

Corporate Governance

Overview of Corporate Governance

The Bank takes excellent corporate governance as an important objective. It has constantly pursued the best practice in corporate governance and integrated the Party's leadership with improvement of corporate governance. Adhering to the rules and regulations governing capital markets and relevant industries, the Bank has made constant efforts to improve its corporate governance framework, which comprises the shareholders' meeting, the Board of Directors, the Board of Supervisors and the Senior Management. This framework operates smoothly owing to a clear division of duties. All special committees of the Board of Directors and the Board of Supervisors have performed their duties and functioned effectively, thereby enhancing the Bank's corporate governance capabilities.

The Bank has been working on improving its corporate governance structure, policies and procedures. It persistently followed up and implemented regulatory requirements on capital market, always choosing to adhere to the strictest available standards. It re-examined and self-inspected its corporate governance policies, and comprehensively and systematically reviewed the Articles of Associations and the rules of procedure of each special committee.

The Bank places great emphasis on improving its corporate governance operation mechanisms. It ensures that minority shareholders are properly informed and able to participate and make decisions. The annual shareholders' meeting is held on-site, and online voting for A-Share Holders is available to safeguard the rights and interests of the minority shareholders. The Bank focuses on constantly enhancing coordination with respect to the operation mechanisms of the Board of Directors, information disclosure and stakeholder engagement. It continues to support the Board of Directors to function more constructively and make scientific and efficient

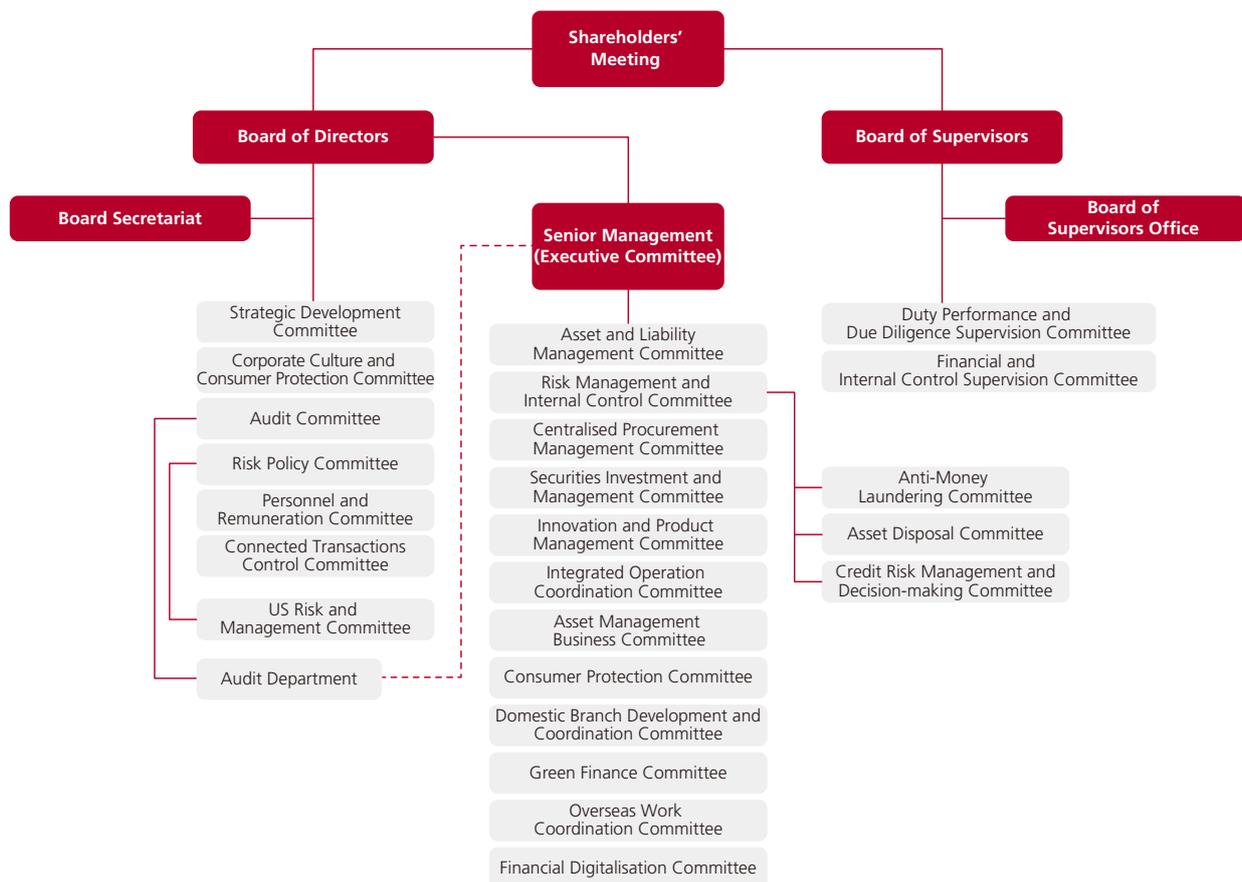
decisions. The Bank works to heighten transparency and proactively perform its duties to the relevant stakeholders, including shareholders, customers, staff and society.

The Bank makes great efforts to promote Board diversity. It has formulated the *Bank of China Limited Board Diversity Policy*, which lays out the stance of the Bank on the diversity of the members of the Board of Directors and the approaches it adopts to realise such diversity on an on-going basis. All appointments are made on merit, in the context of the skills and experience the Board of Directors as a whole requires, and taking into full consideration and from various perspectives the object and requirements for diversity, including but not limited to regulatory requirements, gender, age, cultural and educational background, geographical location, professional experience, skills, knowledge, and length of service of directors, etc. The Bank applies the aforementioned diversity policy and requirements to the director selection and engagement process.

In 2021, according to *the Announcement on Carrying out Special Campaigns on Governance of Listed Companies (CSRC Announcement [2020] No. 69)* and *the Notice of Special Self-inspection on Governance of Listed Companies (CSRC Beijing Office [2020] No. 628)*, the Bank carried out special self-inspection on corporate governance and has not found any problems that need to be rectified in accordance with the foregoing regulations.

In 2021, the Bank's corporate governance performance continued to be recognised by the capital markets and the public. It won a number of awards including "Best Company for Investor Relations", "Best Board of Directors for Investor Relations" and "Best Secretary to the Board for Investor Relations" of the 12th Pegasus Award of China's Listed Companies Investor Relations.

