

# **Rules of Procedures of the Audit and Related Party Transactions Control Committee under the Board of Directors of China CITIC Bank Corporation Limited**

## **(Version 2.0, 2024)**

**(The Rules of Procedures has been deliberated and approved at the fourth meeting of the Seven Board of Directors)**

### **Chapter 1 General Provisions**

**Article 1** To elevate the risk management of China CITIC Bank Corporation Limited (the “Bank”) and improve the corporate governance structure of the Bank, the Board of Directors of the Bank hereby establishes under it the Audit and Related Party Transactions Control Committee (“the Committee”) and formulates these Rules of Procedures in accordance with the *Company Law of the People’s Republic of China*, the *Code of Corporate Governance for Banking and Insurance Institutions*, the *Measures for the Administration of Independent Directors of Listed Companies*, the *Articles of Association of China CITIC Bank Corporation Limited* (the “Articles of Association”), the *Rules of Procedures of the Board of Directors of China CITIC Bank Corporation Limited*, relevant provisions of the securities regulators of the places where the Bank’s shares are listed, and other relevant rules and regulations.

**Article 2** The Committee is a specialized body established under the Board of Directors in accordance with the Bank’s Articles of Association, and shall, within its responsibilities, assist the Board of Directors in relevant work, and perform its duties according to the Articles of Association and the authorization of the Board of Directors. The Committee shall be accountable to the Board of Directors.

**Article 3** For the purposes of the Rules of Procedures, the related parties and related party transactions are determined in accordance with the scope of the relevant regulatory provisions, such as the *Measures for the Administration for Related Party Transactions of Banking and Insurance Institutions*, and the regulations of the stock exchange where the Bank’s shares are listed.

### **Chapter 2 Responsibilities of the Committee**

**Article 4** The main responsibilities of the Committee shall include the following:

- (1) to inspect the Bank’s risk and compliance profile, accounting policies and practices, financial reporting procedures and financial position;
- (2) to monitor and assess the Bank’s internal control. The Committee shall review the Bank’s financial monitoring, internal control and risk management policies, discuss the internal control and risk management policies with the management to ensure that the management has performed its duties to

establish an effective system, and study relevant material findings and the management's response to the findings. It shall examine material deficiencies in the design or implementation of internal controls and financial reporting to ensure their soundness and effectiveness, and propose relevant suggestions to the Board of Directors;

- (3) to undertake the annual audit of the Bank, including supervising the completeness of the financial reports and periodic reports and reviewing the financial statements and periodic reports for significant opinions on financial reporting, especially changes in accounting policies, accounting estimates, correction of major accounting errors, assumptions about going concern, compliance with accounting standards and compliance with the relevant requirements of the securities regulators of the places where the Bank's shares are listed;
- (4) to produce work reports and submit them to the Board of Directors before regular Board meetings. The work reports shall include quarterly, interim, and annual reports, and other types of work reports may be submitted to the Board of Directors as needed;
- (5) to propose to the Board of Directors the engagement, renewal or replacement of the external auditor, and submit the relevant audit fees to the Board of Directors for deliberation and the General Meeting for approval and handle matters relating to the resignation of the external auditor;

to monitor and assessment the external audit work. The Committee shall take appropriate measures to monitor and assess the independence and objectivity of the external auditor and the effectiveness of the audit procedure, and discuss with the external auditor the nature and scope of the audit and the related reporting responsibilities before the audit commences; it shall make a judgment report on the authenticity, accuracy, completeness and timeliness of the information in the audited financial report, ensuring that the external auditor is ultimately accountable to the Board of Directors and the Committee, and submit it to the Board of Directors for review; it shall supervise the formulation and implementation of the Bank's policies on the provision of non-audit services by the external auditor; it shall check the letters on the audit process sent by the external auditor to the management, and examine the relevant inquiries raised by the external auditor to the management as well as the management's response thereto;

