

**Terms of Reference
of the Nomination and Remuneration
Committee of the Board of Directors
of Postal Savings Bank of China Co., Ltd.**

(Revised in 2019)

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Chapter 1: General Provisions

Article 1 In order to regulate the decision-making mechanism of the Board of Directors (the “**Board**”) of Postal Savings Bank of China Co., Ltd (the “**Bank**”), and to improve the efficiency and the quality of decision-making of the Bank, the terms of reference of the Nomination and Remuneration Committee of the Board of Directors of Postal Savings Bank of China Co., Ltd. (the “**Terms of Reference**”) are formulated with reference to the actual situation of the Bank and in accordance with applicable laws, administrative regulations, departmental rules and normative documents such as the *Company Law of the People’s Republic of China*, the *Commercial Banking Law of the People’s Republic of China* and the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*, as well as relevant requirements under the *Articles of Association of Postal Savings Bank of China Co., Ltd.* (the “**Articles of Association of the Bank**”) and the *Rules of Procedures of the Board of Directors of Postal Savings Bank of China Co., Ltd.*.

Article 2 The Bank established the Nomination and Remuneration Committee of the Board (the “**Nomination and Remuneration Committee**”) to assist the Board to carry out relevant work. The Nomination and Remuneration Committee is mainly responsible for the preliminary review of the selection procedures, standards and qualifications of directors and senior management members of the Bank and putting forward recommendations to the Board, making proposals for the remuneration plans for directors and senior management members of the Bank, putting forward recommendations to the Board and supervising the implementation of the plan.

Chapter 2: Composition

Article 3 The Nomination and Remuneration Committee shall be composed of at least a minimum of three (3) directors, and the majority of the Nomination and Remuneration Committee members must be independent directors. The Nomination and Remuneration Committee shall have one (1) chairman who shall be an independent director, in charge of the work of the Nomination and Remuneration Committee.

The chairman’s main functions and responsibilities shall include, among others:

- i. presiding over the Nomination and Remuneration Committee meetings and ensuring effective operation and performance of duties of the Nomination and Remuneration Committee;
- ii. deciding on the agenda of the Nomination and Remuneration Committee meetings;
- iii. ensuring that all members of the committee obtain complete and reliable information about the issues discussed in the meeting;

- iv. ensuring that the Nomination and Remuneration Committee reaches a clear conclusion to each proposal which includes passed, rejected or supplementary materials needed for reconsideration;
- v. proposing the convening of extraordinary meetings;
- vi. other functions and responsibilities specified in the Terms of Reference.

Article 4 The chairman and members of the Nomination and Remuneration Committee shall be nominated by the requesting shareholder, the chairman of the Board, over one third of the directors or over half (at least two (2)) of the independent directors and appointed by the Board. The removal of the chairman or members of the Nomination and Remuneration Committee shall be proposed by the requesting shareholder, the chairman of the Board, over one third of the directors or over half (at least two (2)) of the independent directors and decided by the Board.

Article 5 The term of office of the Nomination and Remuneration Committee members shall be in conformity with that of their directorship. At the expiration of their term of office, they could be re-elected and re-appointed. During the term of office, if any member no longer acts as a director of the Bank, his or her qualification as a committee member shall terminate automatically.

In the event of a vacancy in the Nomination and Remuneration Committee, the Board shall appoint a new member to fill the vacancy in accordance with the provisions of Article 3 to Article 5 of the Terms of Reference. If the vacancy results in less than three (3) Nomination and Remuneration Committee members, the Board shall appoint a new member as soon as possible.

Article 6 The main responsibilities of the Nomination and Remuneration Committee members shall include, among others:

- i. attending the Nomination and Remuneration Committee meetings, expressing their opinions on the issues discussed at the meetings, and exercising their rights to vote;
- ii. proposing topics to be discussed in the Nomination and Remuneration Committee meetings;
- iii. attending relevant meetings of the Bank as participants or observers, conducting surveys and research, and collecting necessary reports, documents, materials and other relevant information for the purpose of performing their duties;

- iv. fully understanding the duties of the Nomination and Remuneration Committee as well as their duties as Nomination and Remuneration Committee members, familiarized themselves with the Bank's operation and management, business activities and development to ensure that they are capable of performing their duties;
- v. fully ensuring sufficient time and energy for performing their duties;
- vi. other functions and responsibilities specified in the Terms of Reference.

