



# China Cinda Asset Management Co., Ltd.

中國信達資產管理股份有限公司

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

(Stock Code: 01359 and 04621 (Preference Shares))

## Terms of Reference of the Nomination and Remuneration Committee of the Board of Directors of China Cinda Asset Management Co., Ltd.

### Chapter 1 General Provisions

**Article 1** In order to regulate the election of directors and senior management, enhance the remuneration management system and improve the assessment and evaluation system of China Cinda Asset Management Co., Ltd. (the “Company”), the nomination and remuneration committee of the board of directors is established and these terms of reference are formulated in accordance with relevant laws, regulations, regulatory documents, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”), the Articles of Association of China Cinda Asset Management Co., Ltd. (the “Articles of Association”) and the Rules of Procedures of the Meetings of the Board of Directors of China Cinda Asset Management Co., Ltd. (the “Rules of Procedures of Board Meetings”).

**Article 2** The nomination and remuneration committee is a specific working body established by the board of directors. It is mainly responsible for assisting the board of directors in formulating the procedures and standards for the election of directors and senior management of the Company, preliminarily examining the eligibility and qualifications of the candidates, and studying and formulating assessment methods and remuneration plans for directors and senior management.

**Article 3** The nomination and remuneration committee shall be accountable and report to the board of directors.

### Chapter 2 Composition

**Article 4** The nomination and remuneration committee shall consist of at least three members, who shall be directors with expertise and working experience commensurate with the duties of nomination and remuneration committee and the majority of which shall be independent directors.

**Article 5** The chairman and other members of the nomination and remuneration committee shall be proposed and elected by the board of directors in accordance with the procedures set out in the Articles of Association.

**Article 6** The nomination and remuneration committee shall have one chairman acted by the independent director who is in charge of the work of the nomination and remuneration committee.

**Article 7** The nomination and remuneration committee shall have the same term of office as the board of directors. A member of the nomination and remuneration committee may serve consecutive terms if re-elected upon the expiration of his or her term. If any member ceases to hold office as a director of the Company during the term, such director shall lose his or her position as a member of the nomination and remuneration committee accordingly, or if such renders the composition of the nomination and remuneration committee failing to comply with the requirements of these terms of reference, the board of directors shall make up the number of members of committee in a timely manner under Article 5 of these terms of reference. If the resignation of the nomination and remuneration committee member renders the members of the nomination and remuneration committee fewer than the statutory minimum, the existing member shall continue to perform his/her duties as a member in accordance with the laws, regulations, regulatory documents and the Articles of Association and the provisions of these terms of reference till a new member takes his/her office.

**Article 8** If any member of the nomination and remuneration committee fails to satisfy the provisions of Articles 4 and 6 of these terms of reference, the board of directors shall make an announcement to disclose the details and reasons of such failure in accordance with the requirements of the securities regulatory authority of the place where the shares of the Company are listed, and appoint a new member to fill the vacancy in accordance with the provisions of Articles 4 to 6 of these terms of reference within three months commencing from the date of such failure.

### **Chapter 3 Primary Duties**

**Article 9** The primary duties of the nomination and remuneration committee are:

- (1) to formulate procedures and standards for the election of directors and senior management and make suggestions to the board of directors;
- (2) to nominate to the board of directors the candidates for directors, presidents and secretary to the board of directors;
- (3) to make recommendations to the board of directors regarding the nomination or removal of directors and the appointment or dismissal of senior management members;
- (4) to preliminarily examine the eligibility of candidates for directors and senior management:
  1. The nomination and remuneration committee shall comprehensively evaluate the expertise, knowledge and experience of directors and senior management;
  2. The nomination and remuneration committee shall review the independence of independent directors.
- (5) to nominate candidates for chairmen and members of the special committees of the board of directors (other than the chairman of the strategic development committee);

(6) to review and make recommendation on the composition of the board of directors:

1. The nomination and remuneration committee shall, at least once a year, review the organizational structure, number of members and composition of the board of directors, and fully consider the diversity of the board of directors (including but not limited to gender, age, cultural and academic background, professional qualification, expertise, knowledge and experience);
2. The nomination and remuneration committee shall give suggestions to the board of directors on proposed adjustments of the board of directors according to development strategies of the Company.

