

Report of the Board of Supervisors

Meetings of the Board of Supervisors

In 2021, the Bank convened four on-site meetings of the Board of Supervisors on 30 March, 29 April, 30 August, 29 October, respectively, as well as three meetings by written resolution of the Board of Supervisors. At these meetings, the Board of Supervisors reviewed and approved 44 proposals regarding the Bank's four regular reports, 2020 profit distribution plan, 2020 internal control assessment report, 2020 corporate social responsibility report, 2020 work report of the Board of Supervisors, 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 2020, amendments to parts of the Articles of Association relating to the Board of Supervisors, amendments to the *Rules of Procedure of the Board of Supervisors of Bank of China Limited*, formulation of the *Measures for the Performance Evaluation of the Board of Directors, the Board of Supervisors, the Senior Management and its Members of Bank of China Limited (Trial)*, performance evaluation results for the Chairperson of the Board of Supervisors for 2020, and the implementation plan on performance management for the Chairperson of the Board of Supervisors in 2021, performance evaluation results and remuneration distribution plan for external supervisors, advice on nominating Mr. HUI Ping as the external supervisor of the Bank, appointment of Ms. WEI Hanguang as member of the Duty Performance and Due Diligence Supervision Committee of the Board of Supervisors, and the appointment of Mr. ZHOU Hehua as member of the Duty Performance and Due Diligence Supervision Committee and the Finance and Internal Control Supervision Committee of the Board of Supervisors, among others. In addition, the Board of Supervisors issued 20 supervision and evaluation opinions regarding the Board of Supervisors on the Bank's strategy implementation in 2020, and the Bank's duty performance in information disclosure, internal control compliance in its foreign exchange business, capital management, liquidity risk management, consolidated management, stress test management, comprehensive risk management,

internal control, case prevention, anti-money laundering management, compliance management, internal audit, data governance, existing wealth management rectification, consumer protection, product management, remuneration management, employee behaviour management and market risk management.

In 2021, the attendance rate of each supervisor of the meetings of the Board of Supervisors is given below:

Supervisors	Number of meetings attended in person/Number of meetings convened during term of office
Incumbent Supervisors	
ZHANG Keqiu	7/7
WEI Hanguang	2/2
ZHOU Hehua	2/2
LENG Jie	7/7
JIANG Xiangsen	7/7
ZHENG Zhiguang	7/7
HUI Ping	0/0
Former Supervisors	
WANG Xiquan	0/0
WANG Zhiheng	3/3
LI Changlin	5/5

In 2021, the Duty Performance and Due Diligence Supervision Committee of the Board of Supervisors held four on-site meetings and three meetings by written resolution, at which it pre-reviewed proposals regarding the evaluation opinions of the Board of Supervisors on the duty performance of the Board of Directors, the Senior Management and its members for 2020, performance evaluation results for the Chairperson of the Board of Supervisors for 2020, implementation plan on performance management for the Chairperson of the Board of Supervisors in 2021, performance evaluation results and remuneration distribution plan for external supervisors, amendments to contents concerning the Board of Supervisors in the Articles of Association, amendments to the *Rules of Procedure of the Board of Supervisors of Bank of China Limited*, amendments to the *Terms of References of Duty Performance and Due Diligence Supervision Committee of the Board of Supervisors*

of Bank of China Limited (Version 2021), formulation of the Measures for the Performance Evaluation of the Board of Directors, the Board of Supervisors, the Senior Management and its Members of Bank of China Limited (Trial), among others.

In 2021, the Finance and Internal Control Supervision Committee of the Board of Supervisors held four on-site meetings and one meeting by written resolution, at which it pre-reviewed the proposals regarding the Bank's four regular reports, 2020 profit distribution plan, 2020 internal control assessment report, 2020 corporate social responsibility report, evaluation opinions of the Board of Supervisors on the Bank's strategy implementation in 2020, amendments to the *Implementation Rules for the Work of the Finance and Internal Control Supervision Committee of the Board of Supervisors of Bank of China Limited*, among others.

Performance of Supervision and Inspection by the Board of Supervisors

In 2021, with the aim of building a first-class global banking group and in compliance with relevant laws and regulations, regulatory requirements and the Articles of Association of the Bank, the Board of Supervisors aligned itself with national decisions and plans on economic and financial work, regulatory requirements, Bank-wide work priorities and core supervisory responsibilities. It diligently supervised the Bank's strategies, duty performance, financial management, risk management and internal control, and enhanced self-improvement as well as the quality and effectiveness of its supervision, thus continuously contributing to the high-quality development of the Bank.

Conducted supervision with a focus on the implementation of national decisions and plans.

