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中國工商銀行股份有限公司

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

**Stock Code: 1398**

**USD Preference Shares Stock Code: 4603**

**EUR Preference Shares Stock Code: 4604**

**RMB Preference Shares Stock Code: 84602**

## **WORK REPORT OF INDEPENDENT NON-EXECUTIVE DIRECTORS FOR 2014**

This announcement is issued pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Industrial and Commercial Bank of China Limited hereby set out the Work Report of Independent Non-executive Directors for 2014 of ICBC, the Chinese version of which has been published on the website of the Shanghai Stock Exchange simultaneously, for reference only.

**The Board of Directors of  
Industrial and Commercial Bank of China Limited**

Beijing, PRC  
26 March 2015

*As at the date of this announcement, the board of directors comprises Mr. JIANG Jianqing and Mr. YI Huiman as executive directors, Ms. WANG Xiaoya, Ms. GE Rongrong, Mr. FU Zhongjun, Mr. ZHENG Fuqing, Mr. FEI Zhoulin and Mr. CHENG Fengchao as non-executive directors, Mr. WONG Kwong Shing, Frank, Sir Malcolm Christopher McCARTHY, Mr. Kenneth Patrick CHUNG, Mr. OR Ching Fai, Mr. HONG Yongmiao and Mr. YI Xiqun as independent non-executive directors.*

# **Work Report of Independent Non-executive Directors for 2014 of ICBC**

In 2014, Independent Non-executive Directors of the Bank performed their duties in a diligent manner according to the *Company Law*, the *Securities Law*, the *Guidelines on the Corporate Governance of Commercial Banks*, the *Guidance on Duty Performance of Boards of Directors of Joint-stock Commercial Banks*, and other applicable laws, regulations, rules and codes, and the *Articles of Association of Industrial and Commercial Bank of China*. They attended meetings of the Board of Directors and special committees, participated in researches, discussions and decision making on relevant affairs to be reviewed, and expressed independent opinions and suggestions on the Bank's development strategy, risk control, audit supervision, nomination and compensation management, and connected transaction management, to actually safeguard the rights and interests of medium and minor shareholders. Besides, they carried out surveys and seminars in line with the development strategy of the Bank which boosted the development of the Bank in relevant fields.

## **I. Profile of Independent Non-executive Directors**

### **1. Biographies of Independent Non-executive Directors**

Wong Kwong Shing, Frank, Independent Non-executive Director

Mr. Wong has served as Independent Non-executive Director of Industrial and Commercial Bank of China Limited since January 2009. He previously held a number of senior positions with regional responsibility at financial institutions including Citibank, JPMorgan and NatWest, and took positions as Chairman of Hong Kong Futures Exchange Limited, Chairman of the Leveraged Foreign Exchange Trading Ordinance Arbitration Panel and member of the Foreign Exchange and Money Market Practices Committee of Hong Kong Association of Banks. He joined DBS Bank in 1999, and served as Vice Chairman of DBS Bank Ltd., Director and Chief Operating Officer of DBS Bank Ltd. and DBS Group Holdings, and Chairman of DBS Bank (Hong Kong) and Chairman of DBS Bank (China). He also served as an Independent Non-executive Director of the National Healthcare Group Pte Ltd under the Ministry of Health of Singapore and Mapletree Investments Pte Ltd. At present, he is concurrently a Non-executive Director of PSA International Pte Ltd and PSA Corporation Limited, Independent Non-executive Director of China Mobile Limited, and President and Independent Non-executive Director of Mapletree Greater China Commercial Trust.

