

Corporate Governance

The Bank takes excellent corporate governance as an important objective and constantly pursues the best practice in corporate governance. It strictly follows the regulatory rules governing capital markets and industries, closely tracks changes and trends in overseas and domestic regulations, proactively explores innovative models and methods of corporate governance, and integrates the Party's leadership with improvement of corporate governance, so as to continuously enhance its corporate governance capabilities.

During the reporting period, the Bank further improved its corporate governance mechanisms. The Bank revised its Articles of Association. Relevant proposal has been considered and approved by the Shareholders' Meeting and will come into force after being approved by the CBIRC. It conducted self-inspection on the implementation of the *Scheme on the Authorisation to the Board of Directors Granted by the Shareholders' Meeting of Bank of China Limited* and the *Measures of Authorisation to the President by the Board of Directors of Bank of China Limited*. The implementation was satisfactory with no approval in excess of authority identified.

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

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

Corporate Governance Compliance

During the reporting period, the actual status of the Bank's corporate governance was consistent with the requirements of the laws, administrative regulations and CSRC regulations on the corporate governance of listed companies.

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

Shareholders' Meeting

On 17 February 2022, the Bank held its 2022 First Extraordinary General Meeting on-site in Beijing. A-Share Holders could also cast votes online. The meeting considered and approved ten proposals, including the election of Mr. HUANG Binghua as Non-executive Director of the Bank, the election of Mr. E Weinan as Independent Non-executive Director of the Bank, the election of Mr. Jean-Louis EKRA as Independent Non-executive Director of the Bank, the election of Mr. Giovanni TRIA as Independent Non-executive Director of the Bank, the election of Mr. HUI Ping as External Supervisor of the Bank, the application for special external donation limit for targeted support, the 2020 remuneration distribution plan for Chairman of the Board of Directors and Executive Directors, the 2020 remuneration distribution plan for Chairman of the Board of Supervisors, the capital management plan of the Bank for the 14th five-year plan period, and the amendments to the *Procedural Rules for Board of Supervisors of the Bank*. All the proposals were ordinary resolutions.

On 30 June 2022, the Bank held its 2021 Annual General Meeting on-site in Beijing. A-Share Holders could also cast votes online. This meeting considered and approved the proposals including the 2021 work report of the Board of Directors, the 2021 work report of the Board of Supervisors, the 2021 annual financial report, the 2021 profit distribution plan, the 2022 annual budget for fixed assets investment, the appointment of the Bank's external auditor for 2022, the election of Mr. Martin Cheung Kong LIAO to be re-appointed as Independent Non-executive Director of the Bank, the election of Mr. CHUI Sai Peng Jose to be re-appointed as Independent Non-executive Director of the Bank, the election of Mr. CHU Yiyun as External Supervisor of the Bank, the

additional donation to the Tan Kah Kee Science Award Foundation, the 2021 remuneration distribution plan for External Supervisors, the plan for the issuance of non-capital bonds, the issuance of write-down undated capital bonds, the issuance of qualified write-down tier 2 capital instruments, the revision of the Articles of Association and the election of Mr. ZHANG Jiangang to be re-appointed as Non-executive Director of Bank of China Limited, among others. The meeting also heard the report on the connected transactions for 2021, the duty report of Independent Directors for 2021, 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 2021. The proposals regarding the plan for the issuance of non-capital bonds, the issuance of write-down undated capital bonds, the issuance of qualified write-down tier 2 capital instruments and the revision of the Articles of Association were special resolutions, while the rest of the proposals were ordinary resolutions.

The abovementioned shareholders' meetings were convened and held in strict compliance with relevant laws and regulations as well as the listing rules of the Bank's listing exchanges. The Bank's directors, supervisors and senior management members attended the meetings and communicated with shareholders on issues of concern. The Bank published announcements on the resolutions and legal opinions of the aforementioned shareholders' meetings pursuant to the regulatory requirements in a timely manner. For details, please refer to the Bank's announcements published on the websites of SSE, HKEX and the Bank on 17 February 2022 and 30 June 2022.

Directors and the Board of Directors

Currently, the Board of Directors comprises fifteen members. Besides the Chairman, there are three executive directors, five non-executive directors and six

independent directors. The proportion of independent directors reaches one-third of the total number of directors, which is in compliance with the Articles of Association of the Bank and the relevant regulatory provisions. The positions of Chairman of the Board of Directors and President of the Bank are assumed by two persons.

Save as disclosed in this report, to the best knowledge of the Bank, information regarding the Bank's directors including their appointments during the reporting period is the same as that disclosed in the 2021 Annual Report of the Bank.

During the reporting period, the Bank convened three on-site meetings of the Board of Directors respectively on 27 January, 29 March and 29 April, and one meeting of the Board of Directors via written resolutions on 24 June. At these meetings, the Board of Directors mainly considered and approved proposals regarding the 2021 work report of the Board of Directors, the 2021 profit distribution plan, the 2021 internal control self-assessment report, the 2021 corporate social responsibility report (ESG), the 2021 annual report, the 2021 capital adequacy ratio report, the 2022 first quarter report, the revision of the Articles of Association and the plan for the issuance of non-capital bonds, among others.