- (6) to monitor and assessment the internal audit work. The Committee shall guide the effective operation of the internal audit department, guide and supervise the formulation and implementation of the Bank's internal audit policies; review the audit reports of the Bank's internal audit department and make recommendations to the Board of Directors; and supervise the remediation and implementation of audit results;
- (7) to review important policies and reports such as the regulation on internal audits, medium- and long-term audit plans and annual audit plan, supervise the implementation of the Bank's internal

audit plan; to supervise, guide, assess and evaluate the internal audit work and make recommendations to the Board of Directors;

- (8) to propose to the Board of Directors the appointment or dismissal of the principal of financial affairs; to coordinate communication between the management, internal audit and external auditors; to review and express an opinion on the Bank's financial information, financial reports and disclosures thereof, consider any significant or unusual items reflected in such financial information and give due consideration to any matters raised by the Bank's accounting and financial reporting personnel, persons responsible for internal control or external auditors;
- (9) to review the following arrangements made by the Bank: Employees of the Bank may secretly raise concerns about possible improper behaviors in financial reporting, internal monitoring or other areas. The Committee shall ensure that there are proper arrangements for the Bank to conduct fair and independent investigations of these matters and take appropriate actions; to supervise the Bank's relationship with the external auditor;
- (10) to study the policies for related party transactions and make recommendations to the Board of Directors; to supervise the implementation of the policies of related party transactions;
- (11) to conduct preliminary review of related party transactions that shall be approved by the Board of Directors and submit them to the Board of Directors for approval, and focus on compliance, fairness and necessity of the related party transactions;
- (12) to approve related party transactions or accept the filing of related party transactions under the laws and regulations and authorization by the Board of Directors. The Committee shall master the risk profile, rule violations and accountability of related party transactions, and take appropriate measures when necessary;
- (13) other matters prescribed by laws, administrative regulations, rules and regulations, and requirements of the securities regulators of the places where the Bank's shares are listed, and authorized by the Board of Directors.

**Article 5** The Committee may, when it deems necessary, invite representatives of the external auditor, supervisors of the Bank, internal auditors, financial officers, legal advisors and other relevant personnel to attend the meeting of the Committee as non-voting delegates and provide necessary information.

The Committee shall hold at least two meetings with the external auditor each year.

**Article 6** The Committee may, on its own initiative or upon the assignment of the Board of Directors, conduct investigations into major internal controls, financial information, internal audit matters, and the

implementation of the policies for related party transactions. The methods of investigation or review include, but are not limited to, attending or observing the relevant meetings of the Bank as non-voting delegate, conducting investigations and research within the Bank's system, and requesting the senior management members or the relevant persons in charge to provide verbal or written explanations or statements to the Committee within a specified time limit.

The Committee shall study the existing problems and the responses from the senior management members or the relevant persons in charge, and report its investigation findings and suggestions for improvement to the Board of Directors.

The members of the Committee shall pay continuous attention to relevant matters within the scope of the Committee's responsibilities and provide timely and professional opinions for the Committee's attention or consideration. The chairperson of the Committee shall timely organize and convene the meeting of the Committee, form collective opinions and submit them to the Board of Directors.

### **Chapter 3 Composition of the Committee**

**Article 7** The Committee shall consist of at least three directors and shall have a chairperson. All members must be non-executive directors, of which independent directors shall account for the majority and chair the Committee, and shall be accounting professionals. The qualifications of the members of the Committee shall be in line with the relevant laws and regulations, regulatory rules, relevant regulations and requirements of the securities regulators in the place where the Bank's shares are listed, and shall have professional knowledge and working experience in a particular area such as finance, audit, accounting or law.

**Article 8** The members and chairperson of the Committee shall be nominated by the chairperson of the Board of Directors, more than half of the independent directors, or one third of all the directors, and submitted to the Board of Directors for review and approval.

**Article 9** Members of the Committee shall attend meetings of the Committee as required and shall express their viewpoints and exercise their voting right regarding matters discussed at the meetings. Such members shall perform their duties with adequate time and energy and shall develop a good understanding of the Bank's operation and management, risk profile, business activities and development profile in relation to their due diligence to ensure competence for duty performance.