Malcolm Christopher McCarthy, Independent Non-executive Director

Sir M.C. McCarthy has served as Independent Non-executive Director of Industrial and Commercial Bank of China Limited since December 2009. He worked first as an

economist for ICI before joining the UK Department of Trade and Industry where he held various posts from economic adviser to undersecretary. He subsequently worked as a senior executive of Barclays Bank first in Japan and then North America. He served as Chairman and Chief Executive of Office of Gas and Electricity Markets (Ofgem), Chairman of the Financial Services Authority (FSA), a non-executive director of HM Treasury, Chairman of the board of directors of J.C. Flowers & Co. UK Ltd, a non-executive director of NIBC Holding N.V., NIBC Bank N.V., OneSavings Bank plc and Castle Trust Capital plc. Currently Sir M.C. McCarthy serves as a non-executive director of Intercontinental Exchange, a trustee of the Said Business School of Oxford University and IFRS Foundation, and the Chairman in the United Kingdom of Promontory Financial Group. He is an Honorary Fellow of Merton College, an Honorary Doctorate of the University of Stirling and the Cass Business School, and a Freeman of the City of London. He has a MA History at Merton College of Oxford University, PhD Economics of Stirling University, and MS at Graduate School of Business of Stanford University.

Kenneth Patrick Chung, Independent Non-executive Director

Mr. Chung has served as Independent Non-Executive Director of Industrial and Commercial Bank of China Limited since December 2009. Mr. Chung joined Deloitte Haskins and Sells London Office in 1980. He became a partner of PricewaterhouseCoopers in 1992, and was a financial service specialist of PricewaterhouseCoopers (Hong Kong and China) since 1996. Previously, he was the human resources partner of PricewaterhouseCoopers (Hong Kong), the responsible partner of the audit department of PricewaterhouseCoopers (Hong Kong and China), the global lead partner of the audit engagement team for Bank of China Limited, the honorary treasurer of The Community Chest of Hong Kong and was a member of the Ethics Committee, Limitation of Professional Liability Committee, Communications Committee, and the Investigation Panel of the Hong Kong Society of Accountants. Mr. Chung has also served as the audit partner for the restructurings and initial public offerings of Bank of China Limited, Bank of China (Hong Kong) Limited and Bank of Communications Co. Ltd, and Chairman of the Audit Committee of the Harvest Real Estate Investments (Cayman) Limited. Currently, Mr. Chung serves as the vice Chairman of International Social Service Hong Kong Branch. He is a member of the Institute of Chartered Accountants in England and Wales, a member of the Hong Kong Institute of Certified Public Accountants and a member of the Macau Society of Certified Practising Accountants. Mr. Chung received a bachelor's degree in economics from the University of Durham.

Or Ching Fai, Independent Non-executive Director

Mr. Or has served as Independent Non-Executive Director of Industrial and Commercial Bank of China Limited since May 2012. Mr. Or previously served as General Manager and a Director of The Hongkong and Shanghai Banking Corporation Limited, Chairman of HSBC Insurance Limited, Chief Executive and Vice Chairman of Hang Seng Bank Limited, Chairman of Hang Seng Insurance

Company Limited and Hang Seng Bank (China) Limited, a Director of Cathay Pacific Airways Limited, and a Director of Hutchison Whampoa Limited. He was Chairman of the Hong Kong Association of Banks, Vice President and a Council Member of the Hong Kong Institute of Bankers, Chairman of the Financial Services Advisory Committee and a member of the Services Promotion Programme Committee of the Hong Kong Trade Development Council, a member of the Risk Management Committee of the Hong Kong Exchanges and Clearing Limited, a member of the Aviation Development Advisory Committee, Chairman of Executive and Campaign Committee of the Community Chest of Hong Kong, Acting Chairman of the Council of City University of Hong Kong, a Council Member of The University of Hong Kong, and an Adviser of the Employers' Federation of Hong Kong. Mr. Or currently acted as Chairman, CEO and Executive Director of China Strategic Holdings Limited, Chairman and Independent Non-executive Director of Esprit Holdings Limited, Vice Chairman and an Independent Non-executive Director of G-Resources Group Limited, an Independent Non-executive Director of Chow Tai Fook Jewellery Group Limited and Television Broadcasts Limited, and a Vice Patron of the Board of the Community Chest of Hong Kong. Mr. Or graduated from The University of Hong Kong with a Bachelor's degree in Economics and Psychology. He is an Honorary Doctorate of Social Science of City University of Hong Kong. Mr. Or was awarded a Silver Bauhinia Star from the Hong Kong Special Administrative Region and Honorary University Fellowships from The University of Hong Kong in 2009. He is a Justice of the Peace.