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

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Committee and the Connected Transactions Control Committee. The work performance of each special committee during the reporting period was as follows:

Special Committees	Work Performance
Strategic Development Committee	The committee held three on-site meetings, at which it mainly reviewed proposals on business plan and financial budget of Bank of China for 2022, fixed asset investment budget of Bank of China for 2022, profit distribution plan for 2021, dividend distribution plan of Domestic Preference Shares (Third and Fourth Tranche), issuance of write-down undated capital bonds, issuance of qualified write-down tier 2 capital instruments, non-capital bond issuance plan, the 2022 operation plan of the SME Services Department, among others. In addition, it heard the report on development plan implementation for 2021, the report on green finance development, the report on the IT strategy implementation and IT risk management, the report on digital transformation.
Corporate Culture and Consumer Protection Committee	The committee held two on-site meetings, at which it reviewed the <i>Summary of Consumer Protection for 2021 of Bank of China and work plan for 2022</i> and the <i>Corporate Social Responsibility Report of Bank of China Limited for 2021</i> , among others. In addition, it heard the <i>Report on Consumer Complaints in Banking Industry in the Second Half of 2021</i> and the <i>Work Summary of Corporate Culture Construction for 2021 and 2022 Work Plan</i> .
Audit Committee	The committee held three on-site meetings, at which it mainly reviewed and approved the <i>Development Plan for Audit Work of Bank of China during the 14th Five-Year Plan Period</i> and the 2022 work plan and financial budget for internal audit. It reviewed the re-appointment of external auditors for 2022 and fees, the 2021 financial report, the 2022 first quarter financial report, the 2021 internal control work report, the 2021 internal control assessment report, and the audit results on internal control and its management proposal. In addition, it heard the work report on internal audit in 2021, the 2021 report on the overseas supervision information, the report on prevention and control of cases incurred by outsiders in 2021, the reports on progress in internal control audit and compliance with the principle of independence in 2021 of PricewaterhouseCoopers, the 2022 audit plan and agreed-upon procedures for the first quarter of 2022, and the report on asset quality in the first quarter of 2022, among others.
Risk Policy Committee	The committee held three on-site meetings, at which it mainly reviewed proposals including the Group Risk Appetite Statement (Version 2022), Internal Control Policy (2022 edition), Liquidity Risk Management Policy (Version 2022), Country Risk Ratings & Limits for 2022, Trading Book Market Risk Limits (Level A) in 2022, Internal Capital Adequacy Assessment Process (ICAAP) Report for 2022, Report on the Business and Risk Analysis of Derivatives for 2021 and so on. The committee also regularly reviewed the Risk Reports of the Group.
Personnel and Remuneration Committee	The committee held two on-site meetings and one meeting via written resolutions. At these meetings, the committee mainly reviewed proposals on the appointment of Mr. HUANG Binghua as a member of special committees of the Board of Directors, the appointment of Ms. MENG Qian as Chief Information Officer of the Bank, the performance evaluation results of the Chairman, President and other senior management members for 2021, and the change of chairs and members of special committees of the Board of Directors, among others.
Connected Transactions Control Committee	The committee held one on-site meeting, at which it mainly reviewed and approved the report on the connected party list and other proposals. It also reviewed the report on connected transactions in 2021, report on the Implementation Plan of the CBIRC's New Regulatory Rules on Connected Transactions, among others.

Supervisors and the Board of Supervisors

The Board of Supervisors currently comprises seven members, with one shareholder supervisor (who serves as Chairwoman of the Board of Supervisors), three employee supervisors and three external supervisors.

Save as disclosed in this report, to the best knowledge of the Bank, information regarding the Bank's supervisors including their appointments during the reporting period is the same as that disclosed in the 2021 Annual Report of the Bank.

During the reporting period, the Board of Supervisors of the Bank performed its supervisory duties in accordance with the law. With the aim of building a first-class global banking group, it followed the national decisions and plans regarding economic and financial work and regulatory requirements, earnestly carried out routine supervision of the Bank's strategies, duty performance, finance, risk management and internal control, and further improved the quality and efficiency of supervision. It comprehensively performed supervision over duty performance by conducting the 2021 duty performance assessment of the Board of Directors, the Senior Management and its members. The Board of Supervisors enhanced its strategic and financial supervision, focused on the Bank's service to the implementation of national strategies and its implementation of the 14th Five-Year Plan, and carefully reviewed regular reports. At the same time, it followed up with and studied internal and external situations, intensified efforts to analyse risks in key areas, and issued prompt reminders to the Board of Directors, Senior Management and relevant departments, in order to further enhance its supervision over risk management and internal control. Furthermore, the Board of Supervisors deepened its coordination and collaboration with the second

and third lines of defence to enhance supervision synergy. It continuously tracked the progress of the Senior Management and relevant departments in implementing the opinions and suggestions raised at meetings of the Board of Supervisors and during special surveys, and followed up with the quality and efficiency of rectification. Focusing on the Bank's priorities, the Board of Supervisors launched special surveys on various topics, including the support for the country's high-level opening-up and cross-border risk management, special supervision over the implementation of the Guangdong-Hong Kong-Macao Greater Bay Area strategy, and special supervision over the effectiveness of the Bank's financial management, thereby giving full play to its supervision and advisory role.

