

# CHINA DEVELOPMENT BANK FINANCIAL LEASING CO., LTD.\*

## Terms of Reference of the Nomination Committee of the Board of Directors

Considered and approved at the 2022 fifth meeting of the second session of the board of directors of the Company on July 5, 2022



**国银租赁**  
CHINA DEVELOPMENT BANK LEASING

\* *China Development Bank Financial Leasing Co., Ltd. is (a) not an authorized institution within the meaning of the Banking Ordinance; (b) not authorized to carry on banking/deposit-taking business in Hong Kong; and (c) not subject to the supervision of the Hong Kong Monetary Authority.*

# **Terms of Reference of the Nomination Committee of the Board of Directors of China Development Bank Financial Leasing Co., Ltd.**

## **CHAPTER 1 GENERAL PROVISIONS**

**Article 1** In order to regulate the decision-making mechanism of the board of directors, improve the corporate governance of China Development Bank Financial Leasing Co., Ltd. (hereinafter referred to as the “Company”), and insist on the organic combination of Party leadership and corporate governance, these terms of reference are formulated in accordance with the Company Law of the People’s Republic of China, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”), the Corporate Governance Guidelines for Banking and Insurance Institutions, the Administrative Measures on Financial Leasing Companies, the Articles of Association of China Development Bank Financial Leasing Co., Ltd. (hereinafter referred to as the “Articles of Association”), the Rules of Procedure for Board Meetings of China Development Bank Financial Leasing Co., Ltd. (hereinafter referred to as the “Rules of Procedure for Board Meetings”) and other relevant laws, administrative regulations, rules and regulatory documents.

**Article 2** The nomination committee of the board of directors (hereinafter referred to as the “Committee”) is established by the Company to assist the board of directors in carrying out its relevant responsibilities. The Committee is mainly responsible for recommending to the board of directors concerning the procedures and standards for the election of directors and senior management of the Company and their eligibility.

## **CHAPTER 2 COMPOSITION**

**Article 3** The Committee shall consist of at least three directors. The proportion of independent directors shall not be less than one-third or lower than the higher proportion as required by the Listing Rules in principle.

**Article 4** The Committee shall have one chairman, who is acted by an independent director, to be in charge of the work of the Committee. The primary duties of the chairman of the Committee are:

- (1) to preside over the meetings of the Committee, ensure the efficient operation of the Committee and the performance of its duties;
- (2) to confirm the agenda of each meeting of the Committee;
- (3) to ensure that all members of the Committee have full knowledge of the issues to be discussed in the meeting and obtain complete and reliable information;
- (4) to ensure that the Committee reaches a clear conclusion to each proposal which includes passed, rejected and supplementary materials needed;

- (5) to propose the convening of meetings;
- (6) to sign meeting resolutions;
- (7) other duties stipulated in these terms of reference.

**Article 5** The chairman and other members of the Committee shall be elected and removed by the board of directors upon proposal by the chairman of the board of directors.

**Article 6** The members of the Committee shall have the same term of office as that of directors. A member of the Committee may serve consecutive terms if re-elected upon the expiration of his/her term. During this period, if any member ceases to hold office as a director or an independent director of the Company, the board of directors shall appoint a new member to fill the vacancy in accordance with the provision of Article 5 of these terms of reference in order to meet the requirements on composition of the Committee provided in these terms of reference. The term of office of the new member shall expire upon the expiration of his/her term of office as a director or an independent director.

**Article 7** The primary duties of the members of the Committee are:

- (1) to attend the Committee meetings on time, provide opinions on the discussed issues, and exercise the right to vote;
- (2) to propose the topics to be discussed of the Committee meetings;
- (3) to attend relevant meetings of the Company as observers or visitors, make investigations and researches, and acquire necessary reports, documents, materials and other relevant information, for the purpose of performing the duties;
- (4) to fully understand the duties of the Committee as well as the duties as Committee members, be familiar with the operation and management status, business activities and development situation of the Company relevant to their duties, and ensure the capacity for performing their duties;
- (5) to fully guarantee the working time and capacity for performing their duties;
- (6) other duties stipulated in these terms of reference.

