

# **Implementing Rules for the Special Committees of the Board of Directors**

**(Passed at the 24th meeting of the ninth session  
of the Board of Directors on 24 October 2014)**

*Please note that these Implementing Rules for the Special Committees of the Board of Directors 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.*

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## **Implementing Rules for the Strategy Committee under the Board of Directors**

### **Chapter 1 General Provisions**

- Rule 1 In order to accommodate the needs of strategic development of the Bank, strengthen its core competitiveness, determine its development plans, improve its procedures for making investment decisions, enhance the scientificity of its decision-making process, improve the effectiveness and quality of material investment decisions and perfect its corporate governance structure, and in accordance with the “Company Law of the People’s Republic of China”, the “Guidelines on Corporate Governance of Joint-stock Commercial Banks”, the “Code of Corporate Governance for Listed Companies”, the “Articles of Association”, the “Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited” and other relevant provisions, the Bank has set up a Strategy Committee under the Board and formulated these Rules.
- Rule 2 The Strategy Committee under the Board of Directors is a specific working body set up by the Board according to a resolution of the shareholders’ general meeting. Its main responsibilities are to conduct researches and submit proposals concerning the medium-to-long term development strategies and material investment decisions of the Bank.

### **Chapter 2 Composition**

- Rule 3 The Strategy Committee shall comprise 5 to 9 directors.
- Rule 4 The members of the Strategy Committee shall be nominated by the Chairman and be approved by the Board of Directors by voting.
- Rule 5 The Strategy Committee shall have a chairman who shall preside over the meetings of the committee. The chairman shall be appointed by the Board of Directors after consideration.
- Rule 6 The term of office of the Strategy 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 of the Bank, he/she shall automatically lose his/her position as committee member, and the vacancy shall be filled by the Board in accordance with the provisions of Rules 3 to 5 above.
- Rule 7 The Strategy Committee shall establish a working unit which shall be responsible for the collection and research of information, routine communications and organization of meetings, and etc..

### **Chapter 3 Duties and Authorities**

- Rule 8 The major duties and authorities of the Strategy Committee include:
- (1) to formulate the operational goals and medium-to-long term development strategies of the Bank and fully evaluate the strategic risk;
  - (2) to consider material investment and financing projects and make proposals to the Board of Directors;
  - (3) to supervise and review the implementation of the annual operational and investment plans;
  - (4) to evaluate and monitor the implementation of Board resolutions; and
  - (5) to put forth proposals and plans on important issues for discussion and determination by the Board of Directors.

### **Chapter 4 Decision Making Procedures**

- Rule 9 The working unit of the committee is responsible for making preliminary preparations for the decision making process of the Strategy Committee and providing necessary information for the meetings of the Strategy Committee which shall be preliminarily reviewed by the working unit and then submitted to the Strategy Committee for review and approval.
- Rule 10 The Strategy Committee shall convene meetings based on the information submitted by the working unit and conduct discussion and then submit the result of discussion to the Board of Directors.

### **Chapter 5 Rules of Procedures for Meetings**

- Rule 11 Meetings of the Strategy Committee shall be held at least once a year and a notice of meeting shall be given to all members at least two days prior to the meeting. Meetings shall be chaired by the chairman of the committee. If the chairman of the committee cannot attend, he/she may appoint another member to chair the meeting.
- Rule 12 Meetings of the Strategy Committee shall be held only with the presence of more than two thirds of its members. Each member shall be entitled to one vote. Resolutions of a meeting must be adopted by the affirmative votes of more than half of all members.
- Rule 13 The Strategy Committee shall vote by a show of hands or by a poll. Meetings may also be convened in the form of vote by communications.
- Rule 14 Members of the working unit of the Strategy Committee may attend meetings of the Strategy Committee. In addition, directors, supervisors and other senior management members of the Bank may be invited to attend such meetings if necessary.
- Rule 15 If necessary, the Strategy Committee may engage an intermediary institution to form a professional opinion as its reference in making decision. The cost shall be borne by the Bank.

- Rule 16 The procedures for convening a meeting, the method of voting and resolutions passed at a meeting of the Strategy Committee shall be in conformity to the provisions of the relevant laws, regulations, Articles of Association and these Rules.
- Rule 17 The Strategy Committee shall keep minutes of its meetings. Members present at a meeting shall sign the minutes of that meeting which shall be kept by the Secretary of the Board of the Bank.
- Rule 18 Any proposal considered and the result of any poll taken at a meeting of the Strategy Committee shall be reported in writing to the Board of the Bank.
- Rule 19 Members present at a meeting shall be obliged to keep confidential all matters discussed in such meeting, and shall not disclose any relevant information without authorization.