Corporate Governance Framework



Corporate Governance Compliance

During the reporting period, the actual performance of the Bank's corporate governance was fully in compliance with laws, administrative regulations, and the requirements for the governance of listed companies 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. Save as disclosed in this annual report, during the reporting period, the Bank has complied with all the provisions of the Code and has substantially complied with most of the recommended best practices set out in the Code.

Amendments to the Articles of Association

No amendment was made to the Articles of Association in 2021.

Shareholders and Shareholders' Rights

The Bank highly values the protection of its shareholders' interests and has established and maintained an effective and multi-channel shareholder communication platform. This includes holding shareholders' meetings and maintaining an investor hotline to ensure that all shareholders are treated equally, properly informed and able to participate in and exercise their voting and other rights regarding the major issues of the Bank. The Bank is independent

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and completely autonomous in all of its business operations. It operates independently and separately from its controlling shareholder, Huijin, in respect of its business, personnel, asset, institutional and financial matters.

Shareholders' Right to Convene an Extraordinary Shareholders' Meeting and a Meeting of Shareholders of Different Categories

According to the Articles of Association, shareholders individually or in aggregate holding a total of 10% or more voting shares of the Bank have the right to make a written request to the Board of Directors to convene an extraordinary shareholders' meeting. Two or more shareholders holding a total of 10% or more voting shares of the Bank may sign one or more written requests of identical form and substance requesting the Board of Directors to convene a meeting of shareholders of different categories and stating the subject of the meeting. If the Board of Directors fails to issue a notice of such a meeting within 30 days after receipt of a written request for convening an extraordinary shareholders' meeting or a meeting of shareholders of different categories submitted by the proposing shareholders, the proposing shareholders may by themselves convene the meeting within four months after the Board of Directors receives the request. The procedures according to which they convene such meeting shall, to the extent possible, be identical to the procedures according to which shareholders' meetings are convened by the Board of Directors. Where the proposing shareholders convene and hold a meeting because the Board of Directors fails to convene such meeting pursuant to a request as mentioned above, the reasonable expenses incurred by such shareholders shall be borne by the Bank and shall be deducted from the sums owed by the Bank to the negligent directors.

Shareholders' Right to Propose Resolutions at Shareholders' Meetings

According to the Articles of Association, any shareholder who holds, individually or in aggregate,

3% or more voting shares of the Bank shall have the right to propose a resolution in a shareholders' meeting. Any shareholder who holds, individually or in aggregate, 3% or more voting shares of the Bank shall have the right to propose and submit in writing to the Board of Directors interim proposals 10 days prior to the convening of a shareholders' meeting. When the Board of Directors decides not to include such proposals on the meeting agenda, it shall explain and clarify the reasons at the shareholders' meeting. When the proposing shareholders dissent with the Board of Directors' decision to exclude such proposals, they may request to call for an extraordinary shareholders' meeting by themselves based on the procedures stipulated in the Articles of Association.

Shareholders' Right to Present Enquiries

According to the Articles of Association, any shareholder who holds severally or jointly with others 5% or more voting shares of the Bank shall have the right to present enquiries to the shareholders' meeting. The Board of Directors, the Board of Supervisors, or other relevant senior management members shall attend the shareholders' meeting, accept enquiries, and answer or explain accordingly.

Please refer to the Articles of Association for details of the rights pertaining to shareholders. If shareholders need to contact the Board of Directors regarding the aforementioned items or for other enquiries to the Board of Directors, please refer to the section "Reference for Shareholders — Investor Enquiry" for contact details.

Shareholders' Meeting

Functions and Powers of Shareholders' Meeting

The shareholders' meeting is the body of authority of the Bank. The shareholders' meeting is responsible for making decisions on the important issues of the Bank, including considering and approving the Bank's profit distribution plan, annual financial budget and financial statements, changes in the Bank's registered capital,

adopting resolutions on matters such as the issuance of bonds and other securities, merger and division, amending the Articles of Association of the Bank, electing directors, electing shareholders' representative supervisors and external supervisors and deciding the remunerations of directors and supervisors.

Convening of Shareholders' Meeting during the Reporting Period

On 18 January 2021, the Bank held its 2021 First Extraordinary General Meeting on-site in Beijing on 18 January 2021. A-Share Holders could also cast votes online. The meeting considered and approved proposals, including the election of Ms. ZHANG Keqiu to be appointed as Shareholder Representative Supervisor of the Bank, the 2019 remuneration distribution plan for Chairman of the Board of Directors and Executive Directors, and the 2019 remuneration distribution plan for Chairman of the Board of Supervisors and Shareholder Representative Supervisors. All the proposals were ordinary resolutions.

On 20 May 2021, the Bank held its 2020 Annual General Meeting on-site in Beijing. A-Share Holders could also cast votes online. The meeting considered and approved 15 proposals, including the 2020 work report of the Board of Directors, the 2020 work report of the Board of Supervisors, the 2020 annual financial report, the 2020 profit distribution plan, the 2021 annual budget for fixed assets investment, the appointment of the Bank's external auditor for 2021, the 2020 annual remuneration distribution plan for External Supervisors, the election of Mr. LIU Liange to be re-appointed as Executive Director of the Bank, the election of Mr. LIU Jin to be appointed as Executive Director of the Bank, the election of Mr. LIN Jingzhen to be re-appointed as Executive Director of the Bank, the election of Mr. JIANG Guohua to be re-appointed as Independent Non-executive Director of the Bank, the application for provisional authorisation of outbound donations, the bond issuance plan, the issuance of write-down undated capital bonds and the issuance of qualified write-down tier 2 capital instruments. The meeting also heard the report on the

connected transactions for 2020, the duty report of independent directors for 2020, and the report on the implementation of the *Scheme on the Authorisation to the Board of Directors Granted by the Shareholders' Meeting of Bank of China Limited* for 2020. The proposals regarding the bond issuance plan, 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 aforementioned meetings were convened and held in strict compliance with the relevant laws and regulations as well as the listing rules of the Chinese mainland and Hong Kong (China). The Bank's directors, supervisors and senior management members attended the meetings and communicated with shareholders on issues of their concern.

The Bank issued announcements on the resolutions and legal opinions of the aforementioned shareholders' meeting on 18 January 2021 and 20 May 2021 respectively, pursuant to regulatory requirements. Please refer to the websites of SSE, HKEX and the Bank.

Implementation of the Resolutions Passed at the Shareholders' Meeting by the Board of Directors

During the reporting period, the Board of Directors has fully implemented the resolutions passed at the shareholders' meeting and the scheme on the authorisation to the Board of Directors granted by the shareholders' meeting, and earnestly carried out the proposals regarding the 2020 profit distribution plan, the 2021 annual budget for fixed assets investment, the bond issuance plan, the appointments of directors and 2021 external auditor, and so on.