(7) to organize and formulate the remuneration plans for directors and senior management for approval of the board of directors and propose remuneration distribution plan according to the performance appraisal of directors and senior management for approval of the board of directors:

1. The nomination and remuneration committee shall study and formulate remuneration policies and plans for directors and senior management based on formal and transparent procedures, review such policies and plans according to the targets and plans of the Company set by the board of directors, and give suggestions to the board of directors;
2. The nomination and remuneration committee shall conduct appraisal of directors and senior management and propose remuneration distribution plans to the board of directors based on the appraisal results and with reference to the remuneration paid by comparable companies, time commitment, duties, and terms of appointment of other positions within the Group;
3. The nomination and remuneration committee shall consult the chairman and the president about the proposals relating to the remuneration of the executive directors;
4. The nomination and remuneration committee shall review and approve the compensation arrangements in connection with the termination of the executive directors and senior management, or dismissal for misconduct of directors to ensure such compensations are consistent with the relevant contracts or are otherwise fair and reasonable;
5. The nomination and remuneration committee shall ensure that no director nor associate shall participate in the determination of his/her own remuneration.

(8) to perform other duties as provided for by laws, regulations, regulatory documents, the rules of the securities regulatory authority of the place where the shares of the Company are listed as well as the requirements of the Articles of Association and Rules of Procedures of Board Meetings and other matters as authorized by the board of directors.

**Article 10** The remuneration plans for the directors of the Company proposed by the nomination and remuneration committee shall be submitted to the board of directors for approval and may only be implemented upon the approval by the shareholders' meeting. The remuneration plans for the senior management of the Company shall be submitted to the board of directors for approval. The remuneration plans proposed by the nomination and remuneration committee shall not prejudice the interests of shareholders and shall comply with the relevant state regulations.

**Article 11** The nomination and remuneration committee shall report its resolutions and recommendations to the board of directors, except for issues which may conflict with the general duties of the nomination and remuneration committee or restricted from reporting by the laws, regulations or regulatory requirements.

## Chapter 4 Work Procedures

**Article 12** The office of the board of directors shall be responsible for submission of the meeting materials, meeting preparation, resolution implementation supervision and feedback, and act as the point of contact and coordination between the nomination and remuneration committee and the relevant departments of the Company. The relevant departments shall cooperate accordingly.

**Article 13** The nomination and remuneration committee may formulate annual work plans and hold meetings regularly. The nomination and remuneration committee shall hold at least two regular meetings every year. Notice shall be given to all members at least five days prior to the meetings. In case of emergency, the notice may be given at any time and the chairman of the nomination and remuneration committee shall make an explanation in the meeting.

Extraordinary meetings of the nomination and remuneration committee can be convened by the board of directors, the chairman of the nomination and remuneration committee or more than half of the members.

**Article 14** Prior to the meeting, a notice of the meeting shall be given to all members and others who shall attend the meeting as observers. A notice of the meeting shall generally include:

- (1) the venue, time and form of the meeting;
- (2) the convener of the meeting;
- (3) the agenda of the meeting;
- (4) the date of the notice;
- (5) the contact person of the meeting and the contact information.

If the meeting materials are delivered after the notice, the Company shall provide sufficient time for the members to study the relevant information.

**Article 15** Meetings may be convened by way of onsite meeting or written resolution. Telephone conference or video conference systems may be provided for convenience of the members to attend onsite meetings. The members shall be deemed as attending the onsite meeting in person if attending by the aforesaid means.

**Article 16** A meeting shall be convened and presided over by the chairman of the nomination and remuneration committee. Where the chairman is unable to perform his or her duties, one independent director shall be appointed to exercise the duties on his/her behalf. Where the chairman fails to appoint another member or the member so appointed is unable to perform his/her duties, one independent director shall be elected by more than half of the members to exercise the duties on his/her behalf.

**Article 17** Quorum of the meeting shall be more than half of all members. The members shall attend the meeting in person. Where a member is unable to attend a meeting for any reason, he or she may appoint another member by a written power of attorney to attend the meeting on his or her behalf. The power of attorney shall set out the name of the proxy, subject matters of representation, scope of authorization and the valid period, with the signature or seal of the appointer and the proxy.

Members attending the meeting as proxy for others shall submit the written power of attorney before the meeting and exercise their rights within the scope of authorization. If a member appoints another member to attend the meeting on his or her behalf, he or she solely shall be held legally responsible for the decisions made by the proxy within the scope of authorization.