Members of the Committee may propose topics for discussion at a Committee meeting. To perform their duties, such members may attend relevant meetings of the Bank as observers or as non-voting delegates, conduct investigations and research, and access reports, documents and information required for their work.

**Article 10** The chairperson of the Committee shall lead the Committee's work, including presiding over Committee meetings, proposing the convening of extraordinary meetings, finalizing the agenda of each Committee meeting, and signing off meeting resolutions, etc.

The chairperson shall make sure that all members attending a Committee meeting are informed of the matters to be deliberated at the meeting and have access to complete and reliable information, and shall ensure that each proposal discussed by the Committee comes to a clear conclusion, which means adoption, rejection, or reconsideration of the proposal after supplementation of further information.

The chairperson shall work for no less than 20 working days in the Bank every year.

**Article 11** A Committee member shall serve the same term of office as that of a director, and may be re-elected for another term upon expiry of the existing term of office.

If a Committee member ceases to be a director of the Bank, his/her membership of the Committee shall automatically terminate, and the Board of Directors shall timely elect a new member to fill the vacancy and as such ensure compliance of the Committee composition. The term of office of the new member so elected shall terminate upon the expiry of his/her term of office as a director of the Bank.

**Article 12** The Committee shall establish under it a supporting group to render professional support to the day-to-day operation, compliance and duty performance of the Committee.

**Article 13** The supporting group shall perform the following functions: to prepare annual work plans of the Committee, submit them to the Committee for deliberation and adoption, and file them with the Board of Directors; to assist the Committee in the implementation of its annual work plans and matters assigned by the Committee; to prepare the annual report on duty performance of the Committee, submit it to the Committee for deliberation and file it with the Board of Directors; and to take care of other matters assigned by the Committee. The supporting group shall report its work to the Committee and file it with the Board of Directors.

**Article 14** Member units of the supporting group shall include the Office of the Board of Directors, the Finance and Accounting Department, the Risk Management Department, the Credit Business Management Department, the Compliance Department and the Audit Department at the Head Office. Each member unit of the supporting group shall assign a departmental head, a division chief and a backbone professional to be members of the group.

Other departments at the Head Office of the Bank shall render support to the operation of the Committee in accordance with actual work needs of the Committee and in coordination with the supporting group.

**Article 15** The supporting group shall be led by the Office of the Board of Directors and the Finance and

Accounting Department. The Office of the Board of Directors shall be responsible for communication and coordination between the supporting group and the Committee and other specialized committees of the Board and for organizing meetings of the Committee plus follow-up implementation of matters assigned by the Committee. Together with member units of the supporting group and other departments of the Head Office, the Finance and Accounting Department shall be responsible for rendering professional support to the operation of the Committee in accordance with regulatory provisions and the Committee's requirements for performance of its duties.

**Article 16** The supporting group shall, as required by its work, determine specific matters such as its work flows and report them to the Committee for deliberation and approval.

## **Chapter 4 Rules of Procedures**

**Article 17** The Committee shall formulate annual work plans to plan for its meetings, investigations and research, and routine information reporting by the senior management.

**Article 18** The Committee meetings may take the forms of on-site meeting (including video conference and conference call) and written circulation (resolutions on proposals are made by delivering or circulating the proposals respectively for review and discussion).

**Article 19** The Committee's procedures for convening of meetings, methods of voting and adoption of proposals at its meetings shall comply with requirements of relevant laws and regulations, regulatory rules, requirements of the securities regulators of the places where the Bank's shares are listed and provisions of the Bank's Articles of Association.

**Article 20** The Committee shall meet at least once every quarter and may hold ad extraordinary meetings on the proposal of two or more of its members or when the chairperson of the Committee deems it necessary. The Committee meeting shall only be held with the attendance of more than two thirds of all the Committee members.

