

Working Regulations for the Audit 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 Banks 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 appropriate professional qualifications or appropriate expertise in accounting or financial management.

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

- 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 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 stipulated in the Working Regulations.

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 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 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 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 of the Committee

Article 8 The major duties and powers of the Audit Committee shall include, among others:

- i. supervising the Bank's internal control, reviewing the Bank's core business and 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 auditors' report, and ensuring that the external auditor bear responsibility for their audit work;
- v. procuring that the Bank ensure the internal audit departments have sufficient resources for their operations and facilitating communications between the internal audit departments and the external auditors;
- vi. reporting its decisions and recommendations to the Board of Directors; and
- vii. other duties and powers required by laws, administrative regulations, rules, relevant provisions of the securities regulatory authority of the locality where the 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 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.

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 of the engagement and compensation, handle the matters relating to the resignation or removal of external auditors, and attending to filing and disclosure formalities in accordance with the regulatory requirements.

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 support 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 the adequacy of qualifications and experience of relevant staff and adequacy of budget for staff training, 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 in principal internal control, financial information and internal audit matters by means of, including but not limited to, attending relevant meeting of the Bank as observers or visitors, making investigations and studies within 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 required period and timely answer questions of the Committee.

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

Article 13 If necessary, the Audit Committee may engage intermediary agency 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 stipulated in applicable laws, administrative regulations, normative documents and regulations of securities regulatory authorities of the locality where the shares of the Bank are listed, review the annual report, interim report and quarterly report, give opinions on the truthfulness, accuracy and integrity of the information contained in the financial statements, and report its 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 locality where the shares of the Bank are listed in relation to disclosure of financial information.

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

- 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 reporting responsibility; to strengthen communication with external auditors during the onsite audit, review the financial statements of the Bank again after external auditors issue preliminary audit 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 locality where the shares of the Bank are listed.

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 on accounting records, accounts or internal control system raised by external auditors to the senior management members or raised by senior management members, and urge the Board of Directors to make a timely response to external auditors.

Chapter V Meeting Procedures

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 Committee members, the above-mentioned notice period could be exempted.

The Committee shall have at least one meeting 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 hand, fax, registered mail or E-mail or through other methods.

Article 20 The Committee meetings may be held in the form of on-the-spot meeting, teleconference, video conference or circulation of written proposals or through other means.

Article 21 The Committee meetings may 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 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 25 The proposals and voting results which are adopted by the Audit 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. The proposals not adopted by the Committee shall not be submitted to the Board of Directors.

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 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 27 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 VI Working Group of the Audit Committee

Article 28 A working group shall be established under the Audit Committee, responsible for information collection, research support, daily liaison 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 Information Management 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. 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 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. assisting the Committee members to understand situations and providing professional assistance; and
- viii. other duties 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 the Chairman of the Committee or other members as authorized by the Chairman.

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 who are 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 otherwise stated, the terms used in the Working Regulations have the same meanings as those in the Articles of Association of the Bank.

Article 36 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 Audit Committee of the Board of Directors of Industrial and Commercial Bank of China Limited* (G.Y.F. [2008] No. 25) shall 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.