Board of Directors

Functions and Powers of the Board of Directors

The Board of Directors, which is responsible to the shareholders' meeting, is the Bank's decision-making

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body. The Board of Directors exercises the following functions and powers as specified by the Bank's Articles of Association: convening shareholders' meetings and implementing the resolutions of shareholders' meetings; deciding on the Bank's strategic policies, business plans and material investment plans (except for those material investment plans that are subject to shareholders' meeting approval as specified in the Articles of Association); formulating the annual financial budgets, final accounts and plans for profit distribution and loss recovery of the Bank; appointing or dismissing members of special committees and the Senior Management of the Bank; reviewing and deciding on the establishment of the Bank's basic administrative system, internal management framework and important sub-entities; developing and reviewing the corporate governance policies of the Bank; taking charge of performance evaluation and matters of material reward and punishment for senior management members, and hearing the reports of the Senior Management and examining their work, among others. The Board of Directors continuously reviews and updates the Articles of Association and the Bank's corporate governance policies and systems in accordance with the applicable laws and regulations, relevant regulatory requirements and listing rules, and ensures compliance with such policies and systems.

Composition of the Board of Directors

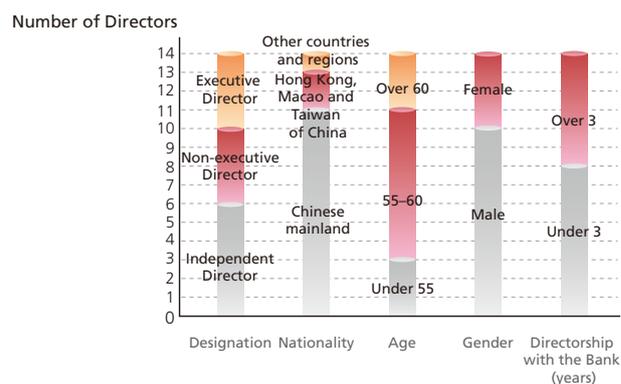
The Board of Directors has set up the Strategic Development Committee, Corporate Culture and Consumer Protection Committee, Audit Committee, Risk Policy Committee, Personnel and Remuneration Committee and Connected Transactions Control Committee, as well as the US Risk and Management Committee established under the Risk Policy Committee, to assist the Board of Directors in performing its functions under the authorisation of the Board of Directors.

The Board of Directors of the Bank is rationally structured and diversified. Currently, the Board of Directors comprises fourteen members. Besides the

Chairman, there are three executive directors, four non-executive directors and six independent directors. The proportion of independent directors reaches one-third of the total number of directors. The Bank's directors are elected at the shareholders' meeting, with a term of office of three years starting from the date when the Bank receives approval of the appointment from CBIRC. A director may serve consecutive terms by re-election and re-appointment unless otherwise specified by laws, regulations, supervisory requirements and the Articles of Association of the Bank. The positions of Chairman and President of the Bank are assumed by two persons.

For detailed background and an explanation of recent changes to the Board membership, please refer to the section "Directors, Supervisors and Senior Management Members".

Board Composition



Convening of Board Meetings

In 2021, the Bank convened ten on-site meetings of the Board of Directors and reviewed and approved 84 proposals on 28 January, 16 March, 30 March, 29 April, 2 July, 30 August, 28 September, 29 October, 13 December and 27 December respectively. The proposals covered matters such as the Bank's regular reports, the nomination of candidates for directorships, the appointment of senior management members, the issuance of bonds, and profit distribution, etc. It also heard 20 reports related to the anti-money laundering work, strategy implementation, country risk management, green finance development and other matters.

In 2021, the Bank convened four meetings of the Board of Directors via written resolutions. At these meetings, the Board of Directors mainly reviewed and approved the proposals regarding donation to disaster relief in Henan Province, among others.

Risk Management and Internal Control by the Board of Directors and its Special Committees

The Board of Directors of the Bank considers a sound risk management system to be the basic prerequisite of realising the Bank's strategic goals. By continuously improving the independence, specialisation, foresight, and initiative of its risk management function, the Bank ensures the sound and sustainable development of its banking businesses and creates greater value for shareholders.

According to regulatory rules and internal management requirements, the Senior Management submits important risk management policies, rules and procedures to the Board of Directors and Risk Policy Committee for review and approval. The Risk Policy Committee regularly reviews the Group's overall risk status (covering major risk categories such as credit risk, market risk, operational risk, liquidity risk, legal and compliance risk and reputational risk) and upcoming work plan and puts forward corresponding work requirements.

The Board of Directors and its Risk Policy Committee have acknowledged the full effectiveness of the existing risk management system of the Bank based on their close monitoring and quarterly evaluation of the system's effectiveness.

The Board of Directors attached great importance to the Group's far-reaching internal control system and continued to promote its development. It regularly heard and reviewed Senior Management reports

concerning the implementation of the *Guidelines on Internal Control of Commercial Banks*, bank-wide operational management, risk management, fraud case management and internal control system development and assessment, thus earnestly assuming its responsibility to improve and deliver a sound and effective internal control function.

The Audit Committee under the Board of Directors closely monitored the changing economic and financial environment at home and abroad, as well as the overall conditions of the Group's internal control function, including the establishment and operation of its internal control systems for both financial reporting and non-financial reporting. In addition, the committee heard and reviewed, on a regular and ad hoc basis, internal audit reports and assessment opinions on internal control, reports on the progress of internal control improvements and remediation suggested by external auditors, as well as the overall situation regarding the prevention, control and redress of fraud cases and risk events.

During the reporting period, the Bank performed self-assessment on internal control in line with the *Basic Standard for Enterprise Internal Control* and its supporting guidelines. No material deficiencies were identified in the internal control systems for both the financial reporting and non-financial reporting of the Bank. PricewaterhouseCoopers Zhong Tian LLP, as the Bank's external auditor for internal control, audited the effectiveness of the Bank's internal controls over financial reporting and issued a standard unqualified opinion. The *2021 Internal Control Assessment Report of Bank of China Limited* and the *2021 Auditor's Report on Internal Control* issued by PricewaterhouseCoopers Zhong Tian LLP have been published on the websites of SSE, HKEX and the Bank.

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Duty Performance of Directors

Directors' Attendance of Shareholders' Meetings, Meetings of the Board of Directors and Special Committees

During the reporting period, the attendance rate of each director of the shareholders' meetings, meetings of the Board of Directors and special committees is given below.

