



**BANK OF TIANJIN CO., LTD.\***

**天津銀行股份有限公司\***

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

**(Stock Code: 1578)**

## **TERMS OF REFERENCE FOR THE NOMINATION AND REMUNERATION COMMITTEE OF THE BOARD OF DIRECTORS (2022 AMENDMENT)**

### **CHAPTER I GENERAL PROVISIONS**

**Article 1** In order to regulate the procedures for electing the directors and senior management officers of Bank of Tianjin Co., Ltd. (hereinafter referred to as the “Bank”), improve the incentive and control mechanism for the Bank’s directors and senior management officers, improve the Bank’s corporate governance structure, enhance the decision-making quality and efficiency of the Board of Directors, the Bank has formulated these Terms of Reference pursuant to the laws, regulations and regulatory provisions including *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*, and the relevant requirements of *the Guidelines on Regulating the Rules of Procedure of the Nomination Committee of the Board of Directors of Enterprises of Tianjin State-owned Assets Supervision and Administration Commission (For Trial Implementation), the Guidelines on the Rules of Procedure of the Remuneration and Assessment Committee of the Board of Directors of Enterprises of Tianjin SASAC (For Trial Implementation)* as well as *the Articles of Association of Bank of Tianjin Co., Ltd.* (hereinafter referred to as the “Articles of Association”), in conjunction with the actual circumstances of the Bank.

**Article 2** The Nomination and Remuneration Committee is a specialized working organization established under the Board of Directors of the Bank, and is accountable to the Board of Directors. The Nomination and Remuneration Committee assists the Board of Directors in carrying out relevant work, and is mainly responsible for formulating the procedures and standards for electing the directors and senior management officers, conducting preliminary review of the qualifications and credentials of the candidates for such positions, formulating assessment plans and remuneration packages of directors and senior management officers, giving relevant suggestions or comments to the Board of Directors and supervising the implementations of such assessment plans and remuneration packages.

### **CHAPTER II COMPOSITION AND AGENCIES**

**Article 3** The Nomination and Remuneration Committee shall consist of three to five directors, with a majority being the independent directors. The members of the Nomination and Remuneration Committee shall have some professional knowledge and work experience.

**Article 4** The Nomination and Remuneration Committee shall include one Chairman, who is an independent director responsible to chair the work of the committee, and a certain number of members. The Chairman and all members shall be the Bank’s directors, who shall be nominated by the Chairman of the Board of Directors in accordance with the laws, regulations, regulatory provisions and the professional expertise of the directors, and shall be elected by the Board of Directors.

**Article 5** The duties of the Chairman of the Nomination and Remuneration Committee shall include:

- (1) chairing the work of the committee to ensure the effective functioning and performance of duties by the committee;
- (2) convening and presiding over the meetings of the committee to determine the agendas of the committee in accordance with these Terms of Reference;
- (3) ensuring that all members are aware of the matters to be discussed at the committee meetings and that every committee member has access to complete and reliable information;
- (4) ensuring that all key and appropriate matters are discussed at the committee meetings in a timely manner and that clear conclusions can be made for each topic discussed;
- (5) other functions and powers stipulated by the laws, regulations and these Terms of Reference.

**Article 6** When the Chairman is unable to or does not perform his/her duties, a majority of the members shall jointly nominate one committee member, who shall be an independent director, to perform such duties.

**Article 7** The term of office of members of the Nomination and Remuneration Committee shall be identical with that of the directors, and members of the committee may serve consecutive terms if re-elected upon the expiration of his/her term. If any member ceases to be a director of the Bank, he/she shall automatically lose the qualification as a member of the committee. The vacancy shall be filled up by the Board of Directors in accordance with the provisions of Article 4 above.

**Article 8** The members of the Nomination and Remuneration Committee shall conscientiously perform their duties and participate in its meetings and activities. Any member of the Nomination and Remuneration Committee may be dismissed by the Board of Directors if any of the following situation occurs, and following discussion and approval of the Board of Directors:

- (1) he/she tenders a written application for resignation;
- (2) he/she fails to attend the meetings in person without reason for two consecutive times without entrusting other members to attend the meetings on his/her behalf;
- (3) he/she is involved in gross misconduct or in violation of the laws, regulations, regulatory provisions, the Articles of Association or these Terms of Reference during his/her term of office; or
- (4) other circumstances under which the Board of Directors considers that he/she is not fit to continue to serve in the position.

