

Terms of Reference for the Nomination and Remuneration Committee of the Board of Directors of China Construction Bank Corporation

Chapter I General Provisions

Article 1 For the purpose of regulating the decision-making mechanism of the Board of Directors of China Construction Bank Corporation (hereinafter referred to as “the Bank”) and improving corporate governance structure, the Terms of Reference is hereby formulated in accordance with the *Company Law of the People’s Republic of China*, *the Law of the People’s Republic of China on Commercial Banks*, relevant provisions of local securities regulatory authorities where shares of the Bank are listed and the *Articles of Association of China Construction Bank Corporation* (hereinafter referred to as the “Articles of Association of the Bank”) and other applicable laws, regulations and rules.

Article 2 The Board of Directors of the Bank establishes the Nomination and Remuneration Committee of the Board of Directors (hereinafter referred to as “the Nomination and Remuneration Committee”). As a special working body of the Board of Directors established in accordance with the Articles of Association of the Bank, the Nomination and Remuneration Committee shall perform its duties and powers prescribed in Article 7 of the Terms of Reference and be responsible to the Board of Directors.

Chapter II Composition

Article 3 The Nomination and Remuneration Committee shall be composed of at least five directors, most of whom shall be independent directors.

Article 4 Members of the Nomination and Remuneration Committee shall be nominated by Chairman of the Board of Directors, more than half independent directors or one third of all directors, and appointed by the Board of Directors. The adjustment and replacement of members of the Nomination and Remuneration Committee shall be decided by the Board of Directors.

Article 5 A chairman shall be appointed for the Nomination and Remuneration Committee to take charge of the work of the Committee, and the position shall be taken by an independent director. The Chairman shall be elected by all members and reported to the Board of Directors for approval.

Article 6 The term of office of members of the Nomination and Remuneration Committee shall be the same as that of directorship. A member may serve consecutive terms if re-elected. In case any member no longer holds the position of director or independent director of the Bank, the Board of Directors shall fill the vacancy of such position pursuant to Article 4 and Article 5 of the Terms of Reference to meet the requirement on composition of the Nomination and Remuneration Committee.

Chapter III Duties and Powers

Article 7 The main duties and powers of the Nomination and Remuneration Committee shall be as follows:

- (1) Organize the formulation of standards and procedures for the election of directors and senior management members of the Bank, and submit the proposed procedures and standards to the Board of Directors for approval;
- (2) Propose to the Board of Directors on candidates for directors, President, Chief Audit Officer and the Secretary to the Board of Directors;
- (3) Propose to the Board of Directors on candidates for members of special committees of the Board of Directors;
- (4) Examine the candidates for senior management members of the Bank nominated by the President and make suggestions to the Board of Directors;
- (5) Formulate development plans for the senior management members and fostering plans for the key backup talents;
- (6) Review the Bank's remuneration management system submitted by the President, and make suggestions to the Board of Directors for decision;
- (7) Organize the preparation of performance evaluation methods and remuneration plan for directors, and submit them to the Board of Directors for review;
- (8) Organize the preparation of remuneration plan for supervisors, and submit it to the Board of Directors for review;
- (9) Organize the preparation of performance evaluation methods and remuneration plan for the senior management members, and submit them to the Board of Directors for review;

- (10) Organize performance evaluation on directors, propose the distribution of remuneration of directors in accordance with the evaluation results and the due diligence evaluation made by the Board of Supervisors, and submit it to the Board of Directors for review;
- (11) Propose the distribution of remuneration of supervisors in accordance with the performance evaluation on supervisors made by the Board of Supervisors, and submit it to the Board of Directors for review;
- (12) Organize performance evaluation on the senior management members, propose the distribution of remuneration of the senior management members in accordance with the evaluation results and the due diligence evaluation made by the Board of Supervisors, and submit it to the Board of Directors for review;
- (13) Supervise the implementation of the Bank's performance evaluation system and remuneration system;
- (14) Examine and approve remuneration to the executive directors and senior management members for loss or termination of office or appointment to ensure such remuneration is consistent with provisions of relevant contracts; if it fails to abide by the agreements, the remuneration shall be proper and reasonable;
- (15) Examine and approve remuneration for dismissing or removing directors due to their misconduct to ensure such arrangement is consistent with provisions of relevant agreement; if it fails to comply with the agreements, the remuneration shall be reasonable and proper;
- (16) Report its decisions or suggestions to the Board of Directors unless such report is not allowed by laws or supervisory regulations;
- (17) Review the structure, size and composition of the Board of Directors (including skills, knowledge and experience) at least once a year, and put forth recommendations on proposed adjustment of the Board of Directors to implement corporate strategy of the Bank;
- (18) Regularly review the contribution required from a director to perform his duties and powers to the Bank, and whether he is spending sufficient time performing them;
- (19) Other matters authorized by the Board of Directors.