Chapter 3: Duties and Powers

Article 7 The primary duties and powers of the Nomination and Remuneration Committee include:

- i. performing annual review on the structure, size and composition of the Board, and making recommendations to the Board;
- ii. developing the standards and procedures for the appointment of directors, chairman and members of each Board committee and of senior management members and submitting to the Board for review;
- iii. performing preliminary review on the qualifications and requirements of candidates for directors and senior management members, and making recommendations to the Board;
- iv. nominating candidates for the chairman and members of other Board committees (except for the chairman of the Strategic Planning Committee);
- v. developing the measures of the Board on duty performance evaluation for directors and performance assessment measures for senior management members, as well as compensation measures or plans for directors and senior management members to be submitted to the Board for review;
- vi. organizing duty performance evaluation on directors and performance assessment on senior management members by the Board, and making recommendations on the compensation distribution for directors and senior management members to be submitted to the Board for review;
- vii. reviewing the major human resources and compensation policies and basic systems submitted by the senior management, submitting to the Board for approval, and supervising the implementation of the relevant policies and basic management systems;

- viii. developing the training plans for senior management members and key backup talents to be submitted to the Board for review;
- ix. other matters required by the laws, administrative regulations, departmental rules and authorized by the Board.

Article 8 The Nomination and Remuneration Committee shall have the right to require senior management members of the Bank to provide sufficient support to the work of the Nomination and Remuneration Committee. The senior management members shall ensure that information relevant to the Bank's human resources management, performance evaluation, remuneration management, etc. is provided to the Nomination and Remuneration Committee on a timely basis to assist the Nomination and Remuneration Committee to perform its duties. The information provided to the Nomination and Remuneration Committee shall be accurate and complete.

Article 9 The Nomination and Remuneration Committee shall have the right to investigate the human resources and remuneration policies and their implementation, as well as performance evaluation. The investigation methods shall include but not be limited to attending relevant meetings of the Bank as participants or observers, conducting investigations and research on the Bank's systems, and requiring the senior management members of the Bank or relevant person in charge to report orally or in writing within the prescribed period and answer relevant questions.

The Nomination and Remuneration Committee shall study relevant investigation matters and answers made by senior management members or relevant responsible persons in charge and report the investigation results and suggestions to the Board.

Article 10 The Nomination and Remuneration Committee may present proposals to the Board for the Board's consideration and approval. The Nomination and Remuneration Committee shall provide the research and discussion of the relevant proposals in the form of a report, suggestion or summary to the Board for consideration and decision-making.

Article 11 Specially authorized by the Board, the Nomination and Remuneration Committee shall have the power to make decisions on matters within the authorized scope. The Nomination and Remuneration Committee shall make periodic reports about the handling of authorized matters to the Board.

Article 12 The Nomination and Remuneration Committee may, when necessary, engage intermediary institutions or professionals to provide professional opinions and the reasonable expenses incurred shall be borne by the Bank.

Chapter 4: Rules of Procedures

Article 13 The Nomination and Remuneration Committee shall formulate an annual work plan and hold at least two (2) meetings each year. The Board, the chairman of the Nomination and Remuneration Committee or over half of the Nomination and Remuneration Committee members shall have the right to propose a meeting.

The Nomination and Remuneration Committee meetings shall be held in the form of an on-site meeting or by circulation of written proposals. If the Nomination and Remuneration Committee meeting is held in the form of an on-site meeting, teleconference, videoconference or other forms of instantaneous communication may be adopted for the convenience of the committee members attending the Nomination and Remuneration Committee meeting. Committee members attending the Nomination and Remuneration Committee meetings by the aforementioned means shall be deemed to have attended the on-site meeting.

