

TERMS OF REFERENCE OF THE AUDIT AND CONSUMER RIGHTS PROTECTION COMMITTEE UNDER THE BOARD OF DIRECTORS OF CHINA BOHAI BANK CO., LTD.

(Adopted at the Fourth Meeting of the First Session of the Board of Directors on September 14, 2006, amended at the Eighth Meeting of the Second Session of the Board of Directors on July 9, 2010, amended at the Third Meeting of the Fifth Session of the Board of Directors on February 4, 2020)

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Chapter I General Provisions

Article 1 In order to improve the level and efficiency of audit supervision and consumer rights protection of CHINA BOHAI BANK CO., LTD. (hereinafter referred to as the “Bank”), and perfect the corporate governance of the Bank, the Board of Directors of the Bank has established an Audit and Consumer Rights Protection Committee and formulated the Terms of Reference pursuant to laws, regulations, and statutory documents (hereinafter referred to as “laws and regulations”) including the Company Law of the PRC, the Guidelines on Corporate Governance of Commercial Banks, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”), the Articles of Association of CHINA BOHAI BANK CO., LTD. (hereinafter referred to as the “Articles of Association of the Bank”), and the Rules of Procedure for the Board of Directors of CHINA BOHAI BANK CO., LTD. (hereinafter referred to as the “Rules of Procedure for the Board”).

Article 2 The Audit and Consumer Rights Protection Committee is a specific working body under the Board of the Bank, and shall be accountable to the Board.

Chapter II Composition and Administrative Bodies

Article 3 The Audit and Consumer Rights Protection Committee shall consist of no less than five Directors, all of whom shall be non-executive Directors and majority of whom shall be independent Directors. Members shall have professional knowledge and work experience in such areas as finance, audit and accounting, among which, there shall be at least one independent Director with appropriate professional qualifications as required in the Hong Kong Listing Rules or with appropriate accounting or related financial management expertise.

Article 4 Former partners of the accounting firm currently responsible for account auditing of the Bank shall not serve as a member of the Audit and Consumer Rights Protection Committee within two years from the date below (whichever is later):

- (1) the date of their termination of the partnership with the accounting firm; or
- (2) the date of their termination of the entitlement to financial interests of the accounting firm.

Article 5 The term of office of the members of the Audit and Consumer Rights Protection Committee shall be the same as that of the Directors. A member may serve consecutive terms if re-elected upon the expiration of his/her term, provided that the cumulative term of an independent Director in the Committee shall not exceed six years. If any member ceases to be a Director of the Bank, or a member who should be an independent Director no longer possess such independence as required by laws and regulations as well as the Articles of Association of the Bank, he/she shall automatically lose his/her qualification as a committee member, and the Board shall fill the vacancy in accordance with the Articles of Association of the Bank and other relevant regulations.

Article 6 Members of the Audit and Consumer Rights Protection Committee shall be nominated by the Chairman of the Board in accordance with laws and regulations, regulatory requirements and the professional expertise of the Directors, and shall be reviewed and approved by the Board. The Audit and Consumer Rights Protection Committee shall have a chairperson, which shall be an independent Director and be responsible for in charge of the Committee.

Article 7 The duties of the chairperson of the Audit and Consumer Rights Protection Committee include:

- (I) leading the Committee and ensuring that the Committee operates effectively and performs its duties;
- (II) convening and presiding over the meetings of the Committee and determining the agenda for each meeting of the Committee in accordance with the provisions of these Terms of Reference;
- (III) ensuring that all members attending the meetings of the Committee are aware of the matters discussed by the Committee and making sure that each of the members has access to complete and reliable information;
- (IV) ensuring that the Committee discusses all key and appropriate matters in a timely manner, and that each issue discussed has clear and unambiguous conclusions;
- (V) other duties and responsibilities as specified by laws, regulations and these Terms of Reference.

Article 8 When the chairperson is unable to or fails to perform his/her duties, more than half of the members shall jointly recommend a member to perform duties on the chairperson's behalf.