Directors	Number of meetings attended in person/Number of meetings convened during term of office							
	Shareholders' Meetings	Meetings of the Board of Directors	Strategic Development Committee	Corporate Culture and Consumer Protection Committee	Audit Committee	Risk Policy Committee	Personnel and Remuneration Committee	Connected Transactions Control Committee
Incumbent Directors								
LIU Liange	2/2	13/14	8/8	3/4	-	-	-	-
LIU Jin	0/0	5/7	4/4	-	-	-	-	-
WANG Wei	2/2	13/14	-	-	-	-	-	3/3
LIN Jingzhen	2/2	14/14	-	-	-	8/8	-	-
XIAO Lihong	2/2	14/14	8/8	-	-	8/8	-	-
WANG Xiaoya	2/2	14/14	8/8	4/4	-	-	8/8	-
ZHANG Jiangang	2/2	14/14	8/8	-	6/7	-	-	-
CHEN Jianbo	2/2	14/14	8/8	4/4	-	8/8	-	-
WANG Changyun	2/2	13/14	7/8	-	6/7	8/8	8/8	-
Angela CHAO	1/2	12/14	-	-	2/7	1/8	-	0/3
JIANG Guohua	2/2	13/14	7/8	4/4	6/7	-	6/8	2/3
Martin Cheung Kong LIAO	2/2	13/14	7/8	-	7/7	-	8/8	3/3
CHEN Chunhua	2/2	12/14	7/8	3/4	-	-	8/8	-
CHUI Sai Peng Jose	2/2	12/14	-	3/4	7/7	-	8/8	3/3
Former Directors								
WANG Jiang	1/1	0/1	0/1	-	-	-	-	-
ZHAO Jie	2/2	14/14	-	-	7/7	8/8	8/8	-

Notes:

- 1 Mr. LIU Jin, Mr. WANG Wei, Mr. ZHANG Jiangang, Mr. WANG Changyun, Ms. Angela CHAO, Mr. JIANG Guohua, Mr. Martin Cheung Kong LIAO, Ms. CHEN Chunhua and Mr. CHUI Sai Peng Jose, all of whom were unable to attend the Meetings of the Board of Directors and Meetings of the Special Committees of the Board of Directors in person, had appointed other Directors to attend and exercise their voting rights on their behalf.
- 2 During the reporting period, three directors have abstained from voting or voted against related proposals. Director ZHANG Jiangang proposed that a few clauses of Management Measures for Financial Services in Response to Emergencies should be further refined according to the requirements of the regulatory measures. Director XIAO Lihong proposed that regarding the Internal Capital Adequacy Assessment Report, there was room for improvement in the comprehensive risk management capability and policy due to the rather weak foundation. Director ZHAO Jie proposed that a project plan should be further refined according to the business environment.

Training and Expertise Enhancement of Directors

In 2021, the Board of Directors paid significant attention to enhancing directors' expertise, with a special focus on arranging relevant training. All directors of the Bank fully observed Rule A.6.5 of the Code as well as PRC regulatory requirements, actively participating in specialised training including sessions on artificial intelligence enabling future business, the current state of international financial market development and the opportunities and challenges facing the global development of commercial banks, anti-money laundering policy interpretation and sanction violation case analysis, green finance and the digital economy. The Bank's directors also took it upon themselves to enhance their professional skills in various ways, including writing and publishing professional articles, attending forums and seminars, meeting with domestic and overseas regulators, and conducting on-site research exercises at the Bank's domestic and overseas branches as well as at other advanced banks.

Independence and Duty Performance of Independent Directors

There are currently six independent directors on the Board of Directors. This reaches one-third of the total number of directors and is thus in compliance with the quorum requirement specified in the Articles of Association and relevant regulatory requirements. For the professional backgrounds and other details of the independent directors, please refer to the section "Directors, Supervisors and Senior Management Members". Independent directors individually serve as the Chairman of the Corporate Culture and Consumer Protection Committee, Audit Committee, Risk Policy Committee, Personnel and Remuneration Committee and Connected Transactions Control Committee. As stipulated in the relevant domestic regulatory requirements and Rule 3.13 of the Hong Kong Listing Rules, the Bank has received the annual confirmation in writing from each independent director with regard to their independence. Based on these confirmations and relevant information in possession of the Board of Directors, the Bank confirms their independent status.

In 2021, the Bank's independent directors attended meetings of the Board of Directors, reviewed proposals, participated in discussions and offered their professional opinions independently, objectively

and diligently, in accordance with the Articles of Association, the *Procedural Rules for Board of Directors of Bank of China Limited* and the *Work Rules of Independent Directors of Bank of China Limited*. Please refer to the section "Directors' Attendance of the Shareholders' Meeting, Meetings of the Board of Directors and Special Committees" for the attendance of independent directors at meetings.

In 2021, independent directors put forward constructive recommendations on the Bank's 14th Five-Year Plan, corporate culture building, comprehensive risk management, globalised and integrated operations, green finance and FinTech, among others. These recommendations were adopted and diligently implemented by the Bank.

In 2021, independent directors held no objection to proposals of the meetings of the Board of Directors and special committees.

Specific Explanation and Independent Opinions of Independent Directors on the Guarantee Business of the Bank

Pursuant to the relevant provisions and requirements of CSRC and SSE, and according to the principles of justice, fairness and objectivity, the Independent Directors of the Bank, Mr. WANG Changyun, Ms. Angela CHAO, Mr. JIANG Guohua, Mr. Martin Cheung Kong LIAO, Ms. CHEN Chunhua and Mr. CHUI Sai Peng Jose have provided the following information regarding the Bank's guarantee business:

The guarantee business is one of the Bank's ordinary business activities approved by PBOC and CBIRC. The Bank has formulated specific management measures, operational processes and approval procedures in light of the risks of the guarantee business and carried out this business accordingly. The Bank's guarantee business principally comprises letters of guarantee. As at 31 December 2021, the outstanding amount of letters of guarantee issued by the Bank was RMB1,086.152 billion.

Responsibility Statement of Directors on Financial Reports

The following statement, which sets out the responsibilities of the directors regarding financial statements, should be read in conjunction with, but

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understood separately from, the auditor's statement of their responsibilities as set out in the Independent Auditor's Report contained in this annual report.

The directors acknowledge that they are responsible for preparing financial statements of the Bank that truly represent the operating results of the Bank for each financial year. To the best knowledge of the directors, there was no material event or condition during the reporting period that might have a material adverse effect on the continuing operation of the Bank.