When drafting remuneration plans for directors, supervisors and senior management members, the Nomination and Remuneration Committee shall take into account such factors as remuneration paid by other banks, time spent and duties and powers taken by directors, supervisors and senior management members, employment criteria for other positions and whether such remuneration shall be based on performance, etc. The Nomination and Remuneration Committee shall ensure that any directors, supervisors or senior management members should not determine their own remuneration.

Article 8 The Nomination and Remuneration Committee may present proposal to the Board of Directors for review. The Nomination and Remuneration Committee shall provide relevant materials and information to the Board of Directors in various ways such as report, suggestion and summary as needed in the performance of duties and powers for the research and decision-making of the Board of Directors.

Article 9 The director shall withdraw when his/her remuneration is being evaluated or discussed by the Nomination and Remuneration Committee.

Article 10 Upon authorization by the Board of Directors, the Nomination and Remuneration Committee may inquire of the President on significant deviation of performance and relevant issues, or request the President to convene a meeting for the issue inquired about if necessary.

Article 11 The Nomination and Remuneration Committee shall consult the Chairman of the Board of Directors and/or the President about the proposed remuneration for other executive directors. The Nomination and Remuneration Committee may ask for opinions from professionals if necessary.

Article 12 The Nomination and Remuneration Committee shall be provided with adequate resources to perform its functions and powers.

Article 13 The Nomination and Remuneration Committee shall publish its terms of reference, explaining its role and the authority authorized by the Board of Directors.

Article 14 The human resources management department of the Bank shall provide relevant information to the Nomination and Remuneration Committee in time.

Chapter IV Procedures of Meeting

Article 15 The Nomination and Remuneration Committee shall hold at least four meetings a year. The meeting shall be convened by the Chairman of the Nomination and Remuneration Committee. The Board of Directors or more than two members of the Nomination and Remuneration Committee shall have the right to propose to the Chairman of the Nomination and Remuneration Committee for convening a meeting of the Nomination and Remuneration Committee. In case the Chairman cannot perform his/her duties for special reasons, another member may be entrusted to convene the meeting.

Article 16 The following persons shall have the right to submit proposals to the Nomination and Remuneration Committee:

- (1) Chairman of the Board of Directors;
- (2) President;
- (3) Chairman of the Nomination and Remuneration Committee;
- (4) More than two members of the Nomination and Remuneration Committee.

Article 17 The meeting of the Nomination and Remuneration Committee shall be convened in the form of on-site meeting or written resolutions.

Provided that the meeting of the Nomination and Remuneration Committee is convened in the form of on-site meeting, a meeting venue shall be arranged and instant communication measures such as telephone and video shall be provided for the participation of Committee members. Committee members who attend the meeting of the Committee by the above methods shall be deemed as attending the on-site meeting in person.

Article 18 The Chairman of the Nomination and Remuneration Committee shall inform all members of the Committee five days prior to the meeting. The meetings held in emergent cases shall not be subject to the above regulation on notice time; however, relevant meeting notice shall be sent within a reasonable period.

Provided that the meeting of the Nomination and Remuneration Committee is held by way of written resolutions, the meeting notice shall specify the deadline of voting or feedback opinions. However, the deadline specified in the notice shall be no earlier than five days after the date the notice is sent, unless all members waive in written the time requirements of the notice.

Article 19 The meeting of Nomination and Remuneration Committee shall be held only if more than half of the members attend. Provided that a member is unable to attend the meeting in person, he/she may entrust other member to attend the meeting on his/her behalf.