Article 9 The Audit and Consumer Rights Protection Committee shall have administrative bodies, which shall consist of the working body and the secretarial body.

Article 10 The Audit Department and Personal Banking Department of the Bank shall be the working body of the Audit and Consumer Rights Protection Committee, responsible for the preparation of meeting proposals and draft resolutions related to the audit and consumer rights protection, and the implementation of meeting resolutions. The Board Office of the Bank shall be secretarial body of the Audit and Consumer Rights Protection Committee, responsible for meeting organization, meeting arrangements, meeting notices, meeting resolutions, filing of meeting minutes, keeping and submission of meeting materials, and standardization of meeting documents.

Chapter III Job Duties

Article 11 The Audit and Consumer Rights Protection Committee shall fulfill the following duties:

- (I) assisting the Board in fulfilling its duties related to the management of our audit work;
- (II) reviewing our internal audit charter and medium-term and long-term audit plans;
- (III) organizing and leading the internal audit of the Bank with authorization from the Board, approving the Bank's audit policies and procedures, the Bank's annual audit work plan and audit budget, as well as supervising the implementation, and evaluating the work procedures and work results of the Audit Department;
- (IV) acting as the key representative body between the Bank and the external auditors, coordinating the communication and work between the internal and external auditors, and overseeing the relations between them; ensuring that the internal audit function is adequately resourced and has appropriate standing within the Bank, and reviewing and monitoring its effectiveness;
- (V) reviewing and approving appointment and removal of the head of the Audit Department of the Bank, and evaluating and supervising the performance of the head of the Audit Department and the Audit Department;
- (VI) hearing reports from the Audit Department on major audit findings from internal auditors, external auditors and relevant regulatory authorities (including but not limited to China Banking and Insurance Regulatory Commission) and on rectification measures carried out by the senior management, supervising the senior management to promptly take appropriate remedial measures on control defects identified in the audit report, actions in violation of laws and regulations and other issues identified by audit staff, reporting to the Board and notifying the senior management and the Board of Supervisors;
- (VII) reviewing the management letter (if any) given to the management by the external auditors, any major queries raised by the auditor on the accounting records, financial accounts or system of control to the management and the management's response; ensuring that the Board will provide a timely response to matters raised in the management letter (if any) given to the management by the external auditors;
- (VIII) reviewing the financial conditions, accounting policies and practices and financial reporting procedures of the Bank, designating working groups to conduct independent supervision and investigations on the implementation, and, when necessary, providing review opinions to the Board and notifying the senior management and the Board of Supervisors;

- (IX) hearing quarterly audit work reports (including project audit report) and annual audit work report from the head of the Audit Department, submitting the quarterly audit work reports and annual audit work report to the Board and notifying the senior management and the Board of Supervisors;
- (X) being responsible for organizing the annual audit of the Bank, reviewing the financial report and the major opinions on financial reporting contained in the annual report and accounts, the semi-annual report and (if planned to be published) quarterly reports, and, before the financial report of the Bank is submitted to the Board for consideration, supervising and designating working groups to conduct independent review on the statements and reports, and preparing evaluation report on the authenticity, completeness and accuracy of the information contained in the audited financial reports, submitting it to the Board for consideration, and notifying the senior management and the Board of Supervisors. In reviewing the relevant statements and reports before submission to the Board, the Committee shall focus particularly on:
1. any changes in accounting policies and practices;
 2. major judgmental areas;
 3. significant adjustments resulting from the audit;
 4. the going concern assumptions and any qualifications relating to the Bank;
 5. compliance with accounting standards; and
 6. compliance with Hong Kong Listing Rules and legal requirements in relation to financial reporting.