Special Committees of the Board of Directors

Strategic Development Committee

The Strategic Development Committee comprises ten members, including Chairman Mr. LIU Liange, Vice Chairman and President Mr. LIU Jin, Non-executive Directors Ms. XIAO Lihong, Ms. WANG Xiaoya, Mr. ZHANG Jiangang and Mr. CHEN Jianbo and Independent Directors Mr. WANG Changyun, Mr. JIANG Guohua, Mr. Martin Cheung Kong LIAO and Ms. CHEN Chunhua. Chairman Mr. LIU Liange serves as the Chairman of the committee.

The committee is mainly responsible for reviewing the strategic development plans presented by the Senior Management, assessing the factors that may affect the strategies of the Bank and their implementation, and advising the Board with regard to strategy adjustments; reviewing the annual budget, strategic capital allocation, the objectives of asset-liability management, IT development and other special strategic development plans of the Bank, and advising the Board accordingly; coordinating strategies on the overall development of various financial businesses and the development of domestic and overseas institutions, and deciding on the setup, cancellation and increase or decrease of capital of the Bank's domestic and overseas institutions within its scope of authorisation; designing and formulating key investment and financing plans and merger and acquisition plans of the Bank; and reviewing the substantial internal reorganisation and adjustment plans of the Bank, and advising the Board accordingly; reviewing the Bank's green credit strategy and making relevant suggestions to the Board; establishing the Bank's strategic development plan and basic management regimes with regard to inclusive finance

business, reviewing the annual business plan and assessment measures of the inclusive finance business, and supervising the Bank's implementation of inclusive finance strategies, policies and regulations.

In 2021, the Strategic Development Committee held six on-site meetings on 28 January, 30 March, 29 April, 30 August, 29 October and 13 December, respectively, and two meetings via written resolutions. At these meetings, it mainly reviewed the proposals on Outline of 14th Five-Year Development Plan (2021–2025) and Long-Range Objectives through the Year 2035 for Bank of China, Green Financial Plan, Plan for Data Strategy, Inclusive Finance Plan, Fintech Plan, Capital Management Plan, the business plan and financial budget of Bank of China for 2021, the profit distribution plan of Bank of China for 2020, the issuance of write-down undated capital bonds, the issuance of qualified write-down tier 2 capital instruments, the dividend distribution plan of offshore preference shares, the bond issuance plan, and an application for a special external donation limit for targeted support.

In addition, in response to changes in international and domestic economic and financial situations, the Strategic Development Committee stepped up its analysis of the prevailing opportunities and challenges, and put forward many important comments and recommendations regarding the Bank's efforts to implement its Development Plan, accelerating the pace of transformation, and improving the quality and efficiency in serving the real economy, thus providing strong support to the scientific decision-making of the Board of Directors.

Corporate Culture and Consumer Protection Committee

The Corporate Culture and Consumer Protection Committee comprises six members, including Chairman Mr. LIU Liange, Non-executive Directors Ms. WANG Xiaoya and Mr. CHEN Jianbo, and Independent Directors Mr. JIANG Guohua, Ms. CHEN Chunhua and Mr. CHUI Sai Peng Jose. Independent Director Ms. CHEN Chunhua serves as the Chairwoman of the committee.

The committee is mainly responsible for reviewing and advising the Board of Directors on the Bank's corporate culture development plans and policies, etc., and supervising their implementation, urging

the Senior Management to examine and assess the implementation of the Bank's values, and pushing forward the refinement and elaboration, promotion and popularisation, education and training, and implementation of the Bank's value concepts system; urging the management to build a corporate culture work evaluation system, and overseeing and assessing the development and implementation of the Bank's corporate culture; reviewing the employee code of conduct and urging the management to put in place a matching implementation mechanism; reviewing and advising the Board of Directors on the Bank's consumer protection strategies, policies and objectives, etc., and overseeing and evaluating the Bank's consumer protection work; reviewing and advising the Board of Directors on the Bank's environmental, social and governance (ESG) development plans, policies and reports; identifying, assessing and managing important ESG-related matters and building an appropriate and effective ESG risk management and internal control system; regularly hearing the reports on the Bank's corporate culture building, ESG and consumer protection work; and other duties delegated by the Board of Directors.

In 2021, the Corporate Culture and Consumer Protection Committee held four on-site meetings on 30 March, 30 August, 29 October and 30 December respectively, at which it reviewed and approved the *2020 Corporate Social Responsibility Report of Bank of China* and the *2020 Work Report and 2021 Work Plan for Consumer Protection* and the *Consumer Protection Policy of Bank of China Limited*. In addition, it heard the *Report on Consumer Complaints in the First Quarter of 2021* and the *Corporate Culture Building Plan of Bank of China Limited*, etc.

Audit Committee

The Audit Committee comprises six members, including Non-executive Director Mr. ZHANG Jianguang and Independent Directors Mr. WANG Changyun, Ms. Angela CHAO, Mr. JIANG Guohua, Mr. Martin Cheung Kong LIAO and Mr. CHUI Sai Peng Jose. Independent Director Mr. JIANG Guohua serves as the Chairman of the committee.

The committee is mainly responsible for reviewing financial reports and other significant accounting policies and regulations formulated by the Senior

Management; reviewing the external auditors' audit opinion on financial reporting, annual audit plan and recommendations for management; approving the annual internal audit plan and budget; appraising the duty performance, work quality and effectiveness of the external auditors and internal audit and monitoring their independence; recommending the engagement, reappointment, replacement and audit fee of the external auditors; recommending the appointment and dismissal and appraising the performance of the Chief Audit Officer; overseeing the Bank's internal control function, reviewing material deficiencies in internal control design and execution by the Senior Management and investigating fraud cases; reviewing the employee reporting system and urging the Bank to conduct fair investigations and take appropriate measures regarding matters reported by the employees.

In 2021, the Audit Committee held six on-site meetings on 27 January, 16 March, 26 March, 28 April, 27 August and 28 October, respectively, and one meeting via written resolutions. It mainly reviewed and approved the 2021 priorities, project plan and financial budget for internal audit, and reviewed the Bank's 2020 financial report, 2021 interim financial report and financial reports for the first and third quarters of 2021, the internal control work report for 2020 and the first half of 2021, the 2020 internal control assessment report, and the audit results on internal control and management proposal. In addition, it heard the report on the Senior Management response to Ernst & Young's management proposal for 2020, reports on internal audit in 2020 and the first half of 2021, the special report on IT application in audit, the 2020 report on the overseas supervision information, the report on the progress of the internal control audit of Ernst & Young in 2020, updates on compliance with the principle of independence, the audit plan for 2021 of PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers, the report on asset quality in the first quarter of 2021, and the report on the prevention and control of external cases in 2020.