### **Chapter 6 Supplementary Provisions**

- Rule 20 These Rules shall be implemented with effect from the date on which the relevant resolution is passed by the Board.
- Rule 21 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 People's Republic of China, the Listing Rules in the jurisdictions where the shares of the Bank are listed or the Articles of Association of the Bank. If these Rules contravene any future laws, regulations and regulatory documents promulgated by the Government, the Listing Rules in the jurisdictions where the shares of the Bank are listed, or the legally amended Articles of Association of the Bank, they shall be implemented, promptly amended and reported to the Board of Directors for consideration and adoption in accordance with the then provisions of the relevant laws, regulations and regulatory documents of the People's Republic of China, the Listing Rules in the jurisdictions where the shares of the Bank are listed or the Articles of Association of the Bank.
- Rule 22 The power of interpretation of, and amendments to, these Rules shall be vested in the Board of Directors of the Bank.

## **Implementing Rules for the Nomination Committee under the Board of Directors**

### **Chapter 1 General Provisions**

- Rule 1 In order to regulate the procedures of appointment of senior management members of the Bank, rationalise the composition of the Board, and enhance its corporate governance structure, and in accordance with the “Company Law of the People’s Republic of China”, the “Guidelines on Corporate Governance of Joint-stock Commercial Banks”, the “Code of Corporate Governance for Listed Companies”, the “Articles of Association”, the “Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited” and other relevant provisions, the Bank has set up a Nomination Committee under the Board and formulated these Rules.
- Rule 2 The Nomination Committee under the Board is a specific working body set up by the Board according to a resolution of the shareholders’ general meeting. Its main responsibilities are to select candidates and submit proposals on the standards and procedures for selecting candidates for the offices of directors and senior management members of the Bank. Senior management members referred to in these Rules refer to the President, the executive vice presidents, the Secretary of the Board, and the Chief Financial Officer, etc.

### **Chapter 2 Composition**

- Rule 3 The Nomination Committee shall comprise 5 to 9 directors, the majority of whom shall be independent directors. Any director nominated by the controlling shareholders shall not be a member of the Nomination Committee.
- Rule 4 The members of the Nomination Committee shall be nominated by the Chairman of the Board, more than half the number of independent directors or one third of all directors, and shall be elected by the Board of Directors.
- Rule 5 The Nomination Committee shall have a chairman who shall be an independent director. The chairman of the committee shall be responsible for leading the work of the committee. The chairman of the committee shall be appointed by the Board of Directors after consideration.
- Rule 6 The term of office of the Nomination 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 of the Bank, he/she shall automatically lose his/her position as a committee member, and the vacancy shall be filled by the committee in accordance with the provisions of Rules 3 to 5 above.

### Chapter 3 Duties and Authorities

- Rule 7 The major duties and authorities of the Nomination Committee include:
- (1) to review the structure, number of directors and composition (including their skills, knowledge and experience) of the Board of Directors at least once a year according to the business activities, asset scale and shareholding structure of the Bank, and put forward proposals in respect of any intended changes to the Board of Directors in line with the strategies of the Bank;
  - (2) to study the standards and procedures for the election of directors and senior management members, and propose the same to the Board;
  - (3) to conduct extensive searches for qualified candidates as directors and senior management members;
  - (4) to conduct preliminary examination on the candidates for directors and senior management members, and make relevant proposals to the Board of Directors; and
  - (5) any other matters authorized by the Board of Directors.
- Rule 8 The Nomination Committee shall be accountable to the Board. The committee shall submit its proposals to the Board for consideration and decision. Without good reasons or reliable evidence, the controlling shareholders shall fully respect the proposals made by the Nomination Committee, otherwise they shall not propose substitution candidates for directors and senior management members.

### Chapter 4 Decision Making Procedures

- Rule 9 In accordance with the provision of relevant laws and regulations and the Articles of Association of the Bank, the Nomination Committee shall study and decide on the selection criteria and procedures and the terms of office for Directors and senior management members with reference to the Bank's actual situation. Any resolution made in this regard shall be filed and submitted to the Board for approval and shall be implemented accordingly.
- Rule 10 The procedures for selecting Directors and senior management members are as follows:
- (1) The Nomination Committee shall actively communicate with relevant departments of the Bank, to study the requirements of the Bank for new directors and senior management members and to compile written reports;
  - (2) The Nomination Committee may search extensively for candidates for the positions of Directors and senior management members in the Bank, its holding (associate) enterprises and the human resources market;
  - (3) The committee shall collect all information about the occupation, academic qualifications, titles, detailed working experience of the shortlisted candidates and compile written reports;
  - (4) The committee shall obtain consent from the nominees regarding the nomination, otherwise they shall not be considered as candidates for Directors or senior management members;

- (5) The committee shall convene a meeting to conduct a qualification review on the shortlisted candidate(s) according to the employment requirements of Director(s) and senior management members;
- (6) The committee shall submit to the Board its proposal(s) and relevant information on the candidates 15 days prior to the election of new Director(s) and appointment of new senior management members; and
- (7) The committee shall carry out other follow-up work according to the decisions and feedback of the Board.