Article 20 The meeting of the Nomination and Remuneration Committee shall be presided over by the Chairman. The Chairman may designate a member to preside over the meeting provided that he/she is unable to perform the duties for special reasons.

Article 21 The meeting of the Nomination and Remuneration Committee shall fully discuss all meeting items and come to a tendentious conclusion. The Chairman of the Committee or other member presiding over the meeting may propose the participating members to vote when he/she deems it necessary.

Each member shall have one vote on the item being discussed at the meeting of the Nomination and Remuneration Committee; and resolutions shall be adopted by approval votes of more than half of all the members.

Article 22 The meeting of the Nomination and Remuneration Committee shall adopt the withdrawal system.

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 withdrawal from discussion of the Committee; other members of the Committee may also require him/her to withdraw:

- (1) The member who is proposed for nomination;
- (2) The member whose close relative is proposed for nomination;
- (3) Other circumstances that may affect members of the Nomination and Remuneration Committee to make objective and fair judgments.

The close relative referred to herein shall include parents, spouse, brothers and sisters and their spouses, adult children and their spouses, parents of spouse, brothers and sisters of spouse and their spouses, brothers and sisters of parents and their spouses, adult children of parents' brothers and sisters and their spouses.

Article 23 The Chairman of the Nomination and Remuneration Committee shall decide whether members of the Committee shall withdraw; while the Board of Directors shall decide whether the Chairman of the Committee shall withdraw.

Article 24 The member of the Nomination and Remuneration Committee who should withdraw shall temporarily leave the meeting venue and not participate in the voting or discussion concerned. Ballots of such member shall not be included in the effective votes.

Article 25 Directors and other senior management members of the Bank may be invited to attend the meeting of the Nomination and Remuneration Committee if necessary.

Article 26 If necessary, the Nomination and Remuneration Committee may engage intermediary agencies to provide professional advisory services, and reasonable expenses generated thereby shall be paid by the Bank.

Article 27 The Nomination and Remuneration Committee may organize relevant departments of the Bank to draft proposals on remuneration for directors, senior management members and supervisors, and put forth suggestions on remuneration distribution to directors and senior management members.

Article 28 Convening procedures and voting methods of the meeting of the Nomination and Remuneration Committee and proposals adopted by the meeting shall comply with provisions of relevant laws, regulations, rules, relevant provisions of local securities regulatory authorities where shares of the Bank are listed, the Articles of Association of the Bank and the Terms of Reference.

Article 29 Meeting minutes shall be made for the meeting of the Nomination and Remuneration Committee, and be reviewed and issued by the chairman of the meeting. In principle, minutes of the meeting shall be submitted to the Board of Directors, the Board of Supervisors and the senior management, with copies delivered to relevant departments.

Meeting minutes shall be important document of the Nomination and Remuneration Committee and kept by the Secretary to the Board of Directors.

Article 30 Members who attend the meeting of the Nomination and Remuneration Committee shall undertake confidentiality obligations for all items discussed at the meeting. Relevant information shall not be disclosed without permission. In case any breach to confidentiality obligations occurs, relevant members shall undertake legal liabilities according to provisions of laws, regulations, rules, the Articles of Association of the Bank and relevant confidentiality agreement.

Chapter V Supplementary Provisions

Article 31 Unless otherwise explained, terms mentioned in the Terms of Reference shall have the same meaning with those defined in the Articles of Association of the Bank.

Article 32 The Terms of Reference shall come into force by approval of the Board of Directors in the form of ordinary resolution.

Article 33 For anything not included herein or should there be any discrepancy between the Terms of Reference and any laws, regulations, relevant provisions of local securities regulatory authorities where shares of the Bank are listed issued from time to time after the Terms of Reference becomes effective or the Articles of Association of the Bank, laws, regulations, relevant provisions of local securities regulatory authorities where shares of the Bank are listed or the Articles of Association of the Bank shall prevail.

Article 34 The Board of Directors shall be responsible for the amendment to and interpretation of the Terms of Reference.

** Important Note: The above is an English translation of the Chinese version of the Terms of Reference of the Nomination and Remuneration Committee of the Board of Directors of China Construction Bank Corporation. In case of any discrepancies or inconsistencies, the Chinese version shall always prevail.*