For the above matters, members of the Audit and Consumer Rights Protection Committee shall liaise with the Board and senior management members. The Committee shall meet with the external auditors of the Bank at least twice a year; and the Committee shall consider any significant or unusual matters that are reflected or may need to be reflected in such reports and accounts, and shall give due consideration to any matters raised by the staff responsible for accounting, finance, auditing, supervising and compliance or the external auditors of the Bank;

- (XI) discussing the risk management and internal control systems with the management, and ensuring that the management has performed its duties to have effective systems. The discussion should include the adequacy of the Bank's resources, staff qualifications and experience, training programmes taken by employees and related budget for the accounting and financial reporting functions; considering on its own initiative or as delegated by the Board, major investigation findings on risk management and internal control matters and the management's response to these findings;

- (XII) organizing working groups to independently review and evaluate the internal control and risk management systems of the Bank, supervising and inspecting the implementation and effectiveness of the system, and, if necessary, submitting opinions and suggestions to the Board and notifying the senior management and the Board of Supervisors;
- (XIII) reviewing the financial controls of the Bank, and organizing working groups and the senior management to discuss the internal control system of the Bank, and report to the Board on relevant issues to urge the senior management to implement effective internal control system and comply with the provisions of relevant laws and regulations;
- (XIV) for the purchase and disposal of fixed assets involved in ordinary business activities, in case of any expenditure of projects that exceed the approved budget or those with amount subject to the prescribed limitations of budget but without particular details, and with a single amount of more than RMB40 million (exclusive) but less than RMB100 million (inclusive), it shall be reported to the Chairman for approval, and reported to the Board for filing;
- (XV) when deciding to outsource part of the internal audit projects, organizing working groups to review and supervise the independence, objectivity, professional competence and effectiveness of relevant audit procedures of the outsourcing organization;
- (XVI) being responsible for the appointment, re-appointment or removal of external auditors that are responsible for the Bank's annual financial statements and the relevant terms of appointment and remuneration and making recommendations to the Board; handling any issues related to the resignation or dismissal of the external auditors; organizing working groups, if necessary, to evaluate the independence, objectivity and work quality of the external auditors responsible for the Bank's annual financial reports, and submitting evaluation reports and related recommendations to the Board; reviewing and inspecting whether the external auditors are independent and objective and whether the audit procedures are effective according to applicable standards; discussing the nature and scope of audit and related reporting responsibilities with the external auditors before they start their works; developing and implementing policies on the provision of non-audit services by the external auditors (for this purpose, see the Hong Kong Listing Rules for the definition of the external auditor); reporting and making recommendations to the Board on any matters requiring action or improvement;
- (XVII) deciding to, if necessary, engage an external agency to evaluate the due diligence of the Audit Department, and ensuring that the external agency engaged has professional capabilities, is independent from the evaluation object and has no conflict of interest with the evaluation object;

- (XVIII) concerns may be raised by employees of the Bank about possible improprieties in financial reporting, internal controls or other matters in confidence. The Audit and Consumer Rights Protection Committee shall ensure that appropriate arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action by the Bank;
- (XIX) formulating strategies, policies and goals in relation to consumer rights protection of the Bank;
- (XX) submitting work reports and annual reports on consumer rights protection to the Board, carrying out relevant works as authorized by the Board, discussing and deciding on related matters, and studying major issues and important policies for the protection of consumer rights;
- (XXI) guiding and supervising the establishment and improvement of the management system for consumer rights protection, ensuring that relevant system and regulations are in line with the corporate governance, corporate culture construction and operation and development strategies.
- (XXII) supervising and evaluating the comprehensiveness, promptness and effectiveness of the consumer rights protection work conducted by the senior management and the Personal Banking Department in accordance with regulatory requirements and the implementation of strategies, policies and objectives of consumer rights protection and the conduction of work;
- (XXIII) holding regular work conferences on consumer rights protection, reviewing the work reports of the senior management and the consumer rights protection department; studying the audit reports, regulatory notices, internal evaluation results related to the annual consumer rights protection work, and urging the senior management and relevant departments to implement the issues found in the rectification in a timely manner;
- (XXIV) providing guidance on the disclosure of major information for consumer rights protection;
- (XXV) reviewing resolutions in relation to consumer rights protection to be submitted to the Board for consideration and making recommendations to the Board;
- (XXVI) other matters stipulated by the laws and regulations, other regulatory rules of the place where the Bank's securities are listed and the Articles of Association of the Bank, and those authorized or designated by the Board.

