

# **Working Regulations for the Strategy Committee of the Board of Directors of Industrial and Commercial Bank of China Limited**

## **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 Strategy Committee of the Board of Directors (hereinafter referred to as the “Strategy Committee” or the “Committee”). The Committee shall assist relevant work of the Board of Directors and be mainly responsible for making researches on the strategy development plans, business and organization development plans, major financing and investment proposals and other material issues that affect development of the Bank.

## **Chapter II    Composition**

**Article 3**        The Strategy Committee shall be composed of at least 3 directors. The Committee shall have one chairman who shall be in charge of the work of the Committee.

The major responsibilities of the chairman shall include, among others:

- i.        presiding over the Committee meetings and ensuring effective operation and due performance of duties of the Committee;

- ii. deciding on agenda of the Committee meetings;
- iii. ensuring that all members of the Committee have full knowledge of 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 stipulated in the Working Regulations.

**Article 4** The Chairman and other members of the Strategy Committee shall be nominated by the Nomination Committee of the Board of Directors and appointed by the Board of Directors. The removal of Chairman or other members of the Committee shall be proposed by the Nomination Committee and decided by the Board of Directors.

**Article 5** 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 re-elected and re-appointed. 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 a new member to fill the vacancy in accordance with the provisions of Article 4 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 6** The major responsibilities 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 as observers or visitors, 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 duties and powers of the Committee as well as the responsibilities as Committee members, being familiar with the operation and management status, business activities and development situation of the Bank relevant to their responsibilities, and ensuring the performance of their duties;
  - v. fully guaranteeing the working time and capacity for performing their duties; and
  - vi. other duties and powers stipulated in the Working Regulations.

### **Chapter III Duties and Powers**

**Article 7** Major functions and powers of the Strategy Committee shall include, among others:

- i. examining plans for strategic development and making suggestions in that respect to the Board of Directors;
- ii. examining annual financial budgets and final accounts and making suggestions in that respect to the Board of Directors;
- iii. examining the strategic capital allocation (such as capital structure and capital adequacy) and asset-liability management targets and making suggestions in that respect to the Board of Directors;
- iv. preparing plans for the overall development of different kinds of financial business and making suggestions in that respect to the Board of Directors;
- v. examining plans for significant restructuring and adjustments and making suggestions in that respect to the Board of Directors;
- vi. being responsible for examining the making of significant investment and financing plans, reviewing proposals in that respect as submitted by the management and making suggestions in that respect to the Board of Directors;
- vii. being responsible for examining the making of merger and acquisition plans and proposals in that respect as submitted by the management and making suggestions in that respect to the Board of Directors;
- viii. examining the strategic development plan of domestic and overseas branches and offices and making suggestions in that respect to the Board of Directors;
- ix. examining plans for strategic human resources development and making

- suggestions in that respect to the Board of Directors;
- x. examining plans for IT development and other special strategic development plans and making suggestions in that respect to the Board of Directors;
  - xi. examining and assessing whether the corporate governance structure is sound so as to ensure that the financial report, risk management and internal control of the Bank meet the Bank's standards for corporate governance; and
  - xii. other duties and powers required by laws, administrative regulations, rules, relevant provisions of the securities regulatory authority of the locality where share of the Bank are listed, and as may be authorized by the Board of Directors.

**Article 8** The Strategy 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 timely provide the Committee with accurate and complete information related to operating and business status of the Bank to assist the Committee in performing its duties rightly.

**Article 9** The Strategy Committee shall have the right to make investigations on the implementation of strategy development plan of the Bank by means of, including but not limited to, attending relevant meetings of the Bank as observers or visitors, making investigations and studies within the Bank, and requiring the senior management members or relevant persons in charge to make oral or written working reports to the Committee within the required period and timely answer questions of the Committee.

The Committee shall study the investigation results and the responses from the senior management members or relevant persons in charge; and report its investigation results and recommendations to the Board of Directors.

**Article 10** The Strategy Committee may submit proposals to the Board of Directors for consideration and approval. The Committee shall provide information concerning its discussion on relevant proposals in the form of reports, recommendations or summaries to the Board of Directors for perusal and decision-making.

**Article 11** If necessary, the Strategy Committee may engage intermediary agency to

provide professional opinions, and the reasonable expenses thereof shall be paid by the Bank.

#### **Chapter IV Meeting Procedures**

**Article 12** The Strategy Committee shall hold at least two 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.

**Article 13** 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 14** The meeting notice shall be sent by hand, fax, registered mail or E-mail or through other methods.

**Article 15** The Committee meetings may be held in the form of on-the-spot meeting and teleconference, video conference or circulation of written proposals or through other means.

**Article 16** 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 17** 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 18** The Committee meeting shall adopt vote by showing hands or open ballot voting.

Each member of the Committee shall have one vote; and the resolutions of the meeting shall be approved through vote by over half of all Committee members.

**Article 19** The Strategy Committee shall establish meeting minutes system, and the minutes shall be taken by a specific personnel designated by the Board of Directors' Office. 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 provide their written comments within 5 working days after receiving the minutes. All participating members and the personnel who prepared the meeting minutes shall sign the final version of meeting minutes.

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

**Article 20** The proposals and voting results which are approved by the Strategy Committee meeting for submission 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 perusal and decision-making.

**Article 21** 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 such resolutions being signed by 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 by the stipulated deadline or at the next meeting.

**Article 22** The members and other personnel that attend the Committee meeting shall keep confidential 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 person in breach of the confidentiality obligation shall be legally liable.

## **Chapter V Working Group of the Strategy Committee**

**Article 23** A working group shall be established under the Strategy Committee, responsible for information collection, research support, daily liaison and organization of meetings. The work of the working group of the Strategy Committee shall be led by the Board of Directors' Office with assistance of departments related to the formulation and implementation of the strategy development plan including the Urban Finance Research Institute, the Corporate Strategy and Investor Relations Department and the International Banking Department.

**Article 24** 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. carrying out preparation work in relation to matters to be considered and approved by the Committee, reviewing materials to be submitted to the Committee for consideration, and ensuring the management present reports and meeting documents to the Committee by proper means;
- iv. upon authorization of the 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 conducting investigations and 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 duties and powers assigned by the Committee.

## **Chapter VI      Coordination and Communication**

**Article 25**            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 the Chairman of the Board of Directors to convene the Board meeting.

**Article 26**            The written reports presented by the Committee to the Board of Directors shall be signed by the Chairman of the Committee or other members as authorized by the Chairman.

**Article 27**            If any senior management member has significant or special issues, he/she shall submit written reports to the Strategy Committee, and may suggest the Chairman of the Committee to convene a meeting for discussion.

**Article 28**            The written reports presented by the senior management members to the Committee shall be signed by the President or senior management members who are responsible for relevant issues.

**Article 29**            The Committee shall report to the Board of Directors on its work generally or on a specific issue if required.

## **Chapter VII      Supplementary Provisions**

**Article 30**            Unless otherwise stated, the terms used in the Working Regulations have the same meanings as those in the Articles of Association of the Bank.

**Article 31**            The Working Regulations shall be implemented as of the issue date after the formulation and revisions being approved by exceeding half of all directors. At the same time, the *Working Rules for the Strategy Development and Nomination Committee of the Board of Directors of Industrial and Commercial Bank of China Limited* (G.Y.F. [2005] No. 229) shall become null and void.

**Article 32** 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 33** The Board of Directors shall have the right to revise and interpret the Working Regulations.