

Bank of Jinzhou Co., Ltd.*
錦州銀行股份有限公司

Terms of Reference of the Nomination and Remuneration Committee**

Chapter 1 General Provisions

Article 1 To regulate the election of the directors and senior management of Bank of Jinzhou Co., Ltd. (the “Bank”), to improve the reasonable compensation system of the directors and senior management of the Bank, the Nomination and Remuneration Committee of the Bank is hereby established and these Terms of Reference are formulated in accordance with relevant provisions of laws and regulations (the “Chinese laws”) such as Company Law of the People’s Republic of China and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), the Articles of Association of Bank of Jinzhou Co., Ltd. (the “Articles of Association”) and the Rules of Procedures of the board of the Bank (the “Board”).

Article 2 The Nomination and Remuneration Committee is a special working agency under the Board, which is accountable to the Board. The Nomination and Remuneration Committee shall be responsible for formulating the election procedures and standards for directors and senior management; conducting preliminary review of the qualifications and conditions of the directors and senior management and make proposal to the Board; formulating the plan for valuation of performance and compensation, making proposal to the Board on the plan for valuation of performance and compensation and monitoring the implementation of such plan.

Chapter 2 Composition of the Nomination and Remuneration Committee

Article 3 The Nomination and Remuneration Committee comprises a minimum of three (3) members, and the majority of them shall be independent non-executive directors. The directors nominated by the controlling shareholders of the Bank shall not act as members of the Nomination and Remuneration Committee.

Article 4 The Nomination and Remuneration Committee members shall be nominated by the chairman of the Board, half of the independent directors or one third of all the directors and shall be elected by the Board.

Article 5 The term of office of Nomination and Remuneration Committee is consistent with that of the Board. After expiration of such term, a Nomination and Remuneration Committee member may serve for another term if re-elected. During the term of office, the qualification of a Nomination and Remuneration Committee member shall be terminated if such member no longer acts as a director of the Bank or loses the independence as stipulated in the Articles of Association which he/she should have possessed, and the Board shall fill the vacancy according to Articles of Association and other relevant provisions.

Article 6 The Nomination and Remuneration Committee shall maintain one (1) chairman, and such chairman must be an independent non-executive director. The chairman shall preside the work of the Nomination and Remuneration Committee. The chairman shall be elected among the entire Nomination and Remuneration Committee members and submit it for approval by the Board.

Article 7 The duties of the chairman of the Nomination and Remuneration Committee shall include:

- (1) taking lead on the Nomination and Remuneration Committee and ensure the Nomination and Remuneration Committee work efficiently and discharge its duty;
- (2) convening and presiding the meeting of the Nomination and Remuneration Committee and determining the meeting agenda for each meeting of the Nomination and Remuneration Committee in accordance with this Terms of Reference;
- (3) to ensure all the Nomination and Remuneration Committee members of relevant meetings understand the subject matters of the meetings and ensure each members can obtain complete and reliable information;
- (4) to ensure the Nomination and Remuneration Committee members can discuss all key and appropriate matters and make clear conclusion for each subject matter.

Article 8 When the chairman is not able to or does not perform his/her duties, half of the Nomination and Remuneration Committee members shall nominate one Nomination and Remuneration Committee member to perform such duties.

Article 9 The Nomination and Remuneration Committee shall establish agencies and such agencies shall consist of the working agency and the secretary agency.

Article 10 The human resources department of the Bank is the working agency of the Nomination and Remuneration Committee and shall be responsible for the preparation of the meeting agenda and draft resolutions and the implementation of the resolutions; the secretary office of the Board is the secretary agency of the Nomination and Remuneration Committee and shall be responsible for the organization of the meetings, arrangement of the meetings, notice of the meetings, fling of the resolution and minutes of the meetings, the record and report of the meeting materials and the improvement of meeting documents, etc.,.