During the reporting period, the Board of Supervisors held two on-site meetings on 29 March and 29 April and four meetings via written resolutions on 22 February, 7 March, 12 May and, 27 June, at which it reviewed and approved 25 proposals, including the 2021 annual report, report for the first quarter ended 31 March 2022, profit distribution plan for 2021, social responsibility report for 2021 (ESG), internal control assessment report for 2021, work report of the Board of Supervisors for 2021, 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 2021, performance assessment results and remuneration distribution plan for external supervisors, performance assessment results of the Chairwoman of the Board of Supervisors for 2021, implementation plan for the performance assessment of external supervisors for 2022, appointment of Supervisor HUI Ping as member of the Duty Performance and Due Diligence Supervision Committee and member of the Finance and Internal Control Supervision Committee, nomination of Mr. CHU Yiyun as the candidate for external supervisor

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of the Bank, nomination of Mr. JIA Xiangsen to be re-appointed as external supervisor of the Bank, nomination of Mr. LU Kegui as the candidate for external supervisor of the Bank, supervision and evaluation opinions of the Board of Supervisors on the Bank's performance in strategy implementation, capital management and management of advanced capital measurement approaches, liquidity risk management, internal audit, consolidated management, stress testing management, data governance, internal control, case prevention, reputational risk management and information disclosure management in 2021. The Duty Performance and Due Diligence Supervision Committee held two on-site meetings and four meetings via written resolutions, and the Finance and Internal Control Supervision Committee held two on-site meetings, at which the two committees carried out preliminary review of their respective issues of relevance and submitted them to the Board of Supervisors for review and approval.

During the reporting period, External Supervisors Mr. JIA Xiangsen, Mr. ZHENG Zhiguang and Mr. HUI Ping performed their supervisory duties in strict accordance with the provisions of the Articles of Association of the Bank. Mr. JIA Xiangsen attended the 2022 First Extraordinary General Meeting and the 2021 Annual General Meeting, and was present at meetings of the Board of Directors and relevant committees as a non-voting attendee. He also attended two on-site meetings of the Board of Supervisors, presided over two meetings of the Finance and Internal Control Supervision Committee of the Board of Supervisors, was present at the first seminar of directors, supervisors and senior management in 2022, and participated in special surveys regarding the implementation of the Guangdong-Hong Kong-Macao Greater Bay Area strategy. Mr. ZHENG Zhiguang attended the 2022 First Extraordinary General Meeting, and was present

at meetings of the Board of Directors and relevant committees as a non-voting attendee, attended two on-site meetings of the Board of Supervisors, two meetings of the Duty Performance and Due Diligence Supervision Committee of the Board of Supervisors and two meetings of the Finance and Internal Control Supervision Committee, and participated in special surveys regarding the support for the country's high-level opening-up and cross-border risk management. Mr. HUI Ping attended the 2021 Annual General Meeting, and was present at meetings of the Board of Directors and relevant committees as a non-voting attendee. He also attended two on-site meetings of the Board of Supervisors, two meetings of the Duty Performance and Due Diligence Supervision Committee and two meetings of the Finance and Internal Control Supervision Committee of the Board of Supervisors, was present at the first seminar of directors, supervisors and senior management in 2022, and participated in special supervision surveys regarding the effectiveness of the Bank's financial management. During the reporting period, the three external supervisors expressed opinions independently and objectively, and put forward suggestions on strategy management, business development, risk management and internal control, thus playing an active role in promoting the improvement of the Bank's corporate governance and management quality.

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

placed emphasis on invigorating, adapting to change and driving for major breakthroughs. It accelerated the implementation of various tasks within the Bank's development strategy, thus realising steady improvement in the Group's operating results.

During the reporting period, the Senior Management of the Bank held 22 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 and compliance management.

During the reporting period, the duties of the former Innovation and Product Management Committee were incorporated into the Financial Digitalisation Committee under the Senior Management (Executive Committee) to enhance the coordinated integration and management of product innovation and digitalised development. The Technology Finance Committee was newly established to take charge of the coordinated management and professional decision-making of the Group's technology finance. 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 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, the Financial Digitalisation Committee and the Technology Finance 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.

Implementation of Stock Incentive Plan and Employee Stock Ownership Plan

The Bank approved a long-term incentive policy, including the Management Stock Appreciation Rights Plan and the Employee Stock Ownership Plan, at the Board meeting and the Extraordinary General Meeting held in November 2005. To date, the Management Stock Appreciation Rights Plan and the Employee Stock Ownership Plan have not been implemented.