## CHAPTER 3 DUTIES

**Article 8** The primary duties of the Committee are:

- (1) to formulate procedures and standards for the election of directors and senior management and make recommendations to the board of directors;
- (2) to make recommendations to the board of directors on the nomination of candidates for directors, President and secretary of the board of directors;
- (3) to preliminarily examine the eligibility of candidates for directors and senior management:
  - (i) The Committee shall comprehensively evaluate the expertise, knowledge and experience of directors and senior management;
  - (ii) The Committee shall review the independence of independent directors.
- (4) to make recommendations to the board of directors on the nomination of candidates for chairmen and members of each of the special committees of the board of directors;
- (5) to review and make recommendations on the structure and composition of the board of directors:
  - (i) The Committee shall review the structure, number of members and composition of the board of directors, fully consider the diversity policy of the board of directors (including but not limited to gender, age, race, language, cultural background, academic background, industry experience and professional experience etc.) with reference to the Company's business model and specific demands, review the implementation and effectiveness of the diversity policy of the board of directors, and disclose the policy or its abstract in corporate governance report;
  - (ii) The Committee shall give suggestions to the board of directors on proposed adjustments of the board of directors according to relevant development strategies of the Company;
- (6) to review the work performance of the board of directors;
- (7) to review and make recommendations to the board of directors on the succession planning of the members of the board of directors;
- (8) to supervise the implementation of the procedures and standards for the election of directors and senior management to ensure that they are in line with the Company's needs and reflect the existing regulatory requirements and good corporate governance practice;
- (9) 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 the Rules of Procedure for Board Meetings and other matters as authorized by the board of directors.

**Article 9** The Committee is authorized to require the senior management of the Company to give full support to the work of the Committee. The senior management shall timely provide the Committee with accurate and complete information related to the Company's human resources management on matters within its terms of reference to assist the Committee in performing its duties properly.

**Article 10** The Committee shall have the right to carry out an investigation in relevant human resources policies of the Company and their implementation on matters within its terms of reference by means of, including but not limited to, attending relevant meetings of the Company as observers or visitors, conducting investigations and studies within the Company and requiring the senior management of the Company or relevant persons in charge to make oral or written reports to the Committee within the required period and timely answer the questions of the Committee.

The Committee shall study relevant investigation matters and the replies of the senior management or relevant persons in charge and report its investigation results and recommendations to the board of directors.

**Article 11** The Committee may submit proposals to the board of directors for review and approval and provide perusal and discussion results of the proposals to the board of directors in the forms of report, recommendation and summary for perusal and decision-making.

**Article 12** The Committee shall avoid being influenced by shareholders and exercise the right to nominate directors independently and prudently.

**Article 13** The Committee may engage an intermediary institution to provide professional advice on its decision when necessary. Any reasonable costs so incurred shall be borne by the Company.

#### **CHAPTER 4 DIVERSITY POLICY OF THE BOARD**

**Article 14** The Company recognizes the importance of diversity of the members of the board of directors to corporate governance and the effectiveness of the board of directors. The purpose of this chapter is to set out the basic principles of the diversity policy of the board of directors of the Company to ensure that the board of directors has the appropriate balance of diverse skills, experience and perspectives necessary to enhance the effectiveness of the board of directors and to maintain high standards of corporate governance.

**Article 15** Nomination and appointment of the members of the board of directors will continue to be made on merit basis based on the Company's daily business needs while taking into account the benefit of diversity of the members of the board of directors. The Committee has primary responsibility for identifying eligible candidates to become members of the board of directors and shall give adequate consideration to this policy in the selection of candidates of the board of directors.

**Article 16** The Committee formulates measurable objectives in respect of the selection of directors. Selection of director candidates shall be based on a range of diversity perspectives with reference to the Company's business model and specific needs (including but not limited to gender, age, race, language, cultural background, academic background, industry experience and professional experience).

**Article 17** The Committee is responsible for reviewing the diversity policy of the board of directors to ensure its implementation and effectiveness; and developing and reviewing measurable objectives, and monitoring the progress on achieving these objectives. The Committee shall review this policy and measurable objectives at least annually to ensure the continued effectiveness of the board of directors.

**Article 18** The diversity policy of the board of directors of the Company or its summary will be disclosed in the corporate governance report of the annual report of the Company.

## **CHAPTER 5 MEETINGS RULES**

**Article 19** The Committee shall hold at least one meeting each year. The board of directors, the chairman of the Committee or over half of the Committee members shall have the right to propose the convening of Committee meeting.

The meeting notice shall be delivered three days before convening of the meeting, but with unanimous approval of all Committee members, the above-mentioned notice period could be exempted.

**Article 20** The meeting notice shall contain:

- (1) the venue and time of the meeting;
- (2) the duration of the meeting;
- (3) the agenda, topics for discussion and relevant detailed materials of the meeting;
- (4) the date of issuance of the meeting notice.

**Article 21** The meeting notice shall be sent by special personnel, or through fax, registered mail or E-mail.

**Article 22** The Committee meeting may be held in the forms of on-site meeting, telephone conference, video conference, circulation of written proposals and so forth.

**Article 23** The Committee meeting shall be held with the attendance of over half of all the members with voting rights.

When needed, persons other than the Committee members, may be invited to attend the Committee meeting as observers.

**Article 24** The Committee meeting shall be presided over by the chairman of the Committee, or by another independent director member of the Committee designated by the chairman of the Committee when the chairman of the Committee is unable to perform duties due to special reasons.