## **Chapter 5 Rules of Procedures for Meetings**

- Rule 11 Meetings of the Nomination Committee shall be held at least once every year and a notice of meeting shall be given to all members at least two days prior to that meeting. The meetings 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 12 The meetings of the Nomination Committee shall be convened only with the presence of more than two thirds of the members. Each member shall be entitled to one vote. Resolutions put at a meeting shall be approved by the affirmative votes of more than half of all members.
- Rule 13 The Nomination Committee shall vote by a show of hands or by a poll. Meetings may also be convened in the form of vote by correspondence.
- Rule 14 The Nomination Committee may invite directors, supervisors and other senior management members of the Bank to attend such meetings if necessary.
- Rule 15 The Bank shall provide the committee with sufficient resources to perform its duties. If necessary, the Nomination Committee may engage an intermediary institution to provide professional advice on its decision. The cost shall be borne by the Bank.
- Rule 16 The procedures for convening a meeting, the method of voting and the resolutions passed at a meeting of the Nomination Committee shall comply with the provisions of the relevant laws, regulations, the Articles of Association and these Rules.
- Rule 17 The Nomination 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 18 Any resolution passed and the result of any poll taken at a meeting of the Nomination Committee shall be reported in writing to the Board of the Bank.
- Rule 19 Members present at a meeting shall be obliged to keep confidential all matters discussed in such meeting, and shall not disclose any relevant information without authorization.



## Chapter 6 Supplementary Provisions

- Rule 20 These Rules shall be implemented with effect from the date on which the relevant resolution is passed by the Board.
- Rule 21 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 People's Republic of China, the Listing Rules in the jurisdictions where the shares of the Bank are listed or the Articles of Association of the Bank. If these Rules contravene any future laws, regulations and regulatory documents to be promulgated by the State, the Listing Rules in the jurisdictions where the shares of the Bank are listed, or the legally amended Articles of Association of the Bank, they shall be implemented, promptly amended and reported to the Board of Directors for consideration and approval in accordance with the then provisions of the relevant laws, regulations and regulatory documents of the People's Republic of China, the Listing Rules in the jurisdictions where the shares of the Bank are listed or the Articles of Association of the Bank.
- Rule 22 The power of interpretation of, and amendments to, these Rules shall be vested in the Board of Directors of the Bank.

## **Implementing Rules for the Remuneration and Appraisal Committee under the Board of Directors**

### **Chapter 1 General Provisions**

- Rule 1 In order to establish a sound administration system of appraisal and remuneration for directors and senior management members of the Bank and enhance its corporate governance structure, and in accordance with the “Company Law of the People’s Republic of China”, the “Guidelines on Corporate Governance of Joint-stock Commercial Banks”, the “Code of Corporate Governance for Listed Companies”, the “Articles of Association”, the “Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited” and other relevant provisions, the Bank has set up a Remuneration and Appraisal Committee under the Board and formulated these Rules.
- Rule 2 The Remuneration and Appraisal Committee under the Board is a specific working body set up by the Board according to a resolution of the shareholders’ general meeting. Its main responsibilities are to formulate standards for appraising directors and senior management members of the Bank and conduct appraisals; and to formulate and review the policies for and proposals on the remuneration of directors and senior management members of the Bank. The committee shall be accountable to the Board.

### **Chapter 2 Composition**

- Rule 3 The Remuneration and Appraisal Committee shall comprise 5 to 9 directors, the majority of whom shall be independent directors and the convener shall be an independent director.
- Rule 4 The members of the Remuneration and Appraisal Committee shall be nominated by the chairman of the Board, more than half the number of independent directors or one third of all directors, and shall be elected by the Board of Directors.
- Rule 5 The Remuneration and Appraisal Committee shall have a chairman who shall be an independent director. The chairman of the committee shall be responsible to head the work of the committee. The chairman of the committee shall be appointed by the Board of Directors 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 of the Bank, he/she shall automatically lose his/her position as committee member, and the vacancy shall be filled by the Board in accordance with the provisions of Rules 3 to 5 above.
- Rule 7 The Remuneration and Appraisal Committee shall establish a working unit which shall specifically be responsible for providing information on the operation and management of the Bank and relevant information of other persons to be appraised, preparing for meetings of the Remuneration and Appraisal Committee and implementing resolutions of the Remuneration and Appraisal Committee.