Chapter 3 Responsibilities

Article 11 The Nomination and Remuneration Committee shall perform the following duties:

- (1) Duties relating to Nomination
 - (a) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Bank's corporate strategy;
 - (b) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
 - (c) to assess the independence of independent non-executive directors of the Bank;
 - (d) to make recommendations to the Board on the appointment or re-appointment of directors of the Bank and succession planning for directors of the Bank, in particular the chairman and the chief executive; and

- (e) to handle other matters authorized by the Board.
- (2) Duties relating to the Evaluation and Compensation
- (a) to consult the chairman and/or chief executive about their remuneration proposals for other executive directors;
 - (b) to make recommendations to the Board on the Bank's policy and structure for all directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
 - (c) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
 - (d) to make recommendations to the Board on the remuneration packages of individual executive directors and senior management. The remuneration packages should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
 - (e) to make recommendations to the Board on the remuneration of non-executive directors;
 - (f) to consider salaries paid by comparable companies, time commitment and responsibilities, and employment conditions elsewhere in the Bank and its subsidiaries (the "Group");
 - (g) to review and approve 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;
 - (h) to review and approve 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;
 - (i) to ensure that no director or any of his associates (as defined in Listing Rules) is involved in deciding his own remuneration;
 - (j) in respect of any service agreement to be entered into between any members of the Group and its director or proposed director, to review and provide recommendation to the shareholders of the Bank (other than shareholder(s) who is/are director(s) with a material interest in the relevant service agreements and their respective associates) as to whether the terms of the service agreements are fair and reasonable and whether such service agreements are in the interests of the Bank and the shareholders as whole, and to advise shareholders on how to vote; and
 - (k) to handle other matters authorized by the Board.

Article 12 The Nomination and Remuneration Committee should be responsible for the Board and shall report to the Board on its work. It shall report to the chairman of the Board in the closing period of the board meeting. The Bank shall provide the necessary conditions for the Nomination and Remuneration Committee and if needed, the Nomination and Remuneration Committee can engage external experts or agencies to offer professional opinions for its decision-making, and related reasonable fees are borne by the Bank.

Article 13 The Nomination and Remuneration Committee shall provide opinions and suggestions based on its investigation and study for the Board's reference only when the Board reviews relevant resolutions. Such opinions and suggestions shall not constitute proposal of resolutions and the Board shall not make resolutions on these opinions and suggestions. If the Nomination and Remuneration Committee provides opinions and suggestions to the Board in the form of resolutions, then the Board shall review and make resolutions accordingly.

The Nomination and Remuneration Committee shall provide opinions and suggestions to the Board in written form and shall provide interpretation and explanation on the meeting of the Board based on its meeting agenda.

Article 14 The Nomination and Remuneration Committee shall be entitled to request the senior management of the Bank to provide sufficient support for its work and provide full answers timely to the inquiries made by the Nomination and Remuneration Committee.

The senior management and relevant departments shall provide support and coordination to the Nomination and Remuneration Committee for its work and on a timely basis, provide information necessary for the Nomination and Remuneration Committee to discharge its duties. The information provided to the Nomination and Remuneration Committee shall be complete and the form and substance of such information shall enable the Nomination and Remuneration Committee to make a decision based on such materials.

Chapter 4 Rules of Procedures

Article 15 The meetings of the Nomination and Remuneration Committee included fixed meetings and extraordinary meetings.

Article 16 The fixed meeting of the Nomination and Remuneration Committee shall be convened at least twice a year. The fixed meetings shall be convened and preside by the chairman of the Nomination and Remuneration Committee. The office of the Board shall give written notice to all the members of the Nomination and Remuneration Committee five (5) days prior to such meeting and such notice period can be waived with the consent of all the members of the Nomination and Remuneration Committee.

Article 17 The extraordinary meeting shall be convened and presided by the chairman of the Nomination and Remuneration Committee based on the proposal from the chairman of the Board or the chief executive officer of the Bank. Members of the Auditor Nomination and Remuneration Committee can make proposal on the subject matters of the meetings jointly or severally and the chairman shall put these matters into the meeting agenda. Two or more members can propose to the chairman to hold an extraordinary meeting and shall put up with the meeting subject matters. The chairman shall arrange to convene relevant meeting after receiving such proposals. The office of the Board shall give written notice to the members prior three (3) days before such meeting.

Article 18 The office of the Board shall provide relevant materials to the members when giving the meeting notice, including the background material and information and data which will help the members to make a judgment. The human resources department shall ensure the above mentioned materials be timely, accurate, complete and formal.