**Article 9** The Nomination and Remuneration Committee shall establish administrative bodies, consisting of a working body and a secretarial body.

The Human Resources Department of the Bank is the working body of the Nomination and Remuneration Committee and shall be responsible for the formulation of the meeting agendas, the implementation of the decisions of the committee and provision of relevant information. The Office of the Board of Directors is the secretarial body of the Nomination and Remuneration Committee and shall be responsible for handling of daily affairs and the organization of the committee meetings, arranging meeting administration, compiling the minutes and resolutions of the committee meetings, keeping and submitting meeting materials and standardizing meeting documents, etc.

### CHAPTER III RESPONSIBILITIES AND AUTHORITIES

**Article 10** The responsibilities and authorities of the Nomination and Remuneration Committee shall mainly include studying and considering the following matters, making comments or suggestions and report to the Board of Directors for consideration:

- (1) To consider the procedures and standards for election and appointment of directors and senior management officers;
- (2) To identify individuals with suitable qualifications to become directors, and select and nominate such persons for directorship or make suggestions to the Board of Directors in respect thereof;
- (3) To consider the proposals for the appointment or dismissal of the president and the secretary to the Board of Directors according to the nomination of the Chairman of the Board of Directors; to consider the proposals for the appointment or dismissal of the vice president and the assistant to the president and other senior management members according to the nomination of the president; to preliminary review the qualification and conditions of directors and senior management officers;
- (4) To consider the structure, size and composition (including the skills, knowledge and experience) of the Board of Directors, and to make suggestions on any changes to the Board of Directors pursuant to the Bank's strategy;
- (5) To make recommendations to the Board of Directors on the appointment or re-appointment of directors and succession plan for directors;
- (6) To assess the independence of the independent directors;
- (7) To consider the evaluation criteria for the directors and senior management members;
- (8) To supervise and evaluate the work performance of the directors and senior management officers of the Bank, listen to the president's work report and inspect the president's work; to consider the evaluation reports of the directors and senior management members and the mutual evaluation reports of independent directors;
- (9) To make recommendations to the Board of Directors in respect of the remuneration policy and structure for all directors and senior management officers; to make recommendations to the Board of Directors in respect of the formulating procedure of the remuneration policy to ensure its formality and transparency; to formulate senior management performance assessment and remuneration administration plans and methods with suggested assessment objectives, and carry out performance assessment and remuneration administration-related work according to the authorization of the Board of Directors;
- (10) To determine the remuneration schemes and remuneration packages of individual executive directors and senior management officers under the authorization of the Board of Directors; or to make recommendations to the Board of Directors on the remuneration schemes and remuneration packages of individual executive directors and senior management officers in accordance with the approach and targets of the Bank. The remuneration packages mentioned shall include non-monetary benefits, pension rights and compensation payments (including compensation for loss or termination of office or appointment);
- (11) To make suggestions to the Board of Directors in respect of the remuneration packages of the non-executive directors;

- (12) To consider the remuneration schemes of personnel of other key positions;
- (13) To consider and approve the compensation payable to the executive directors and senior management officers for any loss or termination of office or appointment, and ensure that such compensation is consistent with the terms of the contract; if inconsistent, the compensation shall be fair and reasonable but not excessive;
- (14) To consider and approve compensation arrangements relating to dismissal or removal of directors for misconduct, and ensure that such compensation is consistent with the terms of the contract; if inconsistent, the compensation shall be fair and reasonable;
- (15) To ensure that no directors or any of their associates is involved in deciding his or her own remuneration;
- (16) To consider the Bank's operating performance assessment indicators and performance assessment policy;
- (17) To study and consider the Bank's remuneration levels;
- (18) To make comments or suggestions to the Board of Directors on the long-term employee incentive plans and retirement benefit plans;
- (19) When performing duties of the committee, to consider the remuneration paid, time commitment and responsibilities required for the posts of other similar companies, and the terms of employment in respect of other posts in the group;
- (20) To consider the Bank's human resources policy;
- (21) To formulate the Terms of Reference for the Nomination and Remuneration Committee;
- (22) Other matters required by the laws, regulations, regulatory provisions and the Articles of Association and authorized by the Board of Directors.

