

Implementing Rules for the Remuneration and Appraisal Committee under the Board of Directors of China Merchants Bank Co., Ltd.

Chapter 1 General Provisions

Rule 1 In order to establish a sound system of remuneration and appraisal administration for the Bank and to enhance its corporate governance structure, the Board of Directors (the “Board”) of the Bank has set up the Remuneration and Appraisal Committee (the “Committee” or “Remuneration and Appraisal Committee”) and formulated these implementing rules (the “Rules”) pursuant to “The Company Law of the People’s Republic of China”, the “Guidelines on Corporate Governance of Commercial Banks” issued by the China Banking and Insurance Regulatory Commission, the “Code of Corporate Governance for Listed Companies” issued by the China Securities Regulatory Commission, the “Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited”, the “Articles of Association of China Merchants Bank Co., Ltd.” (the “Articles of Association”) and other relevant provisions.

Rule 2 The Remuneration and Appraisal Committee under the Board is mainly responsible for reviewing the remuneration administration system and policies of the Bank, formulating remuneration plans for the directors and senior management members, making recommendations to the Board and supervising implementation of such plans.

Chapter 2 Composition

Rule 3 The Remuneration and Appraisal Committee shall comprise five to nine directors, the majority of whom shall be independent directors.

Rule 4 The members of the Remuneration and Appraisal Committee shall be nominated by the Chairman of the Board or more than half of the number of independent directors or more than one-third of all directors, and shall be elected by the Board.

Rule 5 The Remuneration and Appraisal Committee shall have a chairman who shall be an independent director, and shall be responsible for leading the work of the Committee. The chairman of the Committee shall be appointed by the Board after consideration.

Rule 6 The term of office of the Remuneration and Appraisal Committee shall be the same as that of the Board. A member may serve consecutive terms if re-elected upon expiry of his/her term. If any member resigns from the position of director of the Bank during his/her term of office or any member who shall be an independent director no longer possesses the independence as specified in the Articles of Association, he/she shall automatically lose his/her eligibility as Committee member, and the vacancy shall be filled by the Board in accordance with the provisions of these Rules.

Chapter 3 Duties and Authorities

Rule 7 The major duties of the Remuneration and Appraisal Committee are:

- (1) to study the standards for appraising directors and senior management members, to conduct appraisals and put forward proposals based on the actual situation of the Bank;
- (2) to study and review remuneration policies and plans for directors and senior management members and put forward proposed plans to the Board and supervise the implementation of such plans;
- (3) to review the remuneration administration system and policies for the Bank; and
- (4) to deal with other matters authorized by the Board.

Rule 8 The Board shall have the power to veto remuneration plans or proposals which are contrary to the interests of the shareholders.

Rule 9 The Remuneration and Appraisal Committee shall be accountable to the Board. The Committee shall submit its proposals to the Board for consideration and decision.

Rule 10 The remuneration plans for the directors of the Bank proposed by the Remuneration and Appraisal Committee shall be reported to the Board to seek consent and submitted to a shareholders' general meeting for approval before implementation. The remuneration plans for the senior management members of the Bank proposed by the Remuneration and Appraisal Committee shall be submitted to the Board for consideration and approval before implementation.

Chapter 4 Rules of Procedures

Rule 11 The procedures for appraising directors and senior management members adopted by the Remuneration and Appraisal Committee are as follows:

- (1) the directors and senior management members of the Bank shall report their work and make self-appraisals to the Remuneration and Appraisal Committee;
- (2) the Remuneration and Appraisal Committee shall carry out performance appraisal of the directors and senior management members according to the performance appraisal standards and procedures; and
- (3) a proposal on the amount of remuneration and method of reward for the directors and senior management members based on the results of work performance appraisals and according to the remuneration distribution policies shall be made and, after a voting in its favour, shall be reported to the Board.

Rule 12 The Remuneration and Appraisal Committee shall meet at least once a year and a notice of meeting shall be given to all members at least two days prior to the meeting. The meeting shall be chaired by the chairman of the Committee. If the chairman of the Committee cannot attend the meeting, he/she may appoint another member to chair the meeting.

Rule 13 A meeting of the Remuneration and Appraisal Committee shall be held only with the presence of more than two-thirds of the members. Each member shall be entitled to one vote. Resolutions adopted by a meeting shall be approved by more than half of all members.

Rule 14 The Remuneration and Appraisal Committee shall vote by a show of hands or by a poll. Meetings may be convened in the form of physical meetings (including by way of video conference or teleconference) or by way of voting by correspondence.

Rule 15 The Remuneration and Appraisal Committee may invite other persons who are not Committee members to attend its meeting, if necessary.

Rule 16 The Remuneration and Appraisal Committee shall consult the chairman of the Board in respect of remuneration plans proposed for other executive directors.

Rule 17 The Remuneration and Appraisal Committee shall be provided by the Bank with sufficient resources to perform its duties. If necessary, the Remuneration and Appraisal Committee may engage an intermediary institution to provide professional advice on its decision. The cost shall be borne by the Bank.

Rule 18 When any subject of discussion of the Remuneration and Appraisal Committee relates to a member of the Committee at a meeting, such member shall abstain from such meeting.

Rule 19 The procedures for convening a meeting, the method of voting and the remuneration policies and distribution plans adopted by a meeting of the Remuneration and Appraisal Committee shall comply with the provisions of the relevant laws, regulations, Articles of Association and these Rules.

Rule 20 The office of the Board shall be responsible for carrying out preliminary preparation work for study and decision by the Remuneration and Appraisal Committee, including but not limited to collecting meeting materials, liaising day-to-day work and organizing meetings. The relevant function departments of the Bank shall support with active cooperation.

Rule 21 The Remuneration and Appraisal Committee shall keep minutes of its meetings. Members present at a meeting shall sign the minutes of the meeting, which shall be kept by the Secretary of the Board of the Bank.

Rule 22 Any resolution passed and the result of any poll taken at a meeting of the Remuneration and Appraisal Committee shall be reported in writing to the Board of the Bank.

Rule 23 All persons present at a meeting shall be obliged to keep all matters discussed in such meeting confidential, and shall not disclose any relevant information without authorization.

Chapter 5 Supplementary Provisions

Rule 24 These Rules shall be implemented with effect from the date on which the relevant resolution is passed by the Board.

Rule 25 Any matters not covered by these Rules shall be implemented in accordance with the provisions of the relevant laws, regulations and regulatory documents of the State, the listing rules of the stock exchanges where the shares of the Bank are listed or the Articles of Association. If these Rules contravene any future laws, regulations and regulatory documents promulgated by the State, the listing rules of the stock exchanges where the shares of the Bank are listed, or the legally amended Articles of Association, such Rules shall be implemented in accordance with the provisions of the relevant laws, regulations and regulatory documents of the State, the listing Rules of the stock exchanges where the shares of the Bank are listed or the Articles of Association, and shall be promptly amended and reported to the Board for consideration and adoption.

Rule 26 The power of interpretation of, and amendments to, these Rules shall be vested in the Board of the Bank.

Please note that these Implementing Rules for the Remuneration and Appraisal Committee under the Board of Director are written in Chinese without an official English version. This English version is for reference only. In case of any inconsistency, the Chinese version shall prevail.