Hong Yongmiao, Independent Non-executive Director

Mr. Hong has served as Independent Non-executive Director of Industrial and Commercial Bank of China Limited since October 2012. Mr. Hong was previously in charge of the National Science Fund for Distinguished Overseas Young Scholars supported by the National Natural Science Foundation of China, and has acted as President of the Chinese Economists Society in North America, and editor for journals such as Journal of Econometrics and Econometric Theory. He is currently a professor of Economics and International Studies at Cornell University in the United States. He has been enrolled as one of the first participants of the "Thousand Talents Plan" and serves as a lecture professor of the "Changjiang Scholars" launched by the Ministry of Education, and Dean of the School of Economics and the Wang Yanan Institute for Studies in Economics at Xiamen University. He is a part-time professor in some scientific and research institutions and colleges, including Tsinghua University, Chinese Academy of Sciences and Shandong University. He is also a committee member of the academic board of Economic Research Journal of the Chinese Academy of Social Sciences and China Economic Quarterly published by Peking University. Mr. Hong graduated from Xiamen University with a Bachelor of Science degree and a Master's degree in Economics, and obtained his Doctorate degree in Economics from the University of California San Diego.

Yi Xiqun, Independent Non-executive Director

Mr. Yi has served as Independent Non-executive Director of Industrial and Commercial Bank of China Limited since December 2013. He once served as Deputy General Manager of Beijing Second Light Industry Company, Deputy Director of Beijing Municipal Restructuring Economic System Office, Head of Xicheng District of Beijing, Assistant to Mayor of Beijing and concurrently Director of the Foreign Economy and Trade Committee, Director of Administrative Committee of Beijing Economic and Technological Development Zone, member of Chinese People's Political Consultative Committee Beijing Committee and Chairman of the board of directors of Beijing Holdings Limited. He had been the Chairman of the board of directors of Beijing Enterprises Holdings Limited, the Chairman of the board of directors of Beijing Enterprises Holdings Group Company Limited, the Chairman of the board of directors of Beijing Private Equity Investment & Development Fund Management Co., Ltd., the Chairman of Bowei Capital and an independent non-executive of China Merchants Bank. He concurrently acts as Vice President of China Association of Private Equity, an Independent Non-executive Director of China Merchants Securities Co., Ltd., SOHO China Ltd., Asian Capital Holdings Limited, and Zheshang Jinhui Trust Co., Ltd. and a member of Entrepreneur Advisory Committee of Zhongguancun. He graduated from Tsinghua University and obtained a Master's degree in Economics Management Engineering.

## 2. Explanations on Independence

The Bank complied with the rules of regulators in terms of the qualifications, number and proportion of Independent Non-executive Directors. Independent Non-executive Directors neither held any business or financial interest in the Bank and its subsidiaries, nor assumed any management post. The Bank has received the annual confirmation letters on independence from all Independent Non-executive Directors, and confirmed their independence.

## **II. Duty Performance of Independent Non-executive Directors for the Year**

### 1. Attendance of meetings and relevant resolutions

During the reporting period, the Bank held 1 annual general meeting and 2 extraordinary general meetings, where 16 proposals were considered and approved and 3 reports were heard, 10 board meetings, where 61 proposals were considered and 28 reports were heard, and 25 meetings of the special committees of the Board of Directors, where 45 proposals were considered and 26 reports were heard. The attendance of each of the Independent Non-executive Director in shareholders' general meetings and meetings of the Board of Directors and the special committees of the Board of Directors during the reporting period is set out below:

