

Corporate Governance

The Bank strictly follows the regulatory rules governing capital markets and industries, closely tracks changes and trends in overseas and domestic regulations and proactively explores innovative models and methods of corporate governance, so as to continuously enhance its corporate governance capabilities.

During the reporting period, the Bank further improved its corporate governance mechanisms. It conducted self-inspection on the implementation of the *Scheme on the Authorisation to the Board of Directors Granted by the Shareholders' Meeting of Bank of China Limited* and the *Measures of Authorisation to the President by the Board of Directors of Bank of China Limited*. The implementation was satisfactory with no approval in excess of authority identified.

The Board of Directors paid close attention to enhancing directors' continuing professional development, organised research activities and training for the directors and improved the communication mechanisms, thus continuously enhancing its decision-making efficiency and capability.

During the reporting period, the Bank continued to strengthen the protection of shareholders' rights, ensuring that shareholders are properly informed and entitled to participate and make decisions.

Corporate Governance Compliance

During the reporting period, the Bank's corporate governance was consistent with the Company Law and the relevant provisions of CSRC.

During the reporting period, the Bank strictly observed the *Corporate Governance Code* (the "Code") as set out in Appendix 14 to the Hong Kong Listing Rules. The Bank has complied with all provisions of the Code and most of the recommended best practices set out in the Code.

Shareholders' Meeting

On 4 January 2019, the Bank held its 2019 First Extraordinary General Meeting in Beijing. A-Share Holders could also cast votes online. The meeting considered and approved proposals including the

general mandate to issue new shares of the Bank, the non-public issuance plan of domestic preference shares of the Bank, the non-public issuance plan of offshore preference shares of the Bank, the impact on dilution of current returns and remedial measures upon the issuance of preference shares of the Bank, formulating the *Shareholder Return Plan for 2018 to 2020 of Bank of China Limited*, the election of Mr. WU Fulin to be appointed as Executive Director of Bank of China Limited, and the election of Mr. LIN Jingzhen to be appointed as Executive Director of Bank of China Limited. The proposals regarding the general mandate to issue new shares of the Bank, the non-public issuance plan of domestic preference shares of the Bank, and the non-public issuance plan of offshore preference shares of the Bank were special resolutions, while the rest of the proposals were ordinary resolutions.

On 17 May 2019, the Bank held its 2018 Annual General Meeting in Beijing and Hong Kong on-site and connected by way of video conference. A-Share Holders could also cast votes online. This meeting considered and approved the proposals including the 2018 work report of the Board of Directors, the 2018 work report of the Board of Supervisors, the 2018 annual financial report, the 2018 profit distribution plan, the 2019 annual budget for fixed assets investment, the appointment of the Bank's external auditor for 2019, the election of Mr. ZHANG Jiangang to be appointed as Non-executive Director of the Bank, the election of Mr. Martin Cheung Kong LIAO to be appointed as Independent Non-executive Director of the Bank, the election of Mr. WANG Changyun to be re-appointed as Independent Non-executive Director of the Bank, the election of Ms. Angela CHAO to be re-appointed as Independent Non-executive Director of the Bank, the election of Mr. WANG Xiquan to be re-appointed as Shareholder Representative Supervisor of the Bank, the election of Mr. JIA Xiangsen to be appointed as External Supervisor of the Bank, the election of Mr. ZHENG Zhiguang to be appointed as External Supervisor of the Bank, the 2017 remuneration distribution plan for Chairman of the Board of Directors and Executive Directors, the 2017 remuneration distribution plan for Chairman of the Board of Supervisors and Shareholder Representative Supervisors, the general mandate to issue new shares

of the Bank, the issuance of bonds, the issuance of write-down undated capital bonds, the issuance of qualified write-down tier 2 capital instruments, and the election of Mr. TAN Yiwu to be appointed as Non-executive Director of the Bank. The meeting also heard the report on the connected transactions for 2018, the duty report of Independent Directors for 2018, and the report on the implementation on the *Scheme on the Authorisation to the Board of Directors Granted by the Shareholders' Meeting of Bank of China Limited for 2018*. The proposals regarding the general mandate to issue new shares of the Bank, the issuance of bonds, the issuance of write-down undated capital bonds, and the issuance of qualified write-down tier 2 capital instruments were special resolutions, while the rest of the proposals were ordinary resolutions.

The above shareholders' meetings were convened and held in strict compliance with relevant laws and regulations as well as the listing rules of the Bank's listing exchanges. The Bank's directors, supervisors and senior management members attended the meetings and communicated with shareholders on issues of concern. The Bank published announcements on the resolutions and legal opinions of the aforementioned shareholders' meetings pursuant to the regulatory requirements in a timely manner. For details, please refer to the Bank's announcements published on the websites of SSE, HKEX and the Bank on 4 January 2019 and 17 May 2019.

Directors and the Board of Directors

Currently, the Board of Directors comprises twelve members. Besides the Chairman, there are two executive directors, five non-executive directors and four independent directors. The proportion of independent directors reaches one-third of the total number of directors, which is in compliance with the Articles of Association of the Bank and the relevant regulatory provisions.