### Chapter 3 Duties and Authorities

- Rule 8 The major duties and authorities of the Remuneration and Appraisal Committee include:
- (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 the remuneration policies and plans for directors and senior management members and put forward relevant plans to the Board of Directors and supervise the implementation of such plans;
  - (3) to review the remuneration management system and policies of the whole Bank; and
  - (4) any other matters authorized by the Board of Directors.
- Rule 9 The Board of Directors shall have the power to veto remuneration plans or proposals which are contrary to the interests of the shareholders.
- Rule 10 The remuneration plans for the directors of the Bank proposed by the Remuneration and Appraisal Committee shall be approved by the Board and submitted to a shareholders' general meeting for approval before implementation. The remuneration plans for the senior management members of the Bank shall be submitted to the Board for approval.

### Chapter 4 Decision Making Procedures

- Rule 11 The working unit under the Remuneration and Appraisal Committee shall be responsible for making preliminary preparations for the decision making process of the Remuneration and Appraisal Committee, and providing relevant information of the Bank:
- (1) to provide information on fulfillment by the Bank of its main financial targets and business objectives;
  - (2) to provide information on the division of labour among the Bank's senior management members and their main duties;
  - (3) to provide information on target completion in relation to the work performance appraisal system for directors and senior management members;
  - (4) to provide information on the business initiatives and profit-making ability of directors and senior management members in business operation; and
  - (5) to provide information on the basis for formulating the Bank's plans and methods for fixing remunerations based on its operating results.

- Rule 12 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 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 prepared according to the remuneration and distribution policies shall be made and, after a voting in its favour, shall be reported to the Board.

### **Chapter 5 Rules of Procedures for Meetings**

- Rule 13 Meetings of the Remuneration and Appraisal Committee shall be held at least once a year and a notice of meeting shall be given to all members at least two days prior to the meeting. Meetings shall be chaired by the chairman of the committee. If the chairman of the committee cannot attend, he/she may appoint another member to preside over the meeting.
- Rule 14 Meetings of the Remuneration and Appraisal Committee shall be held only with the presence of more than two-thirds of its members. Each member shall be entitled to one vote. Resolutions of a meeting must be adopted by the affirmative votes of more than half of all members.
- Rule 15 The Remuneration and Appraisal Committee shall vote by a show of hands or by a poll. Meetings may also be convened in the form of vote by communications.
- Rule 16 The Remuneration and Appraisal Committee may invite directors, supervisors and senior management members of the Bank to attend its meetings if necessary.
- Rule 17 The Remuneration and Appraisal Committee shall consult the Chairman of the Board of Directors in respect of the remuneration proposed for other executive directors. The Remuneration and Appraisal Committee shall be provided with sufficient resources to perform its duties. If necessary, the Remuneration and Appraisal Committee may engage an intermediary institution to form a professional opinion 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 be in conformity to the provisions of the relevant laws, regulations, Articles of Association and these Rules.
- Rule 20 The Remuneration and Appraisal Committee shall keep minutes of its meetings. Members present at a meeting shall sign the minutes of that meeting which shall be kept by the Secretary of the Board of the Bank.
- Rule 21 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 22 Members present at a meeting shall be obliged to keep confidential all matters discussed in such meeting and shall not disclose any relevant information without authorization.

## Chapter 6 Supplementary Provisions

- Rule 23 These Rules shall be implemented with effect from the date on which the relevant resolution is passed by the Board.
- Rule 24 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 People's Republic of China, the Listing Rules in the jurisdictions where the shares of the Bank are listed or the Articles of Association of the Bank. If these Rules contravene any future laws, regulations and regulatory documents promulgated by the Government, the Listing Rules in the jurisdictions where the shares of the Bank are listed, or the legally amended Articles of Association of the Bank, they shall be implemented, promptly amended and reported to the Board of Directors for consideration and adoption in accordance with the then provisions of the relevant laws, regulations and regulatory documents of the People's Republic of China, the Listing Rules in the jurisdictions where the shares of the Bank are listed or the Articles of Association of the Bank.
- Rule 25 The power of interpretation of, and amendments to, these Rules shall be vested in the Board of Directors of the Bank.