Directors	Attendances in person/Number of meetings during the reporting period							
	Shareholders' General Meeting	Board of Directors	Special committees under the Board of Directors					
			Strategy Committee	Audit Committee	Risk Management Committee	Nomination Committee	Compensation Committee	Related Party Transactions Control Committee
Wong Kwong Shing, Frank	3/3	7/10	4/4	5/5	-	1/3	2/4	6/6
Malcolm Christopher McCarthy	3/3	8/10	4/4	-	3/3	1/3	2/4	-
Kenneth Patrick Chung	3/3	10/10	-	5/5	3/3	-	4/4	6/6
Or Ching Fai	3/3	9/10	3/4	4/5	3/3	2/3	3/4	-
Hong Yongmiao	3/3	10/10	4/4	5/5	3/3	3/3	-	6/6
Yi Xiqun	3/3	10/10	-	5/5	-	3/3	4/4	6/6

Notes:

(1) "Attendances in person" refers to attending meetings in person or on telephone or by video conference.

(2) During the reporting period, directors who did not attend the meetings of the Board of Directors and its special committees in person appointed other directors to attend the meetings and exercise the voting right on their behalf.

## 2. Investigation and survey and informal discussion

During the reporting period, besides attending the meetings of the Board of Directors and the special committees, the Bank's Independent Non-executive Directors strengthened ties and communication with other members of the Board of Directors, the Board of Supervisors, the Senior Management and shareholders, actively listened to presentations made by the relevant departments of the Head Office, and offered many valuable comments and suggestions. Meanwhile, Independent Non-executive Directors selected some typical grassroots institutions and subsidiaries both

domestically and abroad to learn the implementation of risk management, compensation management and internationalization strategy according to economic and financial development trend and focus of the Bank regarding operation management, laying a solid foundation for smooth operation of the Board.

### 3. Assistance provided by the Bank during duty performance of Independent Non-executive Directors

In order to facilitate effective duty performance of the Independent Non-executive Directors, the Bank guaranteed the equal right of information of the Independent Non-executive Directors with the other directors, provided required working conditions for them to fulfill the duties, and actively cooperated with them to meet their requirements. Relying on the working groups of the special committees of the Board of Directors, the Bank carried out a variety of services and supporting activities for Independent Non-executive Directors to perform their duties, including providing assistance to the Independent Non-executive Directors for their participation in special reports and discussions, and timely giving reference and information.

### **III. Priorities of Independent Directors' Duty Performance for the Year**

The Independent Non-executive Directors of the Bank laid emphasis on operation of the Board of Directors and its special committees of the Bank, nomination and remuneration of the Senior Management members, implementation of information disclosure, enterprise risk management, results announcement, appointment or replacement of accounting firm, implementation of internal control, cash dividend or returns on investment, utilization of proceeds, related party transactions, external guarantees, commitments fulfilled by the Bank and shareholders and so forth, made clear judgments on the said priorities in compliance with laws and regulations, and expressed their views and suggestions in an independent and objective fashion.

#### 1. Operation of the Board of Directors and its special committees

i. Board of Directors. There are 6 Independent Non-executive Directors in the Bank, accounting for more than one-third of the total members of the Board of Directors and meeting relevant regulatory requirements. During the reporting period, the Board of Directors of the Bank held 10 meetings, considered 61 proposals and listened to 28 reports.

ii. Special committees of the Board of Directors. The Board of Directors of the Bank has established 6 special committees, namely, the Strategy Committee, the Audit Committee, the Risk Management Committee, the Nomination Committee, the Compensation Committee and the Related Party Transactions Control Committee. During the reporting period, the operation of the special committees of the Board of Directors is set out below:

The Strategy Committee held 4 meetings, considered 12 proposals including the operating plan for 2014 and the budget for investment in fixed assets for 2014. The Strategy Committee provided support to the scientific decision-making of the Board of Directors by putting forward constructive suggestions in respect of the promotion

of capital management, issuance of preferred shares, external investment, and the steady progression of internationalized and diversified operation of the Bank.

The Audit Committee held 5 meetings, considered 8 proposals including the 2013 Annual Report, the 2013 Internal Control Assessment Report, the Internal Audit Plan for 2014, and heard 13 reports including the regular internal audit report. The Audit Committee reviewed financial statements of the Bank on a regular basis, and had reviewed and submitted to the Board of Directors to approve the annual report, interim report and quarterly reports of the Bank; organized and conducted the internal control assessment for 2013 of the Group and engaged external auditors to audit the assessment report and procedures of the Bank according to relevant regulatory requirements; attached importance to the supervision of external auditors and heard several reports of external auditors concerning annual audit results, management proposal and audit plan.