Save as disclosed in this report, to the best knowledge of the Bank, information regarding the Bank's directors

including their appointments during the reporting period is the same as that disclosed in the 2018 Annual Report of the Bank.

During the reporting period, the Bank convened four on-site meetings of the Board of Directors respectively on 25 January, 29 March, 29 April and 28 June. At these meetings, the Board of Directors mainly considered and approved proposals regarding the 2018 work report of the Board of Directors, the 2018 profit distribution plan, the 2018 internal control self-assessment report, the 2018 corporate social responsibility report, the 2018 annual report, the 2018 capital adequacy ratio report, the 2019 first quarter report, the nomination of candidates for directorships, and the issuance of bonds, among other proposals.

The Board of Directors has set up the Strategic Development Committee, the Audit Committee, the Risk Policy Committee, the Personnel and Remuneration Committee, and the Connected Transactions Control Committee as well as the US Risk and Management Committee established under the Risk Policy Committee, to assist it in performing its functions under the authorisation of the Board of Directors. Independent directors individually serve as the chairman of the Audit Committee, the Risk Policy Committee, the Personnel and Remuneration Committee and the Connected Transactions Control Committee.

The positions of Chairman of the Board of Directors and President of the Bank are assumed by two persons. Mr. LIU Liange ceased to serve as President of the Bank as of 27 June 2019, and began to serve as Chairman of the Board of Directors of the Bank as of 5 July 2019. Prior to the appointment of a new President by the Bank and the approval of the qualification by CBIRC, Mr. LIU Liange performs duties as President. The work performance of each special committee during the reporting period was as follows:

Special Committees	Work Performance
Strategic Development Committee	The committee held five meetings, at which it mainly reviewed and approved the profit distribution plan for 2018, the report on corporate social responsibility for 2018, the business plan and financial budget for 2019, the plan for the inclusive finance business in 2019, the green finance development plan of Bank of China, the proposal on establishment of financial leasing company, the proposal on issuance of the write-down undated capital bonds, the proposal on issuance of qualified write-down tier 2 capital instruments, among others.
Audit Committee	The committee held three meetings, at which it mainly reviewed and approved the 2019 work plan and financial budget for internal audit. It reviewed the 2018 financial report, the 2019 first quarter financial report, the 2018 internal control work report, the 2018 internal control self-assessment report, and the audit results on internal control and management proposal. In addition, it heard the work report on internal audit in 2018, the progress report on the three-year plan for IT application in audit, the 2018 report on the overseas supervision information, the progress report on internal control audit of Ernst & Young in 2018, updates on compliance with the principle of independence, the 2019 audit plan, and the report on asset quality in the first quarter of 2019, among others.
Risk Policy Committee	The committee held four meetings, at which it mainly reviewed and approved proposals including the Securities Investment Policy (Revision), the General Principles of Risk Management (2019 Edition), the Market Risk Management Policy, the Trading Book Market Risk Limits (Level A) in 2019, the Capital Adequacy Ratio Report of 2018, the Internal Capital Adequacy Assessment Report for 2019 and the Liquidity Risk Management Policy (2019 Edition). The committee also regularly reviewed Group risk reports and Progress Report on Compliance Work Plan for Effective Risk Data Aggregation and Risk Reporting.
Personnel and Remuneration Committee	The committee held five meetings, at which it mainly reviewed and approved the proposal to appoint Mr. WU Fulin and Mr. LIN Jingzhen as members of special committees of the Board of Directors, the proposal to appoint Mr. SUN Yu as Executive Vice President of the Bank, the proposal to appoint Mr. LIU Jiandong as Chief Risk Officer of the Bank, the proposal on nominating Mr. WANG Changyun and Ms. Angela CHAO to be re-appointed as Independent Non-executive Directors of the Bank, the proposal on nominating Mr. ZHANG Jiangang as candidate of Non-executive Director of the Bank, the proposal on nominating Mr. Martin Cheung Kong LIAO as candidate of Independent Non-executive Director of the Bank. It also reviewed and approved the proposal on the performance evaluation results of the Chairman of the Board of Directors, executive directors and senior management members in 2018, the proposal to appoint Mr. ZHENG Guoyu as Executive Vice President of the Bank, the proposal on adjusting the chairmen and members of special committees of the Board of Directors, and the proposal to elect Mr. LIU Liange as the Chairman of the Board of Directors of the Bank, among others.
Connected Transactions Control Committee	The Connected Transactions Control Committee held two meetings, at which it mainly reviewed and approved proposals including amendments to connected transaction management policy, the report on connected transactions in 2018 and the report on the connected party list, among others. It also reviewed the statement of connected transactions of the Bank in 2018, among others.

Supervisors and the Board of Supervisors

The Board of Supervisors currently comprises six members, with one shareholder supervisor (Chairman of the Board of Supervisors), three employee supervisors and two external supervisors.