Chapter IV Working Relationship

Article 12 The Audit and Consumer Rights Protection Committee shall report to the Board; the head of the Audit Department shall be responsible for and report to the Audit and Consumer Rights Protection Committee on internal audit work; the internal audit work shall be independent from the operation and management; the Bank provides necessary work conditions and sufficient resources for the Audit and Consumer Rights Protection Committee to perform its duties. The Audit and Consumer Rights Protection Committee may, when necessary, engage external experts or intermediary institutions to provide professional opinions on decision-making, and the reasonable expenses incurred shall be borne by the Bank; the Audit and Consumer Rights Protection Committee shall cooperate with the Board of Supervisors to exercise its supervisory functions.

Article 13 The opinions and suggestions from the Audit and Consumer Rights Protection Committee based on its investigation and study shall be provided for the Board's reference only when the Board reviews relevant resolutions. Such opinions and suggestions shall not constitute proposal of resolutions and the Board shall not make resolutions on these opinions and suggestions. The Audit and Consumer Rights Protection Committee shall provide opinions and suggestions to the Board by written proposals and shall provide interpretation and explanation at the Board meeting based on its meeting agenda.

Article 14 The Audit and Consumer Rights Protection Committee shall forward its review opinions or determination on related issues, which need to be informed to other special committees under the Board, to relevant special committees under the Board through secretarial body.

Article 15 The Audit and Consumer Rights Protection Committee has the rights to request the senior management members of the Bank to provide adequate support to its work and give complete answers to the questions raised by it as soon as possible.

The senior management members and relevant departments shall support and assist the work of the Audit and Consumer Rights Protection Committee, provide the Audit and Consumer Rights Protection Committee with the information necessary for performing its duties in a timely manner. The information provided to the Audit and Consumer Rights Protection Committee shall be accurate and complete, and the form and substance of such information shall enable the Audit and Consumer Rights Protection Committee to make a decision based on such materials.

Chapter V Rules of Procedures

- Article 16** The Audit and Consumer Rights Protection Committee shall hold regular meetings and extraordinary meetings.
- Article 17** Regular meetings shall be held at least twice a year to coincide with the year-end and mid-year financial reports. Meetings only attended by the external auditors and the head of the Audit Department shall be organized annually. Regular meetings shall be convened and presided over by the chairperson. The Board Office shall give written notice to all members five business days before such meeting, and the meeting agenda and relevant meeting documents shall be served to all members at least three days before such meeting.
- Article 18** Extraordinary meetings shall be convened and presided over by the chairperson based on needs or the proposals from the Chairman of the Board, the President and the external auditors. Members may make proposals on the subject matters of the meetings jointly or severally in writing, and the chairperson shall arrange to include relevant matters in the agenda of relevant meetings. Two or more members can jointly propose to the chairperson to hold an extraordinary meeting and shall put up with the meeting subject matters in writing. The chairperson shall arrange to convene relevant meetings within five business days after receiving such proposals. The Board Office shall give written notice to all members three business days before such meeting.
- Article 19** With written approval by all members, time of sending out the meeting notice, meeting agenda and relevant meeting documents of the Audit and Consumer Rights Protection Committee may not be limited by the aforementioned period. The Board Office shall provide all members with information relating to the meeting when giving the meeting notice, including relevant background materials for the meeting agenda and information and data assisting the members in making judgments. The Audit Department and Personal Banking Department shall ensure that the above information provided is timely, accurate, complete and standard.
- Article 20** Members of the Committee shall attend the Committee meetings in person. If he/she cannot attend the meeting for any reason, he/she shall authorize another member as proxy with written proxy to attend on his/her behalf. Members who do not attend such meeting and do not authorize other members to attend such meeting as their proxies, shall be deemed to abstain from voting on such meeting.
- Article 21** The quorum of a meeting of the Audit and Consumer Rights Protection Committee shall be more than half of members. Each member shall have one vote. A resolution shall be passed if approved by more than half of all members. Any member who has material interest in the matters deliberated in the meeting shall abstain from deliberating and voting. If the members who participate in the voting are less than three (exclusive), the Audit and Consumer Rights Protection Committee shall submit the relevant matters to the Board for consideration.
- Article 22** Voting at meetings of the Audit and Consumer Rights Protection Committee shall be by hand or by poll; meetings may be held in the form of on-site and off-site meetings.

