

**Terms of Reference of the Nomination Committee of**  
**Shanghai Commercial Bank Limited**

**1 Objective**

The Nomination Committee (the “Committee”), established by the Board of Directors (the “Board”) of Shanghai Commercial Bank Limited (the “Bank”), is responsible for identifying and selecting suitably qualified and experienced candidate(s) for recommendation to the Board on the appointment or re-appointment of directors and succession planning for directors, including the Chairman and Deputy Chairman of the Board, the Chief Executive and Alternate Chief Executives and oversight of plans for management succession, within the framework of the Bank’s relevant policies, its terms of reference and such other directives as the Board may determine from time to time.

**2 Composition**

- 2.1 The Chairman and members of the Committee shall be appointed by the Board. All Committee members shall be Independent Non-executive Directors and/or Non-executive Directors.
- 2.2 The Committee shall consist of not less than three members, the majority of whom shall be Independent Non-executive Directors.
- 2.3 The Committee shall be chaired by an Independent Non-executive Director.
- 2.4 The tenure limit of Committee member for serving on the Committee shall be the tenure of office of that member serving as Director on the Board or subject to the decision of the Board from time to time.



### **3 Secretary**

The Corporate Secretary of the Bank shall be the secretary to the Committee.

### **4 Attendance at meetings**

4.1 The Chairman may invite other persons, including other Directors who are not Committee members, senior management and other staff of the Bank, and/or external advisors, to attend all or part of the Committee meetings from time to time upon such conditions as are deemed necessary and desirable.

4.2 All Committee members should be prepared to attend all meetings in person save in exceptional circumstances with reasons being provided and documented, then the concerned Committee member may consider taking part by means of telephone, videoconferencing or any other electronic means. In the event that a Committee member is not able to attend the meeting via any means, he/she may submit written views on items to be discussed ahead of the meeting.

4.3 A member's attendance by means of telephone, videoconferencing or any other electronic means is deemed as attendance at the physical meeting and shall be entitled to vote and be counted in a quorum accordingly.

### **5 Frequency of meetings and quorum**

5.1 The Committee shall meet at least once a year or more frequently as the Chairman of the Committee may determine.

5.2 The quorum for any Committee meeting shall be two members, of whom at least one shall be an Independent Non-executive Director.



## **6 Proceedings of Meetings**

- 6.1 The meetings and proceedings of the Committee shall be governed by the provisions for regulating the meetings of the Board as stipulated in the Articles of Association of the Bank insofar as those provisions are applicable and are not replaced by any regulations imposed on the Committee by the Board.
- 6.2 Only the Chairman and members of the Committee shall be entitled to vote at the Committee meetings.
- 6.3 Questions arising at any meeting of the Committee shall be decided by a majority of votes, and in the case of equality of votes, the Chairman shall have a second or casting vote, and this power shall be exercised at the Chairman's own discretion.
- 6.4 A written resolution signed by all the Committee members shall be as valid and effectual as a resolution passed at a meeting of the Committee duly convened and held.

## **7 Authority**

- 7.1 The Committee is authorized by the Board to deal with any matter within its terms of reference and to seek any information it reasonably requires from any employee and direct all employees to co-operate in providing the requested information.
- 7.2 The Committee shall be provided with sufficient resources to perform its duties. It is authorized by the Board to obtain independent professional advice, at the Bank's expense, to perform its responsibilities as it shall deem appropriate, and to consider the recommendations from the Chief Executive and Human Resources Division.

## **8 Duties and responsibilities**

The duties and responsibilities of the Committee are:



- 8.1 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 business strategy;
- 8.2 to assess the independence of Independent Non-executive Directors and to ensure objectivity and independence in the selection process for Directors and senior management of the Bank;
- 8.3 to conduct regular evaluation of the performance of the Board and of each individual director and make recommendations to the Board in reviewing the efficiency and effectiveness of the functioning of the Board and of its specialized committees on an annual basis, and issues related to directors' training and etc.;
- 8.4 to identify and select individuals who are suitably qualified for appointment, re-appointment and succession as Directors, including the Chairman and Deputy Chairman, and as Chief Executive and Alternate Chief Executives in reference to the prevailing Nomination Policy of the Bank and to make recommendations to the Board;
- 8.5 to advise on and ensure appropriate succession plans for senior management are in place;
- 8.6 to review the Corporate Grade and Job Title structures to be adopted by the Bank as recommended by Human Resources Division for approval by the Board;
- 8.7 to review the related employees list and the senior management organization structure of the Bank on a regular basis;
- 8.8 to review and consider the appointments/promotions and removals of the senior management, key personnel and senior staff of the Bank with corporate ranking grades of E25 and above as recommended, reviewed and endorsed by Human Resources Division, the Chief Executive and the Executive Committee for the final approval by the Board as appropriate; and



8.9 to consider, endorse/approve the “Policy on Management Succession” as appropriate; and attend to the matters as prescribed under the “Policy on Management Succession” and other prevailing guidelines.

## **9 Reporting procedures**

9.1 The Committee shall report regularly to the Board on its decisions and recommendations.

9.2 Minutes of the Committee meetings shall also be sent to all Committee members for comment before finalized for records.

## **10 Frequency of review**

These Terms of Reference shall be reviewed at least annually and as required.