If the Nomination and Remuneration Committee meetings are held in the form of teleconference, video conference or by other instantaneous communication means, the Nomination and Remuneration Committee must ensure that speeches made by other committee members can be heard clearly by members participating at the meeting and that they can communicate with each other.

Article 14 The notice of meeting shall be delivered to all committee members at least three (3) days before the Nomination and Remuneration Committee meeting is convened.

In case of an emergency when an extraordinary meeting shall be held as soon as possible, the above-mentioned notice period may be exempted. However, the chairman of the Nomination and Remuneration Committee shall make an explanation at the meeting.

Article 15 The notice of meeting shall include the time, venue, form, duration, agenda of the meeting, the convener of the meeting, matters to be discussed and relevant materials of the meeting, date of notice, the contact person for the meeting and the contact details, etc.

The notice of meeting may be delivered by hand, or through prepaid mail, fax, e-mail or other means.

Article 16 The Nomination and Remuneration Committee meeting shall be held with the attendance of over half of all committee members.

Nomination and Remuneration Committee members shall attend the meetings in person. If a member cannot attend in person, he or she shall authorize in writing the attendance by another committee member on his or her behalf. The letter of authorization shall include the name of the authorized person, authorized matters and scope of power, and shall be signed and sealed by the principal.

When the Nomination and Remuneration Committee convenes a meeting, other directors, supervisors and senior management members of the Bank and the persons in charge of the relevant departments from the head office may be invited to attend the meeting. The list of names of the meeting attendees shall be approved by the chairman of the Nomination and Remuneration Committee.

Article 17 The Nomination and Remuneration Committee meeting shall be presided over by the chairman, or by another committee member designated by the chairman when he or she is unable to perform his or her duties.

Article 18 The Nomination and Remuneration Committee meeting shall vote by a show of hands or open ballot.

Each committee member shall have one (1) vote; and the resolution of the meeting shall be passed by more than half of the votes of all committee members.

Article 19 In the event the Nomination and Remuneration Committee evaluates or discusses the remuneration of a director, such director who is also a member of the Nomination and Remuneration Committee shall not take part and shall abstain from voting.

Article 20 The specific vote abstention procedures adopted by the Nomination and Remuneration Committee shall be as follows:

- i. the interested committee member shall abstain from voting, or other committee members shall have the right to request him or her to abstain;
- ii. disputes over the existence of interest shall be resolved by passing a resolution by over half of all attending committee members (excluding the interested committee member);
- iii. if the Nomination and Remuneration Committee cannot pass a resolution for a proposal due to the abstention of the interested member, it shall resolve that such proposal be submitted to the Board for review, and it shall present the proposal to the Board for review in a timely manner. The Nomination and Remuneration Committee shall also specify its progress on the review of the proposal and opinions of its committee members (other than the interested member) on such proposal in the resolution to be submitted to the Board.

The Nomination and Remuneration Committee may make a resolution of no abstention as needed when reviewing specific matters. However, the review, voting result and opinions of committee members (other than the interested member) should be recorded in the minutes.

Article 21 The Nomination and Remuneration Committee shall establish a meeting minute system, and the working group shall be responsible for keeping the minutes. Depending on the circumstances, the meeting may adopt on-site audio recording, but written minutes shall be made based on the audio recording.

The written meeting minutes based on the audio recording shall be sent to all participating committee members for review within ten (10) business days after the conclusion of the meeting. Committee members who request to revise or supplement the minutes shall submit their feedback in writing within five (5) business days after receiving the meeting minutes. After the meeting minutes are finalized, all participating committee members and the minute recorder shall sign on the final version of meeting minutes.

The meeting minutes shall be regarded as an important document of the Bank and shall be preserved by the Board office in accordance with the archive management system of the Bank.

Article 22 The proposals and voting results adopted at the Nomination and Remuneration Committee meeting shall be submitted to the Board in writing for review and decision-making.