## **Implementing Rules for the Audit Committee under the Board of Directors**

### **Chapter 1 General Provisions**

- Rule 1 In order to strengthen the decision making functions of the Board, to conduct audit in advance and professional audit so as to ensure effective supervision of the management by the Board and to enhance its corporate governance structure, and in accordance with “The Company Law of the People’s Republic of China”, “Guidelines on Corporate Governance of Joint-stock Commercial Banks”, the “Code of Corporate Governance for Listed Companies”, the “Articles of Association”, the “Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited” and other relevant provisions, the Bank has set up an Audit Committee under the Board and formulated these Rules.
- Rule 2 The Audit Committee under the Board is a specific working body set up by the Board pursuant to a resolution of the shareholders’ general meeting. Its main responsibilities are to carry out liaison, supervision and review in connection with the internal and external audit of the Bank.

### **Chapter 2 Composition**

- Rule 3 The Audit Committee shall comprise 5 to 9 non-executive directors, all of whom shall be independent directors and the convener shall be an independent director. At least one of the independent directors in the committee shall be an accounting professional. Any director nominated by the controlling shareholders shall not serve as a member of the Audit Committee. The existing external auditing firm and its former partner shall be prohibited from acting as a member of the Audit Committee for a period of one year from the date of his ceasing to be the partner of the firm or to have any financial interest in the firm (whichever is later).
- Rule 4 The members of the Audit Committee shall be nominated by the Chairman of the Board, more than half the number of the independent directors or one-third of all directors, and shall be elected by the Board of Directors.
- Rule 5 The Audit Committee shall have a chairman who shall be an independent director. The chairman of the committee shall be responsible for leading the work of the committee. The chairman of the committee shall be appointed by the Board of Directors after consideration.
- Rule 6 The term of office of the Audit 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 of the Bank, he/she shall automatically lose his/her position as committee member, and the vacancy shall be filled by the Board in accordance with the provisions of Rules 3 to 5 above.
- Rule 7 The Audit Committee shall have a working unit which is responsible for the liaison of routine work and organization of meetings.

### Chapter 3 Duties and Authorities

- Rule 8 The major duties and authorities of the Audit Committee include:
- (1) to propose the engagement or replacement of external auditors;
  - (2) to monitor the internal audit system of the Bank and its implementation, and evaluate the work procedures and performance of the internal audit departments of the Bank;
  - (3) to be responsible for the liaison between internal and external auditors;
  - (4) to review the financial information of the Bank and its disclosure, to be responsible for the annual auditing work of the Bank, and to generate an assessment report on the truthfulness, accuracy, completeness and timeliness of the audited financial reports and submit the same to the Board of Directors for consideration;
  - (5) to examine the internal control system of the Bank, and submit proposals on perfecting the internal control of the Bank;
  - (6) to review and supervise the mechanism for the Bank's employees to whistleblow any misconducts in respect of financial reports, internal control or other aspects, to ensure that the Bank always handles the whistleblowing issues in a fair and independent manner and takes appropriate actions;
  - (7) to review the accounting policies, financial reporting procedures and financial position of the Bank; and
  - (8) to deal with other matters authorized by the Board of Directors.
- Rule 9 The Audit Committee shall be accountable to the Board. The committee shall submit its proposals to the Board for consideration and decision. The Audit Committee shall coordinate with the audit activities undertaken by supervisors of the Supervisory Committee.

### Chapter 4 Decision Making Procedures

- Rule 10 The working unit under the Audit Committee is responsible for making preliminary preparations for the decision making process of the Audit Committee and providing relevant written information of the Bank in relation to:
- (1) financial reports of the Bank;
  - (2) work reports of internal and external auditors;
  - (3) external audit contracts and relevant work reports;
  - (4) public disclosure of information made by the Bank; and
  - (5) other relevant matters.

- Rule 11 The Audit Committee shall convene meetings to discuss reports submitted by the working unit, and shall submit its relevant written resolutions to the Board for consideration:
- (1) work appraisal on external auditors, and the engagement and replacement of external auditors;
  - (2) report on whether the internal audit system of the Bank has been effectively implemented and whether the financial reports of the Bank are complete and accurate;
  - (3) report on whether the financial information disclosed publicly by the Bank is objective and accurate;
  - (4) work appraisal of the internal financial department and audit department, including their persons-in-charge; and
  - (5) other relevant matters.