The Risk Management Committee held 3 meetings, discussed and considered 3 proposals including the Annual Liquidity Risk Management Strategy for 2014 and the Country Risk and Concentration Limits for 2014, and heard 6 reports including the 2013 annual and 2014 interim risk management reports. The Risk Management Committee put forward constructive suggestions in respect of the enhancement of enterprise risk management of the Bank. In 2014, based on the reality and concentrating on the theme of “activate the existent credit quantity, optimize the increasing quantity, and strictly control credit risk”, the Risk Management Committee visited Jilin Branch for field investigation, and further promoted the communication and exchange of opinions on special problems among directors and between directors and the Senior management.

The Nomination Committee held 3 meetings and considered 11 proposals in respect of the appointment of Mr. Jiang Jianqing as Executive Director, the appointment of Mr. Anthony Francis NEOH as Independent Non-executive Director, the appointment of Ms. Wang Xiaoya, Ms. Ge Rongrong, Mr. Zheng Fuqing, Mr. Fei Zhoulun and Mr. Cheng Fengchao as Non-executive Directors, the revision of the *Rules of ICBC on the Recommendation and Nomination of Candidates for Directors* and the adjustment of chairmen and members of some special committees of the Board of Directors, and heard the report on the structure of the Board of Directors for 2013, ensuring the smooth change of members of the Board of Directors and the Senior Management of the Bank.

The Compensation Committee held 4 meetings. In accordance with applicable regulations of the government as well as the strategic development plan and annual business plan of the Bank, the committee considered and approved 3 proposals on the payment of remuneration to Directors, Supervisors and Senior Management members for 2013 and Senior Management members performance evaluation plan for 2014, etc., heard the report on the 2013 assessment report on the performance of duties of the directors by the Board of Directors, two reports including the Report on Optimizing Relevant Work of the Board of Directors in Evaluating Performance of



Directors and put forward comments and suggestions on further perfecting the incentive and restraint system and optimizing payment and performance evaluation mechanism.

The Related Party Transactions Control Committee held 6 meetings, considered 4 proposals including the Identification of Related Parties of the Bank and the Regulation on Related Party Transactions, and heard 4 reports on the Management of Related Party Transactions, the Management of Internal Transactions in 2013, and the identification of related parties of the Bank in 2012. The Related Party Transactions Control Committee received and reviewed related party transaction statistics and reporting information, promoted the optimization of related party transaction management system and the development of integration between the related party transaction management system and business system concerned, carried out preliminary analysis on the management of related party transactions of the Bank, and put forth constructive suggestions on further strengthening daily management of related parties and related party transactions.

## 2. Nomination and remuneration of the Senior Management members

The Bank didn't replace or engage new Senior Management members in 2014. The Independent Non-executive Directors of the Bank deliberated on the plan regarding the payment of remuneration to Senior Management members according to performance evaluation for the year.

## 3. Implementation of information disclosure

During the reporting period, the Bank strictly implemented the *Accountability System for Material Errors in Information Disclosure in Annual Report* and the *Administrative Measures of Industrial and Commercial Bank of China for Insider Information and Insiders*, strengthened management on information disclosure to further improve the quality of the annual report, and prevented insider trading to protect the interests of shareholders.

## 4. Enterprise risk management

In 2014, the Bank intensified enterprise risk management, and met domestic and international regulatory requirements as a systemically important financial institution. It reinforced building and application of Pillar 2 system, carried out the substantial risk evaluation and capital adequacy forecast, and improved the risk appetite management system. It strengthened the consolidated risk management at the Group level, organized self-assessment in consolidated management, enhanced risk management of non-banking institutions, and sped up the building of the consolidated risk management system. Besides, the Bank intensified country risk management, strengthened the country exposure analysis, timely updated the country risk rating and enhanced the country limit management.