#### **CHAPTER IV WORKING RELATIONSHIP**

**Article 11** The Nomination and Remuneration Committee is accountable to the Board of Directors and reports its work to the Board of Directors. The Bank provides the members of the Nomination and Remuneration Committee with necessary working conditions in performing their duties. If necessary, the Nomination and Remuneration Committee may engage external experts or agencies to provide professional advice in relation to its decisions, and the reasonable costs arising therefrom shall be borne by the Bank.

**Article 12** The Nomination and Remuneration Committee shall submit comments and suggestions to the Board of Directors in the form of written proposals, and the Chairman of the Nomination and Remuneration Committee shall give explanation and description according to the scheduled agenda at the meeting of the Board of Directors. If the Chairman of the Nomination and Remuneration Committee is unable to attend the meeting of the Board of Directors, he/she shall entrust other members to give explanation and description in accordance with relevant procedures.

**Article 13** The comments and suggestions based on its investigation and study submitted by the Nomination and Remuneration Committee to the Board of Directors are for important reference only when relevant proposals are considered by the Board of Directors. Such comments and suggestions shall not constitute proposals and the Board of Directors shall not make separate resolutions on these comments and suggestions.

**Article 14** The Nomination and Remuneration Committee shall perform its duties within the scope authorized by the Articles of Association and the Board of Directors and shall not make any decision in the name of the Board of Directors.

**Article 15** The Nomination and Remuneration Committee shall forward its review comments or conclusions on relevant matters which need to be acknowledged by other special committees of the Board of Directors to such special committees through secretarial body.

**Article 16** The Nomination and Remuneration Committee has the authority to require the senior management officers of the Bank to provide sufficient support to its work and give comprehensive answers to the questions raised by the Nomination and Remuneration Committee as soon as practicable. The senior management officers and relevant departments shall support and aid the work of the Nomination and Remuneration Committee, providing the committee with the information necessary to perform its duties in a timely manner. The information provided to the Nomination and Remuneration Committee shall be timely, accurate, true, complete and standardized, and its format and quantity shall be sufficient to allow the committee to make any informed decisions.

**Article 17** If the decision-making matters of the Board of Directors fall within the scope of responsibilities of the Nomination and Remuneration Committee, the Nomination and Remuneration Committee shall conduct study and discussion before forming written comments or suggestions for the Board of Directors to consider. The matters involving the pre-study of the Party Committee shall be submitted to the Board of Directors for consideration by the Nomination and Remuneration Committee upon the approval of pre-study by the Party Committee.

## **CHAPTER V MEETING PROCEDURES**

**Article 18** The meetings of the Nomination and Remuneration Committee shall be convened and presided over by the Chairman of the Nomination and Remuneration Committee. The timing of meetings depends on the work requirements. The Chairman may, through the Office of the Board of Directors, consult other members' views on the meeting time in advance.

**Article 19** A meeting of the Nomination and Remuneration Committee shall be convened under any of the following circumstances.

- (1) The Board of Directors considers it necessary to convene such meeting;
- (2) The Chairman of the Nomination and Remuneration Committee considers it necessary to convene such meeting.

**Article 20** The meetings of the Nomination and Remuneration Committee can be convened by way of an on-site meeting or circulation of written resolution. If the meeting of the Nomination and Remuneration Committee is convened in the form of an on-site meeting, video conference, teleconference or other forms of instantaneous communication may be adopted for the convenience of the committee members attending the meeting of the Nomination and Remuneration Committee. Committee members attending the meeting of the Nomination and Remuneration Committee by the aforementioned means shall be deemed to have attended the on-site meeting.



**Article 21** The notice of meeting of the Nomination and Remuneration Committee shall contain the time, venue, session, agenda, topics and the date of the notice, etc. The materials of the Nomination and Remuneration Committee shall include relevant background materials on the topics of the meeting and necessary information and data to assist members in making judgments. The above materials shall be provided in a timely, accurate, true, complete and standardized manner.

