

Weihai City Commercial Bank Co., Ltd.

Procedures for Appointment, Election and Dismissal of Directors

I. Appointment and Election of Directors

According to Article 120 and Article 142 of the Articles of Association (hereinafter referred to as the “**Articles of Association**”) of Weihai City Commercial Bank Co., Ltd. (hereinafter referred to as “**the Bank**”), the Nomination and Remuneration Committee of the board of directors (hereinafter referred to as the “**Director(s)**”) of the Bank (hereinafter referred to as the “**Board**”) may, with respect to candidates for Directors to be elected and replaced at the Shareholders’ general meeting, propose a list of such candidates according to the number of Directors to be elected to the extent of the number specified by the Articles of Association, respectively; Shareholders severally or jointly holding more than 3% of the total shares issued by the Bank with voting rights may propose candidates for non-independent and non-employee representative Directors. According to Article 172 of the Bank’s Articles of Association, the Nomination and Remuneration Committee of the Board, or Shareholders severally or jointly holding more than 1% of the total voting shares issued by the Bank, and the Board of Supervisors can nominate candidates for independent Directors to the Board. Any Shareholder who has nominated a candidate for Director shall not nominate a candidate for independent Director. Candidates for employee Directors shall be nominated by the Bank’s trade union. According to Article 120 of the Bank’s Articles of Association, the Nomination and Remuneration Committee of the Board shall make preliminary examination on the qualifications and conditions of the non-employee representative Director candidates, and submit the qualified candidates to the Board for consideration. Upon approval by the Board, the Director candidates shall be submitted as a written proposal to the Shareholders’ general meeting.

According to Article 142 of the Bank’s Articles of Association, a written notice of the intention to nominate a candidate for Director and a notice in writing by that candidate indicating his/her acceptance of such nomination shall be given to the Bank seven days before the date of the Shareholders’ general meeting.

According to Rule 13.70 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as “**Listing Rules**”), the Bank shall publish an announcement containing the disclosure of information on any nominated Directors as required by Rule 13.51(2) of the Listing Rules or supplemental circular before the date of the Shareholders’ general meeting.

II. Dismissal of Directors

According to Article 144 of the Articles of Association, a Shareholders’ general meeting may dismiss a non-independent Director within his/her term of office by an ordinary resolution provided that the relevant laws and regulations are observed (however, the claim for compensation under any contract by such Director shall not be affected). The dismissal of an independent Director must be approved by two-thirds of votes of the Shareholders presenting at the meeting.