## 5. Results announcement

During the reporting period, the Independent Non-executive Directors of the Bank

deliberated on the *2013 Annual Report*, the *2014 Interim Report*, the results announcement, etc., and focused on the authenticity, accuracy and completeness of the reports to ensure there were no false record, misleading statement or material omission.

#### 6. Engagement or replacement of accounting firm

During the reporting period, pursuant to relevant requirement of the annual report, independent directors made sufficient communication with the Bank's external auditors, earnestly implemented relevant duties and responsibilities. They held that the accounting firm engaged by the Bank conducted audit work independently, objectively and fairly, performed all tasks properly, therefore agreed with the proposal on the reengagement of KPMG.

#### 7. Implementation of internal control

The Board of Directors of the Bank conducted a self-assessment on the effectiveness of the Bank's internal control during the reporting period in accordance with the *Basic Standard for Enterprise Internal Control* and its supporting guidelines, the *Guidelines for Internal Control of Listed Companies* issued by SSE and relevant supervisory requirements of CBRC. No material or significant deficiencies were detected in the Bank's internal control system during the assessment. Risks that may arise from ordinary deficiencies are controllable and corrective actions have been or are being taken, which have no material impact on the quality of operating activities and fulfillment of financial reporting objectives of the Bank.

#### 8. Cash dividends and other return of investors

The formulation and implementation of the Bank's cash dividend policy, which has been reviewed and approved by the Independent Non-executive Directors, accords with the provisions stipulated in the Articles of Association and the requirements provided in the resolutions of the Shareholders' General Meeting, the dividend distribution standards and proportion are clear and explicit, and the decision-making procedure and mechanism are complete. Minority shareholders can fully express their opinions and appeals to completely safeguard their legal rights.

#### 9. Use of funds raised

The funds raised from the Bank's fundraising activities were used for the purposes as disclosed in the prospectuses, namely, strengthening the capital base to support the ongoing growth of the Bank.

#### 10. Related party transactions

The Independent Non-executive Directors of the Bank attached importance to related party transactions management. During the reporting period, the Independent Non-executive Directors deliberated on issues regarding the Bank's related parties, communicated and held discussions with related party transactions management departments, listened to special reports as required, put forward comments and suggestions on daily management of related parties and related party transactions, and urged compliant related party transactions, to ensure the interests of the Bank and its

minority shareholders.

#### 11. External guarantees

The Independent Non-executive Directors of the Bank reviewed external guarantees of the Bank on the principle of fairness, impartiality and objectivity, and issued *Independent Non-executive Directors' Special Explanation and Independent Opinions on External Guarantees of the Bank*, which will be disclosed in the 2014 Annual Report.

#### 12. Commitments made by the Bank or its shareholders

During the reporting period, the Bank and the shareholders holding 5% shares or above did not make any new commitments. As at 31 December 2014, all of the continuing commitments made by the shareholders were properly fulfilled.

### **IV. Overall Evaluation**

During the reporting period, the Independent Non-executive Directors of the Bank put forward many valuable opinions and suggestions on the development strategy, risk control, audit supervising, nomination and remuneration management, and related party transaction management in an independent and objective fashion by keeping close eyes on strategic decision-making, operation management and business development of the Bank and giving full play to their expertise to ensure the rights and interests of minority shareholders. Meanwhile, the Independent Non-executive Directors carried out in-depth research and discussions on the development strategy of the Bank to actively support and promote the business innovation and development of internationalized and diversified operation. In 2015, the Independent non-executive directors of the Bank will focus on the key works of the Board of Directors and make greater contributions to the perfecting of Corporate Governance and the strengthening of risk control to realize the sound and stable development of the Bank and ensure the interests of the Bank, the shareholders, and other stakeholders under the regulatory requirements.

Signatures of Independent Non-executive Directors:

Wong Kwong Shing

Malcolm Christopher McCarthy

Kenneth Patrick Chung

Or Ching Fai

Hong Yongmiao

Yi Xiqun

26 March, 2015