Moreover, in response to changes in domestic and overseas economic and financial trends, the Audit Committee paid close attention to developments in the Bank's progress towards improving business performance and cost control. The committee heard

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the Group risk report and the report on asset quality, among others, thus assisting the Board of Directors in performing its responsibilities and duties. It also put forward many important opinions and suggestions regarding the improvement of the corporate governance mechanism, the enhancement of internal audit independence, the advancement of IT application in audit, the upgrading of credit asset quality and the improvement of internal control measures.

According to the *Procedure Rules on the Preparation of Annual Report of the Board Audit Committee of Bank of China Limited*, prior to the start of audit field work by the auditors, the Audit Committee confirmed with the auditors the details of the 2021 audit plan, including areas of focus for auditing the 2021 Annual Report, risk assessment and identification methods, the application of accounting standards, tests of internal control, compliance and fraud related procedures, and the allocation of human resources. In particular, the committee reminded the auditors to report any difference of judgement between the auditors and the Senior Management during the audit, as well as the process and results of reconciling such differences.

The Audit Committee heard and reviewed reports from the Senior Management concerning the Bank's business performance and primary financial data. It also requested that the Senior Management submit the annual financial statements to the auditors in a timely manner, so as to ensure sufficient time for the annual audit. During the audit, the committee maintained independent communications with the auditors and arranged independent communications between the auditors and the independent directors. At its second meeting of 2022, the Audit Committee reviewed and approved the Bank's 2021 financial statements and submitted them to the Board of Directors for approval.

In accordance with the *Policies of Selection, Rotation and Dismissal for External Auditors of Bank of China Limited*, the external auditor for 2021 made a summary report and submitted a report on their compliance with the principle of independence to the committee.

Risk Policy Committee

The Risk Policy Committee of the Bank comprises five members, including Executive Director Mr.

LIN Jingzhen, Non-executive Directors Ms. XIAO Lihong and Mr. CHEN Jianbo, Independent Directors Mr. WANG Changyun and Ms. Angela CHAO. Independent Director Mr. WANG Changyun serves as the Chairman of the committee, and Non-executive Director Ms. XIAO Lihong serves as the Vice Chairwoman of the committee.

The committee is mainly responsible for performing functions and exercising powers in relation to comprehensive risk management; reviewing the Bank's risk management strategies, substantial risk management policies, and risk management procedures and regimes, and advising the Board accordingly; discussing the risk management procedures and regimes with the management and making suggestions on how to improve them in order to ensure that the risk management policies, procedures and regimes are uniformly adhered to throughout the Bank; reviewing the Group's risk data aggregation and risk reporting framework and ensuring that there is adequate resource support in place; examining the material risk activities of the Bank and judiciously exercising veto power regarding commitments that expose the Bank to credit and/or market risk exceeding the individual risk limits approved by the Risk Policy Committee or the Board of Directors or that lead to breaches of approved aggregate limits; supervising the implementation status of the Bank's risk management strategy, policy and procedure, and advising the Board accordingly; examining the Bank's risk management status and reviewing its risk management procedures and regimes; regularly evaluating and hearing reports on the implementation of risk management and internal control responsibilities by the Bank's management, functional departments and institutions, as well as risk data aggregation and risk reporting work, and proposing requirements for improvement; supervising the status of the Bank's compliance with laws and regulations; reviewing and examining relevant basic management policies related to legal compliance and making suggestions which are submitted to the Board for examination and approval, and hearing and examining the report on the implementation status of the legal compliance policy of the Bank; assessing the material investigation results of risk management matters and the management's response to such results (either voluntarily or as required by the Board of Directors); reviewing and approving the Bank's

general policy on case prevention and control, and defining the management's functions, powers and authorities in relation to case prevention and control; setting out overall requirements on case prevention and control, and reviewing related working reports; checking and effectively supervising the Bank's case prevention and control work, assessing the effectiveness of case prevention and control, and promoting the building of its case prevention and control management system.

In 2021, the Risk Policy Committee held seven on-site meetings on 27 January, 29 March, 28 April, 29 June, 26 August, 28 September and 27 October, respectively, and one meeting via written resolutions. The Committee mainly considered the comprehensive risk management policy, Group risk appetites statement, trading book market risk limits, liquidity risk management policy, policies for interest rate risk in the banking book, data governance policy, case prevention management policy, management measures for reputation risk, capital adequacy ratio report, internal capital adequacy assessment report and anti-money laundering work report. The committee also regularly reviewed the Group risk reports and other agendas.

In addition, the committee paid close attention to critical risk issues arising from changes in overseas and domestic economic and financial conditions, as well as adjustments to the government's macro policies and overall overseas and domestic regulations. The committee expressed important opinions and recommendations regarding the improvement of the Bank's risk governance mechanism and the effective prevention and control of all kinds of risks.

The US Risk and Management Committee is established under the Risk Policy Committee. It oversees and manages all the risks incurred by the Bank's institutions in the US, and performs the duties of the board of directors of the Bank's New York Branch and its special committees.

The US Risk and Management Committee currently comprises three members, all of whom are members of the Risk Policy Committee, including Non-executive Director Ms. XIAO Lihong, Independent Directors Mr. WANG Changyun and Ms. Angela CHAO. Independent Director Ms. Angela CHAO serves as the Chairwoman of the US Risk and Management Committee.

In 2021, the US Risk and Management Committee convened eight meetings via written resolutions. It regularly reviewed reports regarding the risk management and operations of all of the Bank's institutions in the US, the latest US regulatory trends and dynamics, among others. In addition, the committee reviewed and approved the relevant framework documents and important policies of all the institutions of the Bank in the US according to regulatory requirements.

Personnel and Remuneration Committee

The Personnel and Remuneration Committee comprises six members, including Non-executive Director Ms. WANG Xiaoya, Independent Directors Mr. WANG Changyun, Mr. JIANG Guohua, Mr. Martin Cheung Kong LIAO, Ms. CHEN Chunhua and Mr. CHUI Sai Peng Jose. Independent Director Mr. CHUI Sai Peng Jose serves as the Chairman of the committee.