During the reporting period, with the target of building a world-class bank in the new era, the Board of Supervisors of the Bank performed its supervisory duties in accordance with the law, took solid supervisory actions regarding the Bank's strategies, duty performance, finance, internal control and risk management, and actively played the supervisory and advisory role. To enhance the effectiveness of the Bank's internal supervision mechanism, it conducted 2018 duty performance assessment of the Board of Directors, the Senior Management and its members, carried out its annual assessment of duty performance of supervisors, and performed effective day-to-day supervision over duty performance. In order to enhance strategic and financial supervision, the Board of Supervisors developed an in-depth understanding of bank-wide dynamics in operation and management, carefully reviewed regular reports, and further strengthened strategy assessment. At the same time, it conducted effective forward-looking analysis and judgment, and issued prompt reminders to the Senior Management and relevant departments, in order to enhance its supervision over risk management and internal control. In addition, the Board of Supervisors strengthened information sharing with the Bank's discipline inspection and supervision, audit, risk, internal control functions and other departments, so as to improve the efficiency and effectiveness of coordinated supervision. Adhering to the goal of building a world-class bank in the new era, it earnestly performed its supervisory and advisory function by launching special surveys regarding various topics including strategy implementation and the business model of village banks.

During the reporting period, the Board of Supervisors held two on-site meetings on 29 March and 28 April, and convened three meetings via written resolutions, at which it mainly reviewed and approved the proposals regarding the Bank's 2018 annual report, 2018 profit distribution plan, 2018 internal control assessment

report, 2018 corporate social responsibility report, evaluation opinions of the Board of Supervisors on the duty performance and due diligence of the Board of Directors, the Senior Management and its members for 2018, the 2018 work report of the Board of Supervisors, and the report for the first quarter ended 31 March 2019, among others. The Duty Performance and Due Diligence Supervision Committee held two on-site meetings, and Finance and Internal Control Supervision Committee held two on-site meetings, at which the two committees carried out preliminary review of their respective issues of relevance and submitted them to the Board of Supervisors for review and approval.

During the reporting period, External Supervisors Mr. JIA Xiangsen, Mr. ZHENG Zhiguang and Mr. CHEN Yuhua performed their supervisory duties in strict accordance with the provisions of the Articles of Association of the Bank. Mr. JIA Xiangsen attended meetings of the Board of Directors as a non-voting attendee during his term of office, and attended one meeting via written resolutions held by the Board of Supervisors. He participated in the special surveys regarding the business model of village banks and strategy implementation, and visited a number of branch offices to learn about the local situation. Mr. ZHENG Zhiguang attended one meeting via written resolutions held by the Board of Supervisors, participated in the special surveys regarding the business model of village banks and strategy implementation, and visited a number of branch offices to learn about the local situation. Mr. CHEN Yuhua attended two on-site meetings and two meetings via written resolutions held by the Board of Supervisors, attended and chaired two meetings of the Finance and Internal Control Supervision Committee of the Board of Supervisors, and attended meetings of the Board of Directors and the Audit Committee, among others, as a non-voting attendee. He participated in the special survey regarding the business model of village banks, and visited a number of branch offices to learn about the local situation. The external supervisors expressed opinions independently and objectively during their terms of office, and put forward important suggestions on strategy implementation, business development and risk management, thus playing an active role in promoting the improvement of the Bank's corporate governance and management.

Senior Management

During the reporting period, the Senior Management of the Bank managed the Bank's operations in accordance with the powers bestowed upon them by the Articles of Association and the authorisations of the Board of Directors. Closely adhering to the strategic goal of building a world-class bank in the new era and to the annual performance objectives approved by the Board of Directors, persistently enabling advancement through technology, driving development through innovation, delivering performance through transformation and enhancing strength through reform, it emphasised on stimulating vitality, making agile reaction and achieving breakthroughs in key areas, accelerated the implementation of various tasks in the development strategy. Thus the Group realised continuous and stable improvement in business performance.

During the reporting period, the Senior Management of the Bank held 16 regular meetings, at which it discussed and decided upon a series of significant matters, including the Group's business development, performance management, risk management, IT system development, product and service innovation, integrated

operation, globalised development, inclusive finance, scenario building and pension financial services. It also convened special meetings to study and make arrangements for matters relating to corporate banking, personal banking, financial markets, channel building, compliance management and data governance.

The Senior Management of the Bank currently presides over the Asset and Liability Management Committee, the Risk Management and Internal Control Committee (which governs the Anti-Money Laundering Committee, the Asset Disposal Committee and the Credit Risk Management and Decision-making Committee), the Procurement Review Committee, the IT Management Committee, the Securities Investment and Management Committee, the Internet Finance Committee, the Innovation and Product Management Committee, the Integrated Operation Coordination Committee, and the Asset Management Business Committee. During the reporting period, all of the committees diligently fulfilled their duties and responsibilities as per the powers specified in their committee charters and the rights delegated by the Executive Committee, and pushed forward the sound development of the Bank's various operations.