matter by leaving the venue of the meeting temporarily or by other means to this end; and
- (4) when a resolution cannot be adopted because relevant members abstain from voting as a result of having conflicted interests with the proposed matter, the Committee shall resolve to submit the proposal to the Board of Directors for deliberation, and deliver the proposal promptly to the Board of Directors for such deliberation. The Committee shall explain its deliberations concerning such proposal when submitting the proposal to the Board of Directors and shall record the opinions

of the members having no conflicted interest in such matter on such proposal.

**Article 26** When the Committee assesses or discusses matters relating to the remunerations of individual Directors, Directors on the Committee shall abstain. When a resolution cannot be adopted for the proposed matter because relevant members abstain from voting as a result of having conflicted interests with the proposed matter, the Committee shall resolve to submit the proposal to the Board of Directors for deliberation, and deliver the proposal promptly to the Board of Directors for such deliberation. The Committee shall explain its deliberations concerning such proposal when submitting the proposal to the Board of Directors and shall record the opinions of the members having no conflicted interest with such matter on such proposal.

**Article 27** Remuneration schemes for Directors of the Bank that have been deliberated by the Committee shall only be implemented after approval by the Board of Directors and deliberation and adoption by the shareholders' general meeting. Remuneration schemes for senior management of the Bank shall be submitted to the Board of Directors for approval. The Board of Directors shall have the right to reject any remuneration plan or scheme that jeopardizes the interests of the Bank's shareholders.

**Article 28** The Committee shall produce minutes of its meetings. Minutes takers shall be persons specially designated by the Board Office. The written minutes shall be delivered to participating Committee members for review within seven working days as of the conclusion of the meetings. The participating members and minutes takers shall sign their names on the finalized minutes.

The minutes shall be kept as important documentation of the Bank by the secretary of the Board of Directors according to the Bank's regulations on archive management.

**Article 29** The proposals adopted at a Committee meeting and intended for consideration of the Board of Directors shall be promptly reported to the Board of Directors along with their voting results.

**Article 30** During the adjournment of a Committee meeting, if there is a significant or special matter requiring consideration of the Board of Directors, the Committee shall report it to the Board of Directors in writing, and may suggest that the chairperson of the Board of Directors convene a Board meeting.

**Article 31** Members of the Committee may carry out investigations and researches in combination with requirements of their duty performance, to which the supporting group shall render professional support. After completion of such investigation and research, reports shall be prepared, submitted to the chairperson of the Committee and chairperson of the Board of Directors for review, and filed with the Board of Directors.

The Committee shall ensure cost-effectiveness and good practical results of such investigations and researches in line with relevant regulations of the Bank.

**Article 32** The Committee may regularly communicate with the management and relevant departments of the Bank regarding the Bank's policies on management of human resources and remunerations and the implementation status of such policies, attend special briefings on a regular basis, and put forward relevant comments and recommendations.

Management of the Bank shall vigorously support the Committee in its work and shall ensure prompt provision of accurate and complete information to the Committee on the Bank's performance evaluation and remuneration policy to meet the Committee's requirements for duty performance.

**Article 33** The Committee may, in line with its actual needs, engage external experts or intermediaries to provide professional consulting services. Such engagement shall complete the submission and approval formalities and shall be filed with the Board of Directors in accordance with relevant regulations of the Bank.

## **Chapter 5 Supplementary Provisions**

**Article 34** Unless otherwise explained, the terms used in these Rules of Procedures shall have the same meanings as those used in the Bank's Articles of Association.

**Article 35** These Rules of Procedures shall be approved by the Board of Directors by ordinary resolution and become effective since the date when these Rules of Procedures are printed and circulated.

**Article 36** Any matter not covered by these Rules of Procedures shall be handled in accordance with applicable PRC laws and regulations, requirements of the securities regulators of the places where the Bank's shares are listed and provisions of the Bank's Articles of Association.

**Article 37** If any of these Rules of Procedures conflicts with any PRC laws or regulations or the Bank's duly amended Articles of Association, the applicable PRC laws and regulations, requirements of the securities regulators of the places where the Bank's shares are listed, and the duly amended Bank's Articles of Association shall prevail.

**Article 38** The Board of Directors of the Bank shall have the right to amend and interpret these Rules of Procedures.