**Article 21** The notice of a Committee meeting shall be delivered seven days prior to the meeting. Such requirement on the notice timeline, however, may be exempted upon unanimous consent of all the Committee members. The chairperson of the Committee shall preside over the meeting, and may, when unable to perform such duty, entrust an independent director member to do the presiding on his/her behalf.

The meeting notice shall specify the following: time, venue and form of the meeting; agenda and matters to be considered at the meeting and other relevant details; and the date of delivering the notice.

The meeting notice shall be delivered by courier, facsimile, registered mail, email or other ways specified

in the Bank's Articles of Association.

The meeting notice shall be kept as an important document of the Bank for at least 10 years.

**Article 22** Members of the Committee shall attend the Committee meetings in person. When unable to perform such duty, a Committee member may, in writing, entrust another Committee member to attend as proxy. The letter of authorization shall specify the name of the agent, the matters entrusted, and the scope and duration of authorization, and the principal shall sign his/her name or affix his/her stamp on the letter. Each member shall be entrusted by a maximum of one member. If an independent director is unable to attend the meeting in person for any reason, he/she shall review the meeting materials in advance, form a clear opinion, and appoint in written another independent director to attend the meeting on his/her behalf.

A Committee member may not authorize anyone other than a Committee member as proxy unless otherwise provided in relevant laws and regulations, the Bank's Articles of Association, or agreements that are binding on the Bank.

The Committee shall invite supervisors to attend its meetings as non-voting delegates and may, where necessary, invite persons other than Committee members, such as other directors and senior management members, to attend its meetings as non-voting delegates.

**Article 23** If a member of the Committee participates in an onsite meeting (including video conference and conference call) through telephone or similar communication equipment, as long as he/she can make himself/herself heard by the other participants at the meeting and can communicate with them instantly, all the participating members shall be deemed to be present at the meeting in person. An onsite meeting of the Committee shall be tape or video recorded. Voting at an onsite meeting of the Committee shall be made by a show of hands or by poll.

If a member of the Committee participates in an onsite meeting of the Committee through telephone or similar communication equipment, his/her oral voting opinion expressed via such device shall be deemed valid. However, he/she shall sign the written voting document and deliver the original to the Bank after the meeting as soon as practicably possible. The oral vote and the subsequently signed written document shall have the same effect. In case of any discrepancy between the two, the oral opinion shall prevail. If voting is conducted by poll, the Committee member may vote via facsimile or e-mail and shall deliver the original of the signed voting document to the Bank after the meeting as soon as practicably possible.

**Article 24** For voting via written circulation (resolutions on proposals are made by delivering or circulating the proposals respectively for review and discussion), the Committee shall service each of its members a meeting notice and information about the proposal to be voted on. Such member shall send back his/ her viewpoints about the proposal within the time frame prescribed by the meeting notice for timely study and feedback by relevant departments of the Bank.

Such member shall sign his/her voting opinion (“for”, “against” or “abstain”) and send back the signed voting document within the time frame prescribed by the meeting notice. Members failing to do so shall be deemed to have abstained from voting on such proposal.

**Article 25** Each Committee member shall have one vote. Resolutions of the Committee shall be adopted by a majority of all the Committee members. When the numbers of votes against and in favor of a certain proposal are equal, the chairperson of the Committee shall have a casting vote.

The following matters shall be submitted to the Board of Directors for review with the approval of a majority of all members of the Committee:

- (1) Disclosure of financial information in financial reports and periodic reports, and internal control assessment reports;
- (2) Engagement or dismissal of the accounting firm that undertakes the Bank’s audits;
- (3) Appointment or dismissal of the principal of financial affairs of the Bank;
- (4) Changes in accounting policies, accounting estimates or corrections of material accounting errors for reasons other than changes in accounting standards;
- (5) Other matters as prescribed by laws, administrative regulations, rules of the China Securities Regulatory Commission and the Bank’s Articles of Association.