The committee is mainly responsible for assisting the Board of Directors in reviewing the Bank's human resources and remuneration strategies and overseeing their implementation; reviewing the structure, size and composition of the Board of Directors on an annual basis, and making suggestions to the Board regarding the scale and composition of the Board of Directors; studying and reviewing the standards and procedures for selecting, nominating and appointing directors, members of the Board committees and Senior Management, and making relevant recommendations to the Board of Directors; identifying individuals suitably qualified to become directors and making recommendations to the Board of Directors on the selection of individuals nominated for directorships; performing preliminary review of the candidates for Senior Management positions and the chairmanship of Board committees, selecting and nominating candidates for different Board committees, and reporting to the Board of Directors for approval; reviewing, supervising the implementation of and monitoring the remuneration and incentive policies of the Bank; drafting the remuneration distribution plan of directors and senior management members, and making recommendations to the Board of Directors; and formulating the performance appraisal standards for senior management members of the Bank, and evaluating their performances.

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In 2021, the Personnel and Remuneration Committee held six on-site meetings on 16 March, 26 March, 28 April, 2 July, 27 August and 28 October, respectively, and two meetings by written resolutions. At these meetings, the committee mainly reviewed the performance evaluation results and remuneration distribution plan for the Chairman, Executive Directors and senior management members for 2020, the 2021 implementation plan for performance evaluation of the Chairman, President and other senior management members, the nomination of Mr. LIU Liange and Mr. LIN Jingzhen to be re-appointed as Executive Directors of the Bank and Mr. JIANG Guohua to be re-appointed as Independent Non-executive Directors of the Bank, the appointment of Mr. LIU Jin as President of the Bank, the nomination of Mr. LIU Jin as candidate for Executive Director of the Bank and the appointment of Mr. LIU Jin as member of the Strategic Development Committee of the Board of Directors of the Bank, the appointment of Mr. CHEN Huaiyu as Executive Vice President of the Bank, the appointment of Mr. WANG Zhiheng as Executive Vice President of the Bank, the appointment of Mr. ZHUO Chengwen as Chief Audit Officer of the Bank, and the nomination of Mr. E Weinan as candidate for Independent Non-executive Director of the Bank, the nomination of Mr. Giovanni TRIA as candidate for Independent Non-executive Director of the Bank, the nomination of Mr. Jean-Louis EKRA as candidate for Independent Non-executive Director of the Bank and the nomination of Mr. HUANG Binghua as candidate for Non-executive Director of the Bank.

According to the Articles of Association of the Bank, any shareholder who holds by himself or jointly with others 3% or more of the total number of voting shares of the Bank may, by submitting a written proposal to the shareholders' meeting, recommend candidates for directorships, provided the number of candidates nominated shall be in accordance with the provisions of the Articles of Association (between 5 and 17) and not exceed the number to be elected. List of candidates for directorships may be recommended by the Board of Directors within the number of candidates stipulated in the Articles of Association, with reference to the diversity policy of the Bank and according to the number to be elected. The Personnel and Remuneration Committee shall undertake a preliminary review of the qualifications

and conditions of candidates for directorships, and refer those qualified candidates to the Board of Directors for further examination. After the Board of Directors' approval by resolutions, the candidates shall be referred to the shareholders' meeting in written proposals. When directorships need to be added or filled temporarily, the Board of Directors shall raise the proposal and make recommendation to the shareholders' meeting to elect or replace. During the reporting period, the Bank appointed directors in strict compliance with the Articles of Association.

Connected Transactions Control Committee

The Connected Transactions Control Committee comprises five members, including Executive Director Mr. WANG Wei, Independent Directors Ms. Angela CHAO, Mr. JIANG Guohua, Mr. Martin Cheung Kong LIAO and Mr. CHUI Sai Peng Jose. Independent Director Mr. Martin Cheung Kong LIAO serves as the Chairman of the committee.

The committee is mainly responsible for administering the connected transactions of the Bank in accordance with relevant laws, regulations and supervisory rules, and formulating administrative regulations with regard to connected transactions; confirming the Bank's connected parties according to laws, regulations and normative documents, and reporting the relevant confirmation to the Board of Directors and the Board of Supervisors; defining the connected transactions of the Bank in accordance with laws, regulations and normative documents; examining the connected transactions of the Bank pursuant to relevant laws, regulations and normative documents, as well as the business principles of justice and fairness; and examining information disclosure matters related to significant connected transactions of the Bank.

In 2021, the Connected Transactions Control Committee held three on-site meetings on 26 March, 27 August and 28 October, respectively. It mainly reviewed the report on connected transactions in 2020, the report on the CBIRC's *Rules on Connected Transactions of Banking and Insurance Institutions (exposure draft)*, and the report on the impact of the *Personal Information Protection Law* on the Bank's connected transactions management, among others. It also approved the report on the connected party

list, among others. During the reporting period, the Connected Transactions Control Committee paid constant attention to the transmission of the Bank's policies and system development for connected transactions, and put forward constructive suggestions in that regard.

Board of Supervisors

Functions and Powers of the Board of Supervisors

The Board of Supervisors is the Bank's supervisory organ and is responsible to the shareholders' meeting. As stipulated in the Company Law and the Articles of Association of the Bank, the Board of Supervisors is responsible for overseeing the work of the Board of Directors so as to ensure the establishment of a prudent operational principle, value criterion and an appropriate development strategy. It supervises the duty performance and due diligence of the Board of Directors, the Senior Management and its members as well as the Bank's financial activities, risk management and internal control.

Composition of the Board of Supervisors

The Board of Supervisors currently comprises seven members. There is one shareholder supervisor (the Chairwoman of the Board of Supervisors), three employee supervisors and three external supervisors. According to the Articles of Association, a supervisor has a term of office of three years and may serve consecutive terms by re-election and re-appointment unless otherwise specified by laws, regulations, supervisory requirements and the Articles of Association of the Bank. Shareholder supervisors and external supervisors are elected or replaced by the shareholders' meeting, while employee supervisors are elected or replaced by the Employee Delegates' Meeting.

The Board of Supervisors has set up the Duty Performance and Due Diligence Supervision Committee and the Finance and Internal Control Supervision Committee to assist in performing its authorised duties.

Duty Performance of the Board of Supervisors

In 2021, the Board of Supervisors and its special committees earnestly performed their supervisory responsibilities and reviewed relevant proposals through detailed discussion. The Board of Supervisors held four on-site meetings and three meetings by written resolution, and made relevant resolutions. The Duty Performance and Due Diligence Supervision Committee held four on-site meetings and three meetings by written resolution, while the Finance and Internal Control Supervision Committee held four on-site meetings and one meeting by written resolution. For the performance of and supervisory opinions from the Board of Supervisors during the reporting period, please refer to the section "Report of the Board of Supervisors".