### **Chapter 5 Rules of Procedures for Meetings**

- Rule 12 The Audit Committee shall meet at least four times every year (and meet with external auditor at least twice every year) and a notice of meeting shall be given to all members at least two days prior to the meeting. The meetings 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 The meetings of the Audit Committee shall be convened only with the presence of more than two thirds of the members. Each member shall be entitled to one vote. Resolutions put at a meeting shall be approved by the affirmative votes of more than half of all members.
- Rule 14 The Audit Committee shall vote by a show of hands or by a poll. Meetings may also be convened in the form of vote by correspondence.
- Rule 15 Members of the working unit may attend meetings of the Audit Committee. Directors, supervisors and other senior management members of the Bank may be invited to attend such meetings if necessary.
- Rule 16 The Bank shall provide the Audit Committee with sufficient resources to perform its duties. If necessary, the Audit Committee may engage an intermediary institution to provide professional advice on its decision. The cost shall be borne by the Bank.
- Rule 17 The procedures for convening a meeting, the method of voting and the resolutions passed at a meeting of the Audit Committee shall comply with the provisions of the relevant laws, regulations, the Articles of Association and these Rules.



- Rule 18 The Audit Committee shall keep minutes of its meetings. Members present at a meeting shall sign the minutes of the meeting, the full version of which shall be kept by the Secretary of the Board of Directors of the Bank. The draft minutes of the Audit Committee and its finalized minutes shall be successively submitted to all the members of the Audit Committee within a reasonable period. The draft minutes are for opinions of the members of the Audit Committee while the finalized minutes are for filing purpose.
- Rule 19 Any resolution passed and the result of any poll taken at a meeting of the Audit Committee shall be reported in writing to the Board of the Bank.
- Rule 20 Members present at a meeting shall be obliged to keep confidential all matters discussed in such meeting, and shall not disclose any relevant information without authorization.

## **Chapter 6 Supplementary Provisions**

- Rule 21 These Rules shall be implemented with effect from the date on which the relevant resolution is passed by the Board.
- Rule 22 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 People's Republic of China, the Listing Rules in the jurisdictions where the shares of the Bank are listed or the Articles of Association of the Bank. If these Rules contravene any future laws, regulations and regulatory documents promulgated by the Government, the Listing Rules in the jurisdictions where the shares of the Bank are listed, or the legally amended Articles of Association of the Bank, they shall be implemented, promptly amended and reported to the Board of Directors for consideration and adoption in accordance with the then provisions of the relevant laws, regulations and regulatory documents of the People's Republic of China, the Listing Rules in the jurisdictions where the shares of the Bank are listed or the Articles of Association of the Bank.
- Rule 23 The power of interpretation of, and amendments to, these Rules shall be vested in the Board of Directors of the Bank.

## **Implementing Rules for the Related-Party Transactions Control Committee under the Board of Directors**

### **Chapter 1 General Provisions**

- Rule 1 In order to strengthen the management of related-parties transactions, to safeguard the interests of all shareholders as a whole and to enhance its corporate governance structure, and in accordance with “The Company Law of the People’s Republic of China”, “Guidelines on Corporate Governance of Joint-stock Commercial Banks”, the “Code of Corporate Governance for Listed Companies”, the “Articles of Association”, the “Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited” and other relevant provisions, the Bank has set up a Related-Party Transactions Control Committee under the Board and formulated these Rules. The related-party transactions or continuing related-party transactions referred to in these Rules include those defined in the “Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited”.
- Rule 2 The Related-Party Transactions Control Committee under the Board is a specific working body set up by the Board pursuant to a resolution of the shareholders’ general meeting. Its main responsibilities are to carry out inspection, supervision and review in connection with the related-party transactions of the Bank.

### **Chapter 2 Composition**

- Rule 3 The Related-Party Transactions Control Committee shall comprise 5 to 9 directors, the majority of whom shall be independent directors and the convener shall be an independent director. At least one of the independent directors in the committee shall be an accounting professional. Any director nominated by the controlling shareholders shall not serve as a member in the Related-Party Transactions Control Committee.
- Rule 4 The members of the Related-Party Transactions Control Committee shall be nominated by the Chairman of the Board, more than half the number of independent directors or one third of all directors, and shall be elected by the Board of Directors.
- Rule 5 The Related-Party Transactions Control Committee shall have a chairman who shall be an independent director. The chairman of the committee shall be responsible for leading the work of the committee. The chairman of the committee shall be appointed by the Board of Directors after consideration.
- Rule 6 The term of office of the Related-Party Transactions Control 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 of the Bank, he/she shall automatically lose his/her position as a committee member, and the vacancy shall be filled by the Board of Directors in accordance with the provisions of Rules 3 to 5 above.
- Rule 7 The Related-Party Transactions Control Committee shall have a working unit which shall be responsible for the liaison of routine work and organization of meetings.