- Article 23** When deliberating and voting on relevant matter or proposals, members who attended such meeting shall take a serious and responsible attitude towards the Bank by expressing their opinions and suggestions independently and fully on matters discussed and shall be responsible for their voting.
- Article 24** Members of the Audit and Consumer Rights Protection Committee shall continuously trace the change and its impact relating to the matters of the Bank within its duties, and bring to the attention of the special committees in a timely manner.
- Article 25** The Board Office shall copy the meeting notice of the Audit and Consumer Rights Protection Committee to all Supervisors of the Bank at the same time, and invite the Supervisors to attend the meeting.
- Article 26** The Audit and Consumer Rights Protection Committee may, if it deems it necessary, invite the Chairman of the Board of Directors, other Directors, secretary to the Board and other senior management members, external auditors, other relevant personnel or professional parties to attend its meeting.
- Article 27** The Audit and Consumer Rights Protection Committee may, if it deems it necessary, request the head of relevant departments, such as the Audit Department, Personal Banking Department, Risk Management Department and Financial Department of the Bank or their designated person to attend its meeting and make statements on matters under consideration and respond to inquiries.
- Article 28** The relevant staff of the Board Office shall attend the meeting of the Audit and Consumer Rights Protection Committee and be responsible for the production of the meeting minutes. All members present at the meeting shall sign on the meeting minutes.
- Article 29** After the meeting, the chairperson or the person presiding over the meeting shall inform the Chairman of the Board and the members who do not attend the meeting of the convening and holding of the meeting as soon as possible.
- Article 30** Meeting minutes of the Audit and Consumer Rights Protection Committee shall be submitted to the Board in writing.
- Article 31** The persons present and attending the meeting shall be obliged to keep confidential the matters discussed at the meeting, and shall not disclose the relevant information without authorization.
- Article 32** For resolutions of the Audit and Consumer Rights Protection Committee that violates laws, regulations, other regulatory rules of the place where the Bank's securities are listed, the Articles of Association of the Bank and these Terms of Reference and cause the Bank to suffer serious losses, the members participating in the voting shall make compensation to the Bank; however, members who are proven to have expressed different views and have a written record for such views may be exempted from relevant liabilities.

Chapter VI Supplementary Provisions

- Article 33** Unless otherwise specified, the definitions and terms used herein shall have the same meanings as those in the Articles of Association of the Bank.
- Article 34** These Terms of Reference shall become effective upon approval by more than half of all the Directors of the Board and the amendments shall be the same. The former Terms of Reference of the Audit Committee under the Board of Directors of the Bank shall automatically lapse from the effective date of these Terms of Reference. The provisions of the Hong Kong Listing Rules under these Terms of Reference and other regulatory rules of the place where the Bank's securities are listed shall come into effect and applicable from the date on which H Shares publicly issued by the Bank listed on the Stock Exchange of Hong Kong Limited.
- Article 35** Any matters that are not covered herein shall be handled in accordance with laws, regulations, other regulatory rules of the place where the Bank's securities are listed, the Articles of Association of the Bank and Rules of Procedures of the Board of Directors; if these Terms of Reference are in conflict with any laws, regulations promulgated in the future, other regulatory rules of the place where the Bank's securities are listed, or the Articles of Association of the Bank and Rules of Procedures of the Board of Directors as amended under legal procedures, the relevant laws, regulations, other regulatory rules of the place where the Bank's securities are listed, the Articles of Association of the Bank and Rules of Procedures of the Board of Directors shall prevail, and these Terms of Reference shall be amended promptly and be submitted to the Board for review.
- Article 36** The power of interpretation of these Terms of Reference shall be vested in the Board of the Bank.