The Board of Supervisors focused on enhancing the Bank's ability to serve the real economy, private enterprises and micro and small-sized enterprises, ensuring stability on six key fronts and maintaining security in six key areas and providing financial support for the implementation of policies and measures such as green and low-carbon economic development,

high-level scientific and technological self-reliance, rural revitalisation and promoting common prosperity as well as the nation's major regional development strategies. It also paid close attention to the multiple measures taken by the Bank to stabilise foreign trade, serve the high-level opening-up and contribute to the high-quality development of the Belt and Road by leveraging its advantages in globalised operations. In response to the information obtained, the Board of Supervisors made timely reflections and issued prompts via resolutions of the Board of Supervisors, evaluation opinions of special supervision and quarterly supervision reports. Moreover, it conducted special surveys on the implementation of national decisions and plans for serving the real economy, put forward suggestions to improve the planning system, and strengthened policy research, analysis, and understanding, thus urging the proper implementation of national decisions and plans by the Bank.

Diligently supervised and evaluated the duty performance of directors and senior management members.

Supervisors attended the meetings of the Board of Directors and its special committees, as well as meetings of the Senior Management as non-voting attendees, heard reports, participated in symposiums, held interviews, analysed materials and carried out special surveys. This allowed supervisors to stay informed and supervise the performance of the Board of Directors, the Senior Management and its members in the following areas: compliance with laws and regulations and the Articles of Association of the Bank, implementation of national economic and financial policies, regulatory requirements and resolutions of shareholders' general meetings and the Board of Directors, and progress towards improving the operation and management of the Bank. The Board of Supervisors completed four quarterly supervision reports on the duty performance of the Board of Directors and the Senior Management, and expressed supervisory opinions. It also carried out evaluations of duty performance, interviewing members of the Board of Directors and the Senior Management, and issuing annual evaluation opinions on their duty performance based on supervision of

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their routine duty performance, so as to promote the compliance and effective duty performance of directors and senior management members.

Actively carried out strategy supervision. The Board of Supervisors participated in and supervised the research, formulation, work allocation and implementation of the Group's 14th Five-Year Plan and the Long-Range Objectives Through the Year 2035, to ensure that the Bank's strategies effectively align with the national 14th Five-Year Plan while reflecting the realities of its own development landscape. Focusing on building the "One Mainstay, Two Engines" strategic development pattern, the Board of Supervisors reinforced supervision of key strategic areas such as the "Eight Priority Areas". Furthermore, it regularly reviewed the strategy implementation, heard two related reports and issued supervision and evaluation opinions on the Bank's strategy implementation for 2020. By conducting special surveys on strategic management, it put forward recommendations such as improving the governance structure of strategic management and strengthening the management of strategy implementation, so as to promote the implementation of the Group's 14th Five-Year Plan.

Earnestly conducted the review and supervision of financial and regular reports. The Board of Supervisors followed up and supervised the decision-making and implementation progress of major financial activities and matters such as the Bank's annual financial management priorities, annual business plan and financial budget. It regularly reviewed and analysed the Bank's financial and accounting data and strengthened its forward-looking analysis and judgement of the Bank's financial operations by tracking and studying of the macro-economic and financial situation, regulatory policies and peer dynamics. It completed four quarterly supervision reports on the Bank's financial position, and made prompts to take effective measures in order to improve the Bank's financial performance and the far-reaching mechanism for financial compliance. Moreover, the Board of Supervisors consolidated the

review and supervision of regular reports, regularly heard reports on operating results and external audit results, supervised and reviewed the authenticity, accuracy and completeness of financial materials such as regular reports, annual financial report and profit distribution plan. All supervisors signed written confirmation opinions regarding the Bank's regular reports, and put forward proposals to strengthen multi-dimensional comprehensive analysis, consolidate the central role of domestic commercial banks, commit long-term efforts to enhancing its overseas operation and management, and improve the market competitiveness of its comprehensive operation companies, in order to facilitate the Group's high-quality development.

Deepened supervision of risk management and internal control. The Board of Supervisors continuously monitored the global political and economic landscape, domestic and overseas pandemic situation and changes in the financial market environment, as well as actively studying and analysing new issues faced by the Bank's risk management and internal control functions, so as to comprehensively understand the Bank's risk management and internal control status and its progress in towards the implementation of key tasks. It also monitored the Bank's fulfillment of risk and internal control-related regulatory indicators, and completed four quarterly supervision reports on risk and internal control, which provided timely risk alerts for incipient and tendentious issues. Emphasising key areas and key links, it intensified its focus on the supervision of credit risk prevention and control under the new situation, risk management and control in the real estate industry, interest rate and exchange rate risk management, case prevention, major risk screening and the establishment of emergency management mechanism and the application of stress test results. Furthermore, it kept a close eye on risks brought by changes in the external situation to cross-border and cross-industry operations, issued prompt alerts to enhance the management of internal control compliance and business continuity in overseas institutions, and strengthened the

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penetration management of risks in comprehensive operation companies. Focusing on the weak links in the comprehensive risk management and internal control system, it conducted special surveys on the effectiveness of the Bank's comprehensive risk management and internal control and put forward suggestions such as improving the comprehensive risk governance structure, enhancing the Bank's integrated risk management capabilities, consolidating the responsibilities of the internal control "three lines of defence" and strengthening support of internal control resources and support. In addition, it paid close attention to the implementation of the optimisation solutions for the comprehensive risk management system, so as to promote enhanced risk management with a view to better serving the development of the Group.