**Article 25** Members of the nomination committee shall attend meetings of the Committee in a serious and responsible manner and express clear opinions on matters discussed. If a member is unable to attend a meeting in person for any reason, he/she may appoint another member to attend the meeting on his/her behalf by a written power of attorney specifying the scope of authorization. If an independent director member of the Committee is unable to attend a meeting in person for any reason, he/she shall appoint another independent director member of the Committee to attend the meeting on his/her behalf.

**Article 26** The Committee meeting shall adopt vote by showing hands or open ballot voting.

Each member of the Committee shall have one vote; and the resolutions of the meeting shall be approved through vote by over half of all Committee members with voting rights.

**Article 27** When the Committee reviews matters relevant to the candidates for directors and senior management, the member shall be considered as an interested party and should apply for evading in advance to the Committee, provided he/she is involved in one of the following cases:

- (1) The member himself/herself is proposed to be nominated;
- (2) The relatives of the member are proposed to be nominated;
- (3) Other cases that may affect the impersonal and impartial judgments of the member.

Relatives mentioned in this Article include parents, spouse, brothers and sisters and their spouses, adult children and their spouses, parents of the spouse, the spouse's brothers and sisters and their spouses, parents' brothers and sisters and their spouses, and the adult children of the parents' brothers and sisters and their spouses.

**Article 28** The specific evasion voting process adopted by the Committee shall be as follows:

- (1) The interested member shall initiatively apply for the evasion, or other members shall have the right to request him/her to evade;
- (2) The dispute over the existence of interest shall be settled by resolution adopted by over half of all members except the possibly interested member;
- (3) The interested member shall not participate in the discussion or voting over the issue which he/she should evade, and shall temporarily leave the meeting place or use other proper methods to evade;
- (4) If the Committee could not adopt a resolution over an issue due to the evasion of interested member, it shall resolve that the proposal will be submitted to the board of directors for review, and it shall present the proposal to the board of directors for review in a timely manner. The Committee shall specify its review of the proposal and opinions of members other than the interested one in the resolution that the proposal should be submitted to the board of directors.

**Article 29** The Committee shall establish meeting minutes system, and the minutes shall be taken by special personnel appointed by the board of directors' office. As needed, the meeting may adopt on-the-spot audio record, which shall be supplemented with written minutes based on the audio records. The written meeting minutes based on the audio records shall be sent to all members present at the meeting for review within ten working days after the conclusion of the meeting. Members who request to revise or supplement the minutes shall provide their written comments within five working days after receiving the minutes. All members present at the meeting and the recorder shall sign the final version of meeting minutes.

The meeting minutes shall be regarded as important documents of the Company and retained permanently in accordance with the archive management system of the Company.

**Article 30** The proposals and voting results which are adopted by the Committee meeting for submission to the board of directors for review, shall be signed by the chairman of the Committee or other Committee member authorized by the chairman of the Committee and then submitted to the board of directors in writing for perusal and decision-making.

**Article 31** Upon authorization or approval of the board of directors, if the resolutions passed at the Committee meeting need to be further carried out by the senior management or other relevant persons in charge, the board of directors' office shall inform the above-mentioned personnel of the resolutions in writing as soon as possible after the resolutions being signed by the chairman of the Committee or other Committee member authorized by the chairman of the Committee. The Committee shall have the right to require the above-mentioned personnel to report on the progress of implementation by the stipulated deadline or at the next meeting.

**Article 32** The members and other personnel that attend the Committee meeting shall have the obligation to keep confidential the issues discussed and resolved at the meeting, and shall not disclose relevant information without permission. The person in breach of the confidentiality obligation shall be legally liable.

## **CHAPTER 6 WORK PROCEDURES**

**Article 33** The board of directors' office shall provide support to the works of the Committee including information collection, research support, daily liaison and organization of meetings. The relevant departments of the Company shall cooperate accordingly.

**Article 34** If the Committee has significant or special issues that should be presented to the board of directors for perusal, it shall submit written reports to the board of directors, and may suggest the chairman of the board of directors to convene the board meeting.

**Article 35** The written reports presented by the Committee to the board of directors shall be signed by the chairman of the Committee or other Committee member as authorized by the chairman of the Committee.

**Article 36** If any senior management has significant or special issues within the authority of the Committee, he/she shall submit written reports to the Committee, and may suggest the chairman of the Committee to convene a meeting for discussion.



**Article 37** The written reports presented by the senior management of the Company to the Committee shall be signed by the President or senior management who are responsible for relevant issues.

**Article 38** The Committee shall report to the board of directors on its work generally or on a specific issue if needed.

## **CHAPTER 7 SUPPLEMENTARY PROVISIONS**

**Article 39** Unless otherwise stated, the terms used in these terms of reference have the same meanings as those in the Articles of Association.

**Article 40** The formulation and revisions of these terms of reference shall be effected from the date when they are passed by the board resolution and shall be implemented upon promulgation.

**Article 41** 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 laws, administrative regulations, rules, regulatory documents or Articles of Association, the latter shall prevail.

**Article 42** The power of revision and interpretation of these terms of reference shall be vested in the board of directors.