### Chapter 3 Duties and Authorities

- Rule 8 The major duties and authorities of the Related-Party Transactions Control Committee include:
- (1) to identify related parties of the Bank according to relevant laws and regulations;
  - (2) to inspect, supervise and review material related-party transactions and continuing related-party transactions, and to control the risks associated with related-party transactions;
  - (3) to review the administrative measures on related-party transactions of the Bank, and to monitor the establishment and improvement of the related-party transactions management system of the Bank; and
  - (4) to review the announcements on related-party transactions of the Bank.
- Rule 9 The Related-Party Transactions Control Committee shall be accountable to the Board. The committee shall submit its proposals to the Board for consideration and decision.

### Chapter 4 Decision Making Procedures

- Rule 10 The working unit under the Related-Party Transactions Control Committee is responsible for making preliminary preparations for the decision-making process of the Related-Party Transactions Control Committee and providing relevant written information of the Bank:
- (1) the criteria for identification of the Bank's related parties and prepare a list of its related parties;
  - (2) review report regarding material related-party transactions of the Bank and review report regarding its continuing related-party transactions;
  - (3) annual report on related-party transactions of the Bank;
  - (4) public disclosure of information regarding the Bank's related-party transactions;
  - (5) filing information regarding the Bank's related-party transactions; and
  - (6) other relevant matters.
- Rule 11 The Related-Party Transactions Control Committee shall convene meetings to discuss reports submitted by the working unit, and shall submit its relevant written resolutions to the Board for consideration:

## Chapter 5 Rules of Procedures for Meetings

- Rule 12 Meetings of the Related-Party Transactions Control Committee shall be held at least once every year and a notice of meeting shall be given to all members at least two days prior to the meeting. The meetings 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 The meetings of the Related-Party Transactions Control Committee shall be convened only with the presence of more than two thirds of the members. Each member shall be entitled to one vote. Any member who is an interested party in a related-party transaction shall abstain from voting. Any resolution of the committee shall be passed by more than half of the non-interested members present at the meeting.
- Rule 14 The Related-Party Transactions Control Committee shall vote by a show of hands or by a poll. Meetings may also be convened in the form of vote by communications.
- Rule 15 Members of the working unit may attend meetings of the Related-Party Transactions Control Committee. Directors, supervisors and other senior management members of the Bank may be invited to attend such meetings if necessary.
- Rule 16 If necessary, the Related-Party Transactions Control Committee may engage an intermediary institution to provide professional advice on its decision. The cost shall be borne by the Bank.
- Rule 17 The procedures for convening a meeting, the method of voting and the resolutions passed at a meeting of the Related-Party Transactions Control Committee shall comply with the provisions of the relevant laws, regulations, Articles of Association and these Rules.
- Rule 18 The Related-Party Transactions Control 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 19 Any resolution passed and the result of any poll taken at a meeting of the Related-Party Transactions Control Committee shall be reported in writing to the Board of the Bank.
- Rule 20 Members present at a meeting shall be obliged to keep confidential all matters discussed in such meeting, and shall not disclose any relevant information without authorization.

## Chapter 6 Supplementary Provisions

- Rule 21 These Rules shall be implemented with effect from the date on which the relevant resolution is passed by the Board.
- Rule 22 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 People's Republic of China, the Listing Rules in the jurisdictions where the shares of the Bank are listed or the Articles of Association of the Bank. If these Rules contravene any future laws, regulations and regulatory documents promulgated by the Government, the Listing Rules in the jurisdictions where the shares of the Bank are listed, or the legally amended Articles of Association of the Bank, they shall be implemented, promptly amended and reported to the Board of Directors for consideration and adoption in accordance with the then provisions of the relevant laws, regulations and regulatory documents of the People's Republic of China, the Listing Rules in the jurisdictions where the shares of the Bank are listed or the Articles of Association of the Bank.
- Rule 23 The power of interpretation of, and amendments to, these Rules shall be vested in the Board of Directors of the Bank.

## **Implementing Rules for the Risk and Capital Management Committee under the Board of Directors**

### **Chapter 1 General Provisions**

- Rule 1 In order to improve the ability of the Bank to control systemic risks, structural risks as well as risks related to substantial assets business, and to enhance its corporate governance structure, and in accordance with the “Company Law of the People’s Republic of China”, the “Guidelines on Corporate Governance, of Joint-stock Commercial Banks”, the “Code of Corporate Governance for Listed Companies” the “Articles of Association”, the “Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited” and other relevant provisions, the Bank has set up a Risk and Capital Management Committee under the Board and formulated these Rules.
- Rule 2 The Risk and Capital Management Committee under the Board is a specific working body set up by The Board pursuant to a resolution of the shareholders’ general meeting. Its main responsibilities are to carry out control, management, monitoring and assessment in connection with the risks of the Bank.