**Article 18** Voting in the meeting of the nomination and remuneration committee may be conducted by a show of hands or open ballot. Each member shall have one vote. If directors attending by means of telephone conference or video conference are unable to sign the written resolutions instantly, they shall vote orally and complete the signing procedures on the written resolutions as soon as possible. The resolution signed thereafter shall be consistent with the result of oral votes during the meeting. In case of any inconsistency between such resolutions signed and the result of the oral votes, the result of the oral vote shall prevail. Resolutions of the meeting must be passed by more than half of all members.

**Article 19** Where the nomination and remuneration committee deems necessary, it may invite the directors, senior management and related department officers who are not members of the nomination and remuneration committee to attend the meeting. The list of such attendees shall be subject to the prior approval of the chairman of the nomination and remuneration committee.

**Article 20** When the nomination and remuneration committee evaluate any directors or senior management, or discuss his or her remuneration, such person and his or her related person shall abstain from the meeting in respect thereof.

**Article 21** The member of the nomination and remuneration committee in any of the following circumstances shall make disclosure to the nomination and remuneration committee in advance and apply for abstain from discussion of the nomination and remuneration committee, other members may also require him/her to abstain:

- (1) the member is being evaluated or his or her remuneration is being discussed;
- (2) the associate (as defined under the Hong Kong Listing Rules) of the member is being evaluated or his or her remuneration is being discussed;
- (3) other circumstances that may affect the member to make objective and fair judgments.

**Article 22** When there is a dispute regarding whether a member shall abstain from the meeting, it shall be resolved by a resolution passed by more than half of the other members excluding the member concerned.

**Article 23** A member shall abstain from the discussion of or voting on the proposals that he/she is supposed to abstain from, and shall leave the meeting temporarily or take other means to his or her end.

**Article 24** If a proposal fails to be resolved due to the abstain of members, the nomination and remuneration committee shall pass a resolution to submit the proposal to the board of directors for consideration, and deliver it promptly to the board of directors for review. The nomination and remuneration committee shall provide the results of its review on the proposal in the resolution to be submitted to the board of directors and shall include therein the opinions of the independent members on the proposal.

**Article 25** The nomination and remuneration committee shall keep full records for the minutes of the meeting, which shall be signed by the members present at the meetings and the recorder. The minutes shall contain sufficient details of the issues considered and the decisions made in the meeting, including the concerns and dissenting opinions expressed by all members. The draft of the final minutes shall be circulated to all members for review within five working days after the meetings, and the member who requests for amending or supplementing the minutes shall provide his or her comments in writing within three working days upon the receipt of the minutes.

The office of the board of directors is responsible for preparing meeting summaries based on the minutes. Meeting summaries and final minutes signed by all members attending the meetings shall be kept as permanent company archives by the office of the board of directors in accordance with the archive management system of the Company.

Such records shall be made available for inspection within reasonable time by any director who has given reasonable notice.

**Article 26** Members of the nomination and remuneration committee and other persons attending the meetings shall keep confidential all matters discussed at the meetings. Unauthorized disclosure of relevant information is prohibited.

**Article 27** Where necessary, the nomination and remuneration committee may engage external experts or intermediaries for independent and professional advice on its decision-making, and the reasonable expenses incurred from the exercise of duties by the nomination and remuneration committee shall be borne by the Company.

**Article 28** The nomination and remuneration committee shall maintain regular communications with the board of directors and the senior management. The senior management shall be responsible for timely providing sufficient and proper information to the nomination and remuneration committee to make informed decisions. The nomination and remuneration committee and its members may make further enquiries and have separate and independent access to the senior management where necessary.

## Chapter 5 Supplementary Provisions

**Article 29** In these terms of reference, the meaning of “no less than” and “at least” includes the number itself, while “more than” excludes the number itself.

**Article 30** In these terms of reference, “related” shall have the meaning defined under the Hong Kong Listing Rules and IFRS.

**Article 31** These terms of reference shall be effective upon the approval of the board of directors.

**Article 32** These terms of reference shall be published on the websites of the Company and the stock exchanges at the places where the shares of the Company are listed.

**Article 33** For any matters that are not covered in these terms of reference, or in the case of any contradictions between these terms of reference and the provisions of the relevant laws, regulations, regulatory documents, Articles of Association and Rules of Procedures of Board Meetings, the latter shall prevail.

**Article 34** The power of interpretation of these terms of reference shall be vested in the board of directors of the Company.