

Working Regulations for the Audit Committee of the Board of Directors of ICBC

Chapter I General Provisions

Article 1 In order to regulate the decision-making mechanism of the Board of Directors and improve the corporate governance structure of Industrial and Commercial Bank of China Limited (hereinafter referred to as the “Bank”), the Working Regulations are formulated in accordance with the *Company Law of the People's Republic of China*, the *Commercial Bank Law of the People's Republic of China*, the *Articles of Association of Industrial and Commercial Bank of China Limited* (hereinafter referred to as the “Articles of Association of the Bank”) and other applicable laws, administrative regulations, rules and normative documents.

Article 2 The Bank establishes the Audit Committee of the Board of Directors (hereinafter referred to as “the Audit Committee” or “the Committee”) to assist the Board of Directors to carry out relevant work. The Audit Committee shall be mainly responsible for supervising, examining and evaluating the internal control, financial information and internal audit of the Bank, and supervising the audit of annual financial statements of the Bank.

Chapter II Composition

Article 3 The Audit Committee shall be composed of at least three members, all of whom must be non-executive directors. The independent directors shall take up over half of the Committee members, and at least one independent director shall have proper professional qualification or proper expertise in accounting or financial management.

Article 4 The Audit Committee shall have one chairman acted by the independent director who is in charge of the work of the Committee. The Chairman’s main responsibilities and authorities shall include, among other:

- i. Presiding over the Committee meetings and ensuring effective operation and performance of duties of the Committee;
- ii. Deciding procedures of the Committee meetings;
- iii. Ensuring that all members of the Committee know about the issues discussed in the meeting and obtain complete and reliable information;
- iv. Ensuring that the Committee reaches a clear conclusion to each proposal which includes passed, rejected and supplementary materials needed;
- v. Proposing the convening of special meetings;
- vi. Signing resolutions of meetings; and
- vii. Other functions and responsibilities regulated by the Working Regulation.

Article 5 The Chairman and other members of the Audit Committee shall be nominated by the Nomination Committee of the Board of Directors and appointed by the Board of Directors. The removal of the Chairman or other members of the Committee shall be proposed by the Nomination Committee and decided by the Board of Directors.

Article 6 The term of office of the Committee members shall be in conformity with that of their directorship. At the expiration of the term of office, they could be reelected and reappointed. During the term of office, if any member no longer acts as a director or independent director of the Bank, the Board of Directors shall appoint new member to fill the vacancy in accordance with the provisions of Article 5 to meet the requirement of the Working Regulations on composition of the Committee, and the term of office of the new member shall be in conformity with that of the directorship or independent directorship.

Article 7 The main functions of the Committee members shall include, among others:

- i. Attending the Committee meetings, actively airing views on the discussed issues, and exercising the right to vote;
- ii. Proposing the items of the Committee meetings;
- iii. Attending relevant meetings of the Bank, making investigations and researches, and acquiring necessary reports, documents, materials and other relevant information, for the purpose of performing the duties;
- iv. Fully understanding the functions of the Committee as well as the responsibilities as Committee members, being familiar with the operation and management status, business activities and development situation relevant to their responsibilities, and ensuring the capacity of performing the duties;
- v. Fully guaranteeing the working time and energy for performing their duties; and
- vi. Other functions and responsibilities regulated by the Working Regulations.

Chapter III Functions and Powers of the Committee

Article 8 Major functions and powers of the Audit Committee shall include, among others:

- i. supervising the Bank's internal control, reviewing the Bank's management rules and regulations and their implementation, and inspecting and evaluating the compliance and effectiveness of the Bank's significant business activities;
- ii. reviewing financial information of the Bank and its disclosure,

reviewing the Bank's significant financial policies and their implementation, supervising financial operations, and monitoring the truthfulness of the Bank's financial reports and the effectiveness of the management's implementation of financial reporting procedures of the Bank;

iii. inspecting, monitoring and assessing the performance of the Bank's internal audit functions, supervising the internal audit system and its implementation, and evaluating the work procedures and effectiveness of the internal audit departments;

iv. proposing the engagement or replacement of the Bank's external auditor, adopting appropriate measures to supervise its performance, reviewing external auditor's report, and ensuring that the external auditor is responsible for its audit work;

v. urging the Bank to guarantee the internal audit departments have adequate resources to operate and facilitating communications between the internal audit departments and the external auditor;

vi. assessing the mechanism of reporting improprieties in financial reports, internal control or other matters by the Bank's staff, and the mechanism of conducting independent and fair investigation on the reported matters and taking appropriate follow-up action by the Bank;

vii. reporting its decisions and suggestions to the Board of Directors; and

viii. other matters required by laws, administrative regulations, rules, relevant provisions of the securities regulatory authority of the places where shares of the Bank are listed, and as may be authorized by the Board of Directors.