Senior Management

Functions and Powers of the Senior Management

The Senior Management is the executive organ of the Bank. It is headed by the President, with executive vice presidents and other senior management members assisting the President's work. The main functions and powers of the President include presiding over the Bank's daily administrative, business and financial management; organising the implementation of the business plan and investment schemes; drafting basic management regulations and specific rules; nominating candidates for other senior management positions; and reviewing employees' remuneration, benefit, reward and punishment measures.

Duty Performance of the Senior Management

During the reporting period, the Senior Management of the Bank managed the Bank's operations in accordance with the powers bestowed upon it by the Articles of Association and the authorisations of the Board of Directors. Closely adhering to the strategic goal of "Building a First-class Global Banking Group" and to the annual performance objectives approved by the Board of Directors, the Senior Management emphasised on invigorating, adapting to change

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and driving for major breakthroughs. It accelerated the implementation of various tasks within the Bank's development strategy, and ensured steady improvement in the Group's operating results.

During the reporting period, the Senior Management of the Bank held 24 regular meetings, at which it focused on key operational areas and discussed and decided upon a series of significant matters, including the Group's business development, performance management, risk management, audit supervision, IT development, product and service innovation, integrated operation, globalised development, inclusive finance and scenario building. It also held special meetings to study and make plans for the Group's corporate banking, personal banking, financial markets, channel building, smart operations, compliance management and data governance.

During the reporting period, the former Procurement Review Committee under the Senior Management (Executive Committee) was renamed Centralised Procurement Management Committee, which is responsible for the decision-making management of centralised procurement activities. The Senior Management presided 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 Centralised Procurement Management Committee, the Securities Investment and Management Committee, the Innovation and Product Management Committee, the Integrated Operation Coordination Committee, the Asset Management Business Committee, the Consumer Protection Committee, the Domestic Branch Development and Coordination Committee, the Green Finance Committee, the Overseas Work Coordination Committee and the Financial Digitalisation 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.

Securities Transactions by Directors and Supervisors

Pursuant to domestic and overseas securities regulatory requirements, the Bank formulated and implemented the *Management Measures on Securities Transactions by Directors, Supervisors and Senior Management Personnel of Bank of China Limited* (the "Management Rules") to govern securities transactions by directors, supervisors and senior management members of the Bank. The terms of the *Management Rules* are more stringent than the mandatory standards set out in the *Model Code for Securities Transactions by Directors of Listed Issuers* contained in Appendix 10 to the Hong Kong Listing Rules (the "Model Code"). All directors and supervisors confirmed that they had complied with the standards set out in both the *Management Rules* and the *Model Code* throughout the reporting period.

Appointment of External Auditors

Upon approval by the 2020 Annual General Meeting, PricewaterhouseCoopers Zhong Tian LLP was appointed as the Bank's domestic auditor and internal control auditor for 2021, and PricewaterhouseCoopers was appointed as the Bank's international auditor for 2021.

Fees paid to PricewaterhouseCoopers and its member firms for financial statements audit of the Group, including those of the Bank's overseas subsidiaries and branches, were RMB173 million for the year ended 31 December 2021, of which the fees for internal control audit paid to PricewaterhouseCoopers Zhong Tian LLP totalled RMB12 million. The Bank paid RMB12.5781 million for non-auditing services to PricewaterhouseCoopers and its member firms in the year.

PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers have provided audit services to the Bank for one year. Ms. Ho Shuk Ching Margarita, Mr. Zhu Yu, Mr. Li Dan are the certified public accountants who signed the auditor's report on the Bank's financial statements prepared in accordance with CAS for the year ended 31 December 2021.

Investor Relations and Information Disclosure

In 2021, the Bank kept tracked of market dynamics in a timely manner, actively conducted market communication, and continued to build a professional and efficient investor relations management practice. It held its annual and interim results briefing via live-streaming platform and proactively held two quarterly results presentations online, reaching a wide range of domestic and overseas investors of various types and bringing significant efforts and results in investor communication. The Bank conducted in-depth communication with institutional investors, completing over 170 communication activities of various forms. This included attending seminars held by investment banking institutions, holding online non-deal roadshow and thematic meetings, and conducting daily communication etc., while making meeting records for reference. The Bank also attached high importance to minority investor services. It professionally answered investor hotline and email inquiries, promptly responded to inquires from “e-interaction online platform” run by SSE, continued to organise the open day for investors via the roadshow platform run by SSE, and actively participated in the special event of the 3rd “5.15 National Investor Protection Promotion Day” organised by the Listed Companies Association of Beijing. The Bank’s external ratings remained unchanged with a stable prospect.

In 2021, the Bank prepared and disclosed its regular and provisional reports in strict adherence to the principles of truthfulness, accuracy, completeness, conciseness and clarity. It continuously enhanced transparency and optimised its information disclosure, focusing on the demands of investors. It continuously enhanced the pertinence and effectiveness of information disclosure in order to guarantee investors’

access to relevant information. Through concise and clear language, investors are provided with equal opportunity to access accurate information. The Bank has established a comprehensive and complete information disclosure system and put in place clear specifications regarding information disclosure standard and the scope of application, responsibility and division of work of the parties concerned, as well as information handling and disclosure procedures and internal monitoring measures. During the reporting period, in accordance with the regulatory provisions and based on the Bank’s information disclosure practices, it has reviewed and revised its *Bank of China Limited Information Disclosure Policy*. It carefully organised compliance analysis and disclosure of material events, as well as actively exploring and steadily promoting voluntary information disclosure. The Bank reinforced the principal responsibility system and information correspondent mechanism, and promoted the building of a professional team and a strong compliance culture of information disclosure, so as to improve the initiative and long-term perspective of its information disclosure management work. It also carried out the registration and submission of insider information according to relevant regulatory requirements and the rules of the Bank.

In 2021, the Bank continued to enhance its work in investor relations and information disclosure, receiving wide market recognition. It won a number of awards including “Best Investor Relations”, “Best Board of Directors for Investor Relations” and “Best Secretary to the Board for Investor Relations” of the 12th Pegasus Award of China’s Listed Companies Investor Relations from *Securities Times*. The Bank’s annual report won a “Gold Award in the Overall Category of the Annual Report Competition” of the League of American Communications Professionals (LACP). It also won “Honors in Chairman’s/President’s letter” of the Annual Report Competition (ARC).