Strengthened supervision and evaluation in specific fields. In response to regulatory requirements regarding key supervisory matters, the Board of Supervisors optimised its supervision work plan, improved its supervisory analysis framework and indicator system, consolidated its institutional arrangements by which functional departments report to the Board of Supervisors, and issued 20 supervision and evaluation opinions as required.

Leveraged on supervision synergy. The Board of Supervisors adhered to a coordination mechanism between directors and supervisors under which resolutions of the Board of Supervisors are sent to the Board of Directors and briefings of the Board of Directors are sent to the Board of Supervisors. It also continued to jointly carry out activities such as surveys, interviews and training with directors, and reinforced communication and coordination with the Board of Directors and the Senior Management, so as to leverage the governance synergy. In addition, it also deepened cooperation with the internal audit and supervised the work quality of the new external auditors. Moreover, the Board of Supervisors enhanced the coordination with the second and third lines of defence and the comprehensive management

departments, and conducted communication and exchanges with major peers, thus broadening its supervision horizon and improving its supervision efficiency.

Strengthened self-improvement. The Board of Supervisors improved its policy system by revising items concerning the Board of Supervisors in the Articles of Association of the Bank, formulating the *Measures for the Performance Evaluation of the Board of Directors, the Board of Supervisors, the Senior Management and its Members (Trial)*, and improving the *Rules of Procedure of the Board of Supervisors*, the *Terms of References of Duty Performance and Due Diligence Supervision Committee of the Board of Supervisors* and the *Implementation Rules for the Work of the Finance and Internal Control Supervision Committee of the Board of Supervisors*. Furthermore, it strengthened the supervisory team building and, in accordance with the laws, regulations and corporate governance procedures, completed the replacement of the Chairperson of the Board of Supervisors, the resignation of two employee supervisors, the appointment of two employee supervisors and the re-appointment of one employee supervisor, and undertook the selection and appointment of external supervisors. To enhance professional competency of supervisors, special training was held for the Board of Supervisors regarding the opportunities and challenges arising from the globalisation of commercial banks as well as the "carbon neutrality" risk management practices of financial institutions. The Board of Supervisors also urged supervisors to perform their duties and responsibilities and completed the annual duty performance evaluation of the Board of Supervisors and its members. All supervisors performed their supervision duties faithfully and diligently, and made efforts to improve their policy level and ability to perform their duties. Besides, they actively attended meetings, earnestly examined proposals, listened to work reports, carried out special surveys, and provided professional, well-considered and independent suggestions.

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Promoted improvement and progress through supervision. The Board of Supervisors followed up on the Bank's progress in implementing the rectification of problems identified in national tour inspections, national audits, various regulatory inspections and internal and external audit reports, urged that key issues be effectively rectified and promoted the establishment of a far-reaching mechanism for the rectification of common problems. It gave full play to its constructive supervisory role within the corporate governance system, and offered forward-looking, targeted and practical suggestions and supervisory opinions on operation and management to the Board of Directors and the Senior Management, through ways such as sending letters of supervisory recommendations and submitting special survey reports.

The Board of Directors and the Senior Management attached great importance and gave strong support to the work of the Board of Supervisors. By holding Executive Committee meetings and special meetings, issuing written instructions and through other means, they required senior management members and relevant functional departments to carefully study the opinions and suggestions offered by the Board of Supervisors, and push forward the effective transmission, implementation and application of the supervisory results of the Board of Supervisors across the Bank. Effective interaction among the Board of Directors, the Board of Supervisors and the Senior Management boosted the continuous enhancement of the Bank's corporate governance.

During the reporting period, the Board of Supervisors held no objection to such matters under its supervision regarding the Bank's operational and legal compliance, financial position, use of raised funds,

purchase and sale of assets, connected transactions, internal control and corporate information disclosure.

Working Performance of the External Supervisors

During the reporting period, Mr. JIA Xiangsen and Mr. ZHENG Zhiguang, the external supervisors of the Bank, performed their supervisory duty in strict accordance with the provisions of the Articles of Association of the Bank. They were present at shareholders' meetings, attended the meetings of the Board of Directors, the Strategic Development Committee, the Corporate Culture and Consumer Protection Committee, the Audit Committee, the Risk Policy Committee, the Personnel and Remuneration Committee and the Connected Transactions Control Committee as non-voting attendees, and attended all meetings of the Board of Supervisors and its special committees during their terms of office. Mr. JIA Xiangsen and Mr. ZHENG Zhiguang, led two special surveys on the effectiveness of comprehensive risk management and the effectiveness of internal control and proposed independent opinions such as strengthening the comprehensive risk management concept, improving the comprehensive risk management system and imposing stricter supervision accountability. Their contributions played an active role in promoting the improvement of the Bank's corporate governance and business management. During the reporting period, Mr. JIA Xiangsen and Mr. ZHENG Zhiguang worked at the Bank for more than 15 working days.

On behalf of the Board of Supervisors

ZHANG Keqiu

Chairwoman of the Board of Supervisors

29 March 2022