**Article 22** The meetings of the Nomination and Remuneration Committee may be held only when more than half of the members are present.

**Article 23** Members of the Nomination and Remuneration Committee shall attend the meeting of the Nomination and Remuneration Committee in person. If he/she cannot attend the meeting, he/she shall authorize other member in writing to attend the meeting and exercise voting rights on his/her behalf. The power of attorney shall specify the names of the principal and the proxy, authorization scope, the voting opinions on behalf of the principal and authorization period. Each member shall not be entrusted by more than two members at the same time. If a member of the Nomination and Remuneration Committee neither attends the meeting in person nor entrusts other members to attend on his/her behalf, he/she shall be deemed absent in the relevant meeting and shall automatically waive the right to vote in that meeting.

**Article 24** When reviewing relevant matters or proposals or voting, members attending such a meeting shall adopt an attitude of seriousness and responsibility to the Bank, express opinions and advice independently and sufficiently in relation to the matters discussed, and bear responsibility in relation to his/her own deliberations.

**Article 25** If deemed necessary by the Nomination and Remuneration Committee, the committee may request the Bank's directors, senior management officers and the responsible persons of relevant departments or professional parties to attend the meeting as non-voting delegates, make presentation on the subject matters of the meeting and respond to inquiries. The Bank shall also copy the meeting notice of the Nomination and Remuneration Committee to all the supervisors, and invite them to attend the meeting as non-voting delegates.

**Article 26** Voting at meetings of the Nomination and Remuneration Committee shall be by hand or by poll.

**Article 27** Each member of the Nomination and Remuneration Committee shall have one vote. A resolution shall be passed if approved by more than half of all members. Any member who has significant interest in the relevant matter(s) shall abstain from consideration and voting. When the number of members required for approval cannot be met due to reasons such as the aforementioned situation and the resignation of directors who serve as members, the Nomination and Remuneration Committee shall submit the relevant topics directly to the Board of Directors for consideration.

**Article 28** The Office of the Board of Directors is responsible for the meeting minutes of the Nomination and Remuneration Committee and the consolidation of meeting resolutions. The Office of the Board of Directors shall be responsible for keeping the meeting minutes and meeting resolutions upon signatures by the members attending the meeting.

The secretary to the Board of Directors attending the meeting as a non-voting delegate shall sign the meeting minutes.

**Article 29** The meeting minutes of the Nomination and Remuneration Committee shall contain the following:

- (1) meeting date, venue and name of convener and person presiding over the meeting;
- (2) names of the members present and the names of directors (proxy(ies)) being entrusted to attend the meeting of the Board of Directors;
- (3) agenda(s) and topics of the meeting;
- (4) key points of speeches by members;
- (5) voting methods and results for each resolution (the voting results shall clearly state the number of votes for or against the resolution or abstention and the names of the voters);
- (6) other relevant content of the meeting;
- (7) name of the person taking minutes.

**Article 30** Any person present at the meetings shall keep the subject matters of such meeting in confidentiality, and shall not disclose the information without authorization.

## **CHAPTER VI SUPPLEMENTARY PROVISIONS**

**Article 31** Unless otherwise specified, the terms used herein shall have the same meanings as those in the Articles and Association.

**Article 32** The word “above” referred to in these Terms of Reference shall be inclusive, while the words “over”, “more than” shall be exclusive.

**Article 33** These Terms of Reference shall become effective upon the date on which these Terms of Reference are considered and approved by the Board of Directors and issued. The original Terms of Reference for the Nomination and Remuneration Committee of Bank of Tianjin Co., Ltd. (Tian Yin Dong [2017] No. 31) shall be repealed on the same day.

**Article 34** These Terms of Reference shall be interpreted by the Board of Directors.

*Note:* These Terms of Reference are prepared in Chinese and English version. The English version is for reference only. In the event of any discrepancies between the English and the Chinese version, the Chinese version shall prevail.

\* *Bank of Tianjin Co., Ltd. is not an authorised institution within the meaning of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorised to carry out banking/deposit-taking business in Hong Kong.*