Article 9 The Audit Committee may submit proposals to the Board of Directors for review and approval. The Committee shall provide information concerning its discussion on relevant proposals in the form of reports, suggestions or summaries to the Board of Directors for study and decision-making.

The Audit Committee shall, on its own initiative or as delegated by the Board of Directors, consider findings of major investigations of internal control matters and response of the Senior Management, and report to the Board of Directors.

Article 10 The Audit Committee shall supervise the independence of the external auditors of the Bank and the effectiveness of the audit procedures; make a complete and objective assessment on the annual audit work and quality of external auditors as required by the supervisory authorities, and put forward recommendations to the Board of Directors; gain complete knowledge of and make proper assessment on the accounting firms proposed to be engaged, present its opinions to the Board of Directors for resolution and to the Shareholders' General Meeting for review; and examine the terms and conditions of the engagement and compensation, and handle the matters related with the resignation or removal of external auditors.

The Audit Committee shall formulate policies on the provision of non-audit services by the external auditors of the Bank, and implement such policies.

Article 11 The Audit Committee shall have the right to require senior management members of the Bank to provide sufficient supports to the work of the Committee. The senior management members shall ensure that the finance and accounting department of the Bank is adequately resourced, including relevant staff with proper credentials and experiences and adequate budget for staff trainings, and shall provide information on operating condition and business status of the Bank to the Audit Committee on a timely basis to assist the Committee to perform its duties. The information provided to the Committee shall be accurate and complete.

Article 12 The Audit Committee shall have the right to investigate principal internal control, financial information and internal audit matters. The approaches of investigation shall include but be not limited to attending relevant meeting of the Bank as observers or visitors, making investigations in the Bank, and requiring the senior management members of the Bank or relevant person in charge to make oral or written working report to the Committee within the regulated period and timely answer questions of the Committee.

The Audit Committee shall make a study of relevant investigation matters and of the answers made by senior management members or related responsible persons, and report the investigation results and suggestions to the Board of Directors.

Article 13 If necessary, the Audit Committee may engage intermediary agencies to provide professional opinions, and the reasonable expenses thereof shall be paid by the Bank.

Chapter IV Audit of Financial Reports

Article 14 The Audit Committee shall, within the period of time regulated by applicable laws, administrative regulations, normative documents and regulations of securities regulatory authorities of the listing place, review the annual report, interim report and quarterly report, give opinions on the truthfulness, accuracy and integrity of the financial statement, and report the review opinions to the Board of Directors.

The review opinions of the Audit Committee shall focus particularly on:

- i. any changes in accounting policies and practices;
- ii. major judgmental areas;
- iii. significant adjustments resulting from audit;
- iv. the going concern assumptions and any qualifications;
- v. compliance with accounting standards; and
- vi. compliance with laws, administrative regulations, normative documents and regulations of securities regulatory authorities of the listing place in relation to disclosure of financial information.

Article 15 The Audit Committee shall supervise the audit of annual financial report on a timely basis, specifically:

- i. To determine the schedule for the audit of annual financial report;
- ii. To urge the external auditors to submit the audit report in the agreed period, and be informed of the overall progress of audit work;
- iii. To review the financial statements prepared by the Bank before the external auditors conduct onsite audit, form written opinions, and discuss with external auditors on the audit nature, scope and declaration responsibility; to strengthen communication with external auditors during the onsite audit, review the financial statement of the Bank again after external auditors issue preliminary opinion, and form written opinions;
- iv. To review the annual financial report, form a resolution and submit it to the Board of Directors for review; meanwhile, submit to the Board of Directors the summary report on the annual audit of the accounting firm;
- v. To put forth suggestions on the engagement, replacement or removal of external auditors of the Bank, and submit to the Board of Directors for review;
- vi. To disclose relevant documents in the annual report in accordance with laws, administrative regulations, normative documents and regulations of securities regulatory authorities of the listing place.

Article 16 The Audit Committee shall timely examine and report to the Board of Directors the audit explanation issued by the external auditors to the senior management members of the Bank, any significant inquiry or any significant or unusual items raised by external auditors on accounting records, accounts or internal control system or raised by senior management members, and urge the Board of Directors to make a timely response to external auditors.

Chapter V Meeting Rules

Article 17 The Audit Committee shall hold at least four meetings each year. The Board of Directors, the Chairman of the Committee or over half of the Committee members shall have the right to propose a meeting.

The meeting notice shall be delivered seven days before convening of the meeting, but with unanimous approval of all the attending members, the above-mentioned notice period could be exempted.

The Committee shall have at least two meetings with external auditors each year.

Article 18 The meeting notice shall include:

- i. Venue and time of the meeting;
- ii. Period of the meeting;
- iii. Agenda, discussion items and relevant materials of the meeting; and
- iv. Date of notice.