Article 23 Upon authorization or approval by the Board, if the resolutions passed at the Nomination and Remuneration Committee meeting need to be further carried out by senior management members or other relevant persons in charge, the Board office shall inform the relevant senior management members or other relevant persons in charge of such resolutions in writing as soon as possible. The Nomination and Remuneration Committee shall have the right to require the above-mentioned personnel to report on the progress of implementation within a prescribed period or at the next meeting.

Article 24 The committee members and other personnel attending the meeting shall keep confidential the issues discussed and resolved at the meeting, and shall not disclose relevant information without permission. If there is any act in violation of such obligations, the Bank has the right to hold the related persons responsible for legal liabilities.

Chapter 5: Working Group

Article 25 The working group shall be established under the Nomination and Remuneration Committee and be responsible for information collection, research support, daily liaisons and organization of meetings etc. The work of the working group shall be led by the Board office with the involvement of relevant departments such as the Bank's Human Resources Department in its implementation.

The Board office shall be mainly responsible for service and support work such as daily liaisons, organization of meetings, communication and coordination. Relevant departments shall be mainly responsible for decision-supporting work and specific implementation such as information collection and research support.

Article 26 The duties of the working group shall include but not be limited to:

- i. being responsible for the daily operation of the Nomination and Remuneration Committee;
- ii. arranging Nomination and Remuneration Committee meetings and taking meeting minutes;
- iii. being responsible for the preliminary preparation work for the research tasks of the Nomination and Remuneration Committee, reviewing materials submitted to the Nomination and Remuneration Committee for consideration, and ensuring the management presents reports and meeting documents to the Nomination and Remuneration Committee by proper means;
- iv. upon authorization by the chairman of the Nomination and Remuneration Committee, reporting the work of the Nomination and Remuneration Committee to the Board;
- v. coordinating the arrangement of committee members to attend other relevant meetings of the Bank as participants or observers, and conducting research;
- vi. assisting the committee members to understand the relevant information;
- vii. coordinating the work of the Nomination and Remuneration Committee and other committees of the Bank;
- viii. other duties assigned by the Nomination and Remuneration Committee.

Chapter 6: Coordination and Communication

Article 27 If the Nomination and Remuneration Committee has significant or special issues to be presented to the Board for its consideration, the Nomination and Remuneration Committee shall submit written reports to the Board and may suggest that the chairman of the Board to convene a Board meeting.

The written reports presented by the Nomination and Remuneration Committee to the Board shall be signed by the chairman of the committee or by a committee member authorized by him or her.

Article 28 If any senior management member of the Bank has significant or special issues, he or she shall submit written reports to the Nomination and Remuneration Committee and may suggest that the chairman of the Nomination and Remuneration Committee to convene a meeting for discussion.

Article 29 The written reports presented by the senior management members to the Nomination and Remuneration Committee shall be signed by the President or senior management members responsible for the relevant issues.

Article 30 The Nomination and Remuneration Committee shall report their work to the Board or make a special report on certain matters if needed.

Chapter 7: Supplementary Provisions

Article 31 The Board of the Bank shall have the right to interpret and amend the Terms of Reference.

Article 32 Unless otherwise provided herein, terms of “over” and “at least” in the Terms of Reference shall include the number specified; “more than”, “less than” shall not include the number specified.

Article 33 Unless otherwise specified, terms used herein have the same meanings as the same terms used in the Articles of Association of the Bank.

Article 34 For any matters not provided herein and if there is any conflict between the Terms of Reference and the laws, administrative regulations, departmental rules and relevant requirements of the securities regulatory authorities of the place where the shares of the Bank are listed issued after the Terms of Reference come into effect or the Articles of Association of the Bank, the laws, administrative regulations, departmental rules and relevant requirements of the securities regulatory authorities of the place where the shares of the Bank are listed, and the Articles of Association of the Bank will prevail.

Article 35 After being considered and approved by the Board, the Terms of Reference shall become effective from the date when relevant amendments to the Articles of Association of the Bank are approved by China Banking and Insurance Regulatory Commission, upon which the original Terms of Reference of the Nomination and Remuneration Committee of the Board of Directors of Postal Savings Bank of China Co., Ltd. (Revised in 2018) shall be revoked.