Article 19 Members of the Nomination and Remuneration Committee shall attend the Nomination and Remuneration Committee meetings in person. If he/she cannot attend the meeting, he/she shall authorize other Nomination and Remuneration Committee member as proxy with written proxy. Members who do not attend such meeting and do not authorize other members to attend such meeting as his or her proxy, will be deemed to abstain from voting on such meeting.

Article 20 The quorum of a meeting of Nomination and Remuneration Committee is two third of members of the Nomination and Remuneration Committee. Each member shall have one vote. A resolution shall be passed if approved by more than half of the total number of the Nomination and Remuneration Committee members. Any member who has interests in the matters deliberated in the meeting shall abstain from voting. If due to the above reason, the members entitled to vote are less than three persons, the Nomination and Remuneration Committee shall submit relevant subject matter to the Board to resolve.

Article 21 Voting at meetings of the Nomination and Remuneration Committee shall be by hand or by poll. Meetings may be voted by way of correspondence.

Article 22 When reviewing relevant matter or proposals, members who attended such meeting shall take a serious attitude to express advice and suggestions on an independent and sufficient basis and shall be responsible for his or her voting.

Article 23 The Nomination and Remuneration Committee shall continually follow the changes of and effect arising from the relevant matters of the Bank which fall into its duty and request the Nomination and Remuneration Committees to pay particular attention.

Article 24 If members of the Nomination and Remuneration Committee deem necessary, the Nomination and Remuneration Committee can invite the chairman of the Board, other directors, supervisors, secretary to the Board and other senior management, external auditor, other relevant personnel or professional parties to attend its meeting as nonvoting delegates.

Article 25 If members of the Nomination and Remuneration Committee deem necessary, the Nomination and Remuneration Committee may request the head of relevant departments of the Bank, including the human resources department and the financial department or their designated persons to attend its meeting as nonvoting delegates and make presentation on the subject matters of the meeting and respond to inquiries.

Article 26 Relevant staff from the office of the Board shall attend the meeting of the Nomination and Remuneration Committee as nonvoting delegates and shall be responsible for meeting minutes and resolutions (if any). The Nomination and Remuneration Committee members present at the meeting shall sign the minutes, and for the meeting convened by way of correspondence, the opinions of members of the Nomination and Remuneration Committee shall be recorded or the members of the Nomination and Remuneration Committee shall send emails to the person who prepares the meeting minutes. The meeting minutes shall be kept by the office of the Board.

Article 27 After the meeting is finished, the chairman or the person who presides such meeting shall report the status of the meeting to the chairman of the Board and the members who do not attend such meeting.

Article 28 Meeting minutes and resolutions of the Nomination and Remuneration Committee shall be submitted to the Board in written form.

Article 29 Any person who presents at meetings of Nomination and Remuneration Committee shall keep the subject matters of such meeting in confidentiality, and shall not disclose the information without authorization.

Article 30 For the resolutions of the Nomination and Remuneration Committee that violates laws, administrative regulations, rules, the Articles of Association and this terms of reference and causes severe losses to the Bank, the members of the Nomination and Remuneration Committee who attend the voting on such meeting shall make compensation to the Bank. The members of the Nomination and Remuneration Committee who express different views and have a written record for such views, he or she can be exempted from relevant liabilities.

Chapter 5 Supplementary Provisions

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

Article 32 These Terms of Reference shall become effective upon approval by half of the Board and the amendments shall be the same.

Article 33 Any matters that are not covered herein or if any of these Terms of Reference conflicts with any laws, regulations or normative documents promulgated subsequently, or the listing rules of the place where the shares of the Bank are listed, or the Articles of Association duly amended thereafter, it shall be handled in accordance with related PRC laws and regulations, normative documents, the listing rules of the place where the shares of the Bank are listed and the provisions of the Articles of Association.

Article 34 The Board shall have the right to interpret and revise these Terms of Reference.

* *Bank of Jinzhou Co., Ltd. is not an authorized 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 authorized to carry on banking and/or deposit-taking business in Hong Kong.*

** *Should there be any discrepancy between the Chinese and English versions of the Terms of Reference of the Nomination and Remuneration Committee, the Chinese version shall prevail.*