Article 19 The meeting notice may be delivered by special personnel; or through fax, registered mail or E-mail.

Article 20 The Committee meetings shall be held in the form of on-the-spot meeting, teleconference, video conference and circulation of written proposals.

Article 21 The Committee meeting shall be held with the attendance of over half of all the members.
When needed, persons other than the Committee members, may be invited to attend the Committee meeting.

Article 22 The Committee meeting shall be presided over by the Chairman, or by another member designated by the Chairman when he/she is unable to perform duties due to special reasons.

Article 23 The Committee meeting shall adopt vote by showing hands or open ballot voting.
Each member of the Committee shall have one vote; and the resolution of the meeting shall be approved through vote by over half of all Committee members.

Article 24 The Audit Committee shall establish meeting minute system, and the minutes shall be taken by special personnel designated by the working group. As needed, the meeting may adopt on-the-spot audio record, which shall be supplemented with written minutes based on the audio record.

The written meeting minutes based on the audio records shall be sent to all participating members for review within 10 working days after the conclusion of the meeting. Members who request to revise or supplement the minutes shall feed back their writing opinions within 5 working days after receiving the minutes. All participating members shall sign the final version of meeting minutes.

The meeting minutes shall be regarded as important documents of the Bank and preserved by the Secretary of the Board of Directors in accordance with the archive management system of the Bank.

Article 25 The proposals and voting results which are adopted by the Audit Committee meeting and should be submitted to the Board of Directors for review shall be signed by the Chairman or other Committee member authorized by the Chairman and then submitted to the Board of Directors in writing for study and decision-making.

Article 26 Upon authorization or approval of the Board of Directors, if the resolutions passed at the Committee meeting need to be further carried out by senior

management members or other relevant persons in charge, the Board of Directors' Office shall inform the above-mentioned personnel of the resolutions in writing as soon as possible after the signature of the Chairman or other Committee member authorized by the Chairman. The Committee shall have the right to require the above-mentioned personnel to report on the progress of implementation within the regulated period or at the next meeting.

Article 27 The members and other personnel that attend the Committee meeting shall keep confidential on the issues discussed and/or resolved at the meeting, and shall not disclose relevant information without permission. If there is any action violating such obligations, the related persons shall bear legal liabilities.

Chapter VI Working Group of the Audit Committee

Article 28 The working group shall be established under the Audit Committee responsible for information collection, research support, daily liaisons and organization of meetings. The work of the working group shall be led by the Board of Directors' Office with assistance of related departments such as the Internal Audit Bureau, the Financial and Accounting Department, the Management Information Department and the Internal Control & Compliance Department.

Article 29 The functions and powers of the working group shall include but not limited to:

- i. Being responsible for daily operation of the Committee;
- ii. Arranging the Committee meetings and taking meeting minutes;
- iii. Preparing for the consideration and research of the Committee, reviewing materials submitted to the Committee for deliberation, and ensuring the Management present reports and meeting documents to the Committee by proper means;
- iv. Upon authorization of Chairman of the Committee, reporting the work of the Committee to the Board of Directors;
- v. Assisting the Committee members to attend other relevant meetings of the Bank as observers or visitors, and make researches;
- vi. Assisting the Committee members to understand relevant information;
- vii. Coordinating the work of the Committee and other committees of the Bank; and
- viii. Other functions and powers assigned by the Committee.

Chapter VII Coordination and Communication

Article 30 If the Committee has significant or special issues that should be presented to the Board of Directors, it shall submit written reports to the Board of

Directors, and may suggest Chairman of the Board of Directors to convene the Board meeting.

Article 31 The written reports presented by the Committee to the Board of Directors shall be signed by Chairman of the Committee or an authorized member.

Article 32 If any senior management member has significant or special issues, he/she shall submit written reports to the Audit Committee, and may suggest Chairman of the Committee to convene a meeting for discussion.

Article 33 The written reports presented by the senior management members to the Committee shall be signed by the President or senior management members responsible for relevant issues.

Article 34 The Audit Committee shall report the audit work to the Board of Director on a quarterly basis, and inform the Senior Management and the Board of Supervisors.

Chapter VII Supplementary Provisions

Article 35 Unless specially explained, the terms used in the Working Regulations have equal meanings as those in the Articles of Association of the Bank.

Article 36 The Working Rules shall be implemented as of the issue date after the formulation and revisions are approved by half of all directors. At the same time, the *Working Rules for the Audit Committee of the Board of Directors of Industrial and Commercial Bank of China Limited* (G.Y.F. [2009] No. 120) will become null and void.

Article 37 The issues not covered by the Working Regulations or there occurs conflict with applicable laws, administrative regulations, rules, normative documents or the Articles of Association of the Bank, the latter shall prevail.

Article 38 The Board of Directors shall have the right to revise and interpret the Working Regulations.