### **Chapter 2 Composition**

- Rule 3 The Risk and Capital Management Committee shall comprise 5 to 9 directors and at least one of them shall be an independent director.
- Rule 4 The members of the Risk and Capital Management Committee shall be nominated by the Chairman of the Board, more than half the number of independent directors or one third of all directors, and shall be elected by the Board of Directors.
- Rule 5 The Risk and Capital Management Committee shall have a chairman who shall be responsible for leading the work of the committee. The chairman of the committee shall be appointed by the Board of Directors after consideration, and he/she shall have the experiences to assess and manage all kinds of risks.
- Rule 6 The term of office of the Risk and Capital Management 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 of the Bank, he/she shall automatically lose his/her position as committee member, and the vacancy shall be filled by the Board in accordance with the provisions of Rules 3 to 5 above.
- Rule 7 The Risk and Capital Management Committee shall have a working unit which shall be responsible for the liaison of routine work and the organization of meetings.

### Chapter 3 Duties and Authorities

- Rule 8 Major duties and authorities of the Risk and Capital Management Committee include:
- (1) supervise the status of risk control of the senior management of the Bank in relation to credit risk, market risk, operation risk, liquidity risk, strategic risk, compliance risk, reputation risk, country risk and other risks;
  - (2) make regular assessment on the risk policies, risk management, risk endurance and capital of the Bank;
  - (3) perform the relevant duty of the advanced capital measurement method under the authorization of the Board of Directors;
  - (4) to put forward proposals on the improvement of the risk and capital management of the Bank;
  - (5) to organize and direct the risk prevention work in accordance with the authorization of the Board of Directors; and
  - (6) any other matters authorized by the Board of Directors.
- Rule 9 The Risk and Capital Management Committee shall be accountable to the Board. The committee shall submit its proposals to the Board for consideration and decision.

### Chapter 4 Decision Making Procedures

- Rule 10 The working unit under the Risk and Capital Management Committee is responsible for making preliminary preparations for the decision-making process of the Risk and Capital Management Committee and providing relevant written information of the Bank:
- (1) report on risk and capital management of the Bank;
  - (2) report on the status of risk and capital of the Bank;
  - (3) report of dynamic analysis on the asset quality of the Bank; and
  - (4) other relevant matters.
- Rule 11 The Risk and Capital Management Committee shall convene meetings to discuss reports submitted by the working unit, and shall submit its relevant written resolutions to the Board for consideration.

## Chapter 5 Rules of Procedures for Meetings

- Rule 12 Meetings of the Risk and Capital Management Committee shall be held at least once every year and a notice of meeting shall be given to all members at least two days prior to that meeting. The meetings 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 The meetings of the Risk and Capital Management Committee shall be convened only with the presence of more than two thirds of the members. Each member shall be entitled to one vote. Resolutions of a meeting must be adopted by the affirmative votes of more than half of all members.
- Rule 14 The Risk and Capital Management Committee shall vote by a show of hands or by a poll. Meetings may also be convened in the form of vote by correspondence.
- Rule 15 Members of the working unit may attend meetings of the Risk and Capital Management Committee. Directors, supervisors and other senior management members of the Bank may be invited to attend such meetings if necessary.
- Rule 16 If necessary, the Risk and Capital Management Committee may engage an intermediary institution to provide professional advice on its decision. The cost shall be borne by the Bank.
- Rule 17 The procedures for convening a meeting, the method of voting and the resolutions passed at a meeting of the Risk and Capital Management Committee shall comply with the provisions of the relevant laws, regulations, Articles of Association and these Rules.
- Rule 18 The Risk and Capital Management 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 19 Any resolution passed and the result of any poll taken at a meeting of the Risk and Capital Management Committee shall be reported in writing to the Board of the Bank.
- Rule 20 Members present at a meeting shall be obliged to keep confidential all matters discussed in such meeting, and shall not disclose any relevant information without authorization.

## Chapter 6 Supplementary Provisions

- Rule 21 These Rules shall be implemented with effect from the date on which the relevant resolution is passed by the Board.
- Rule 22 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 People's Republic of China, the Listing Rules in the jurisdictions where the shares of the Bank are listed or the Articles of Association of the Bank. If these Rules contravene any future laws, regulations and regulatory documents to be promulgated by the State, the Listing Rules in the jurisdictions where the shares of the Bank are listed, or the legally amended Articles of Association of the Bank, they shall be implemented, promptly amended and reported to the Board of Directors for consideration and approval in accordance with the then provisions of the relevant laws, regulations and regulatory documents of the People's Republic of China, the Listing Rules in the jurisdictions where the shares of the Bank are listed or the Articles of Association of the Bank.
- Rule 23 The power of interpretation of, and amendments to, these Rules shall be vested in the Board of Directors of the Bank.