**Article 26** The Committee shall implement a system of withdrawal from voting when reviewing matters of related party transactions. The specific withdrawal and voting procedures are as follows:

- (1) An interested member shall apply for withdrawal on his/her own initiative, otherwise, other members shall have the right to request his/her withdrawal;
- (2) In case of a dispute over whether a member is an interested member, the Audit and Related Party Transactions Control Committee shall decide by a resolution approved by more than half of the Committee members;
- (3) Interested members shall not participate in the discussion or voting of the topics they shall withdraw from, and shall temporarily quit the meeting and withdraw in other ways;
- (4) The Committee shall vote on matters related to related party transactions in accordance with the procedure set forth in Article 26 of the Rules of Procedures;



(5) If the Committee cannot approve a resolution on a proposed matter due to the withdrawal of interested members, it shall make a resolution on submitting the proposal to the Board of Directors for review, and timely submit the proposal to Board of Directors for review. The Committee shall, in its resolution on submitting the proposal to the Board of Directors for review, state its review process of the proposal and the opinions of non-interested members on the proposal.

**Article 27** The Committee shall produce minutes of its meetings. Minutes takers shall be persons specially designated by the Office of the Board of Directors. The opinion of the independent directors shall be set out in the minutes of the meeting. The written minutes shall be delivered to participating Committee members for review within seven working days as of the conclusion of the meetings. The participating members and minutes takers shall sign their names on the finalized minutes.

The minutes shall be kept as important documentation of the Bank by the secretary of the Board of Directors according to the Bank's regulations on archive management.

**Article 28** The proposals adopted at a Committee meeting and intended for consideration of the Board of Directors shall be promptly reported to the Board of Directors along with their voting results.

**Article 29** During the adjournment of a Committee meeting, if there is a significant or special matter requiring consideration of the Board of Directors, the Committee shall report it to the Board of Directors in writing, and may suggest that the chairperson of the Board of Directors convene a Board meeting.

**Article 30** Members of the Committee may carry out investigations and research in combination with requirements of their duty performance, to which the supporting group shall render professional support. After completion of such investigation and research, reports shall be prepared, submitted to the chairperson of the Committee and chairperson of the Board of Directors for review, and filed with the Board of Directors.

The Committee shall ensure cost-effectiveness and good practical results of such investigations and researches in line with relevant regulations of the Bank.

**Article 31** The Committee may regularly communicate with the senior management and relevant departments of the Bank regarding the Bank's business operation and risk profile, attend special briefings of the senior management about risk profile of the Bank on a regular basis, and put forward relevant comments and recommendations.

The senior management of the Bank shall vigorously support the Committee in its work and shall ensure prompt provision of accurate and complete information to the Committee on the Bank's risk management and business operation to meet the Committee's requirements for duty performance.

**Article 32** The Committee may, in line with its actual needs, engage external experts or intermediaries to provide professional consulting services. Such engagement shall complete the submission and approval formalities and shall be filed with the Board of Directors in accordance with relevant regulations of the Bank.

## **Chapter 5 Supplementary Provisions**

**Article 33** Unless otherwise explained, the terms used in these Rules of Procedures shall have the same meanings as those used in the Bank's Articles of Association.

**Article 34** The Rules of Procedures shall enter into force on the date of review and approval by the Board of Directors, and shall prevail in case of any inconsistency between the regulations of the Rules of Procedures and the rules previously in force.

**Article 35** Any matter not covered by these Rules of Procedures shall be handled in accordance with applicable PRC laws and regulations, regulatory rules, requirements of the securities regulators of the places where the Bank's shares are listed and provisions of the Bank's Articles of Association.

**Article 36** If any of these Rules of Procedures conflicts with any PRC laws or regulations or the Bank's duly amended Articles of Association, the applicable PRC laws and regulations, regulatory rules, requirements of the securities regulators of the places where the Bank's shares are listed, and the duly amended Bank's Articles of Association shall prevail.

**Article 37** The Board of Directors of the Bank shall have the right to amend and interpret these Rules of Procedures.