



中國民生銀行股份有限公司

CHINA MINSHENG BANKING CORP., LTD.

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 01988)

TERMS OF REFERENCE FOR AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF CHINA MINSHENG BANKING CORP., LTD.*

Chapter 1 General

Article 1 These terms of references were formulated in accordance with the Company Law of the People's Republic of China, the Commercial Banking Law of the People's Republic of China, the Measures for the Administration of Independent Directors of Listed Companies, the Corporate Governance Guidelines for Banking and Insurance Institutions, the Guidelines for Internal Audit of Commercial Banks, Measures for the Administration of Independent Directors of Listed Companies, the Shanghai Stock Exchange Self-Regulatory Supervision Guidelines for Listed Companies No. 1 – Standardized Operation, the Articles of Association of China Minsheng Banking Corp., Ltd. (hereinafter referred to as the “Articles of Association”) and other relevant laws, administrative regulations, rules and regulatory documents.

Article 2 The Audit Committee of the board of directors (hereinafter referred to as the “Committee”) is a special authority established by the board of directors in accordance with the Articles of Association and shall be accountable to the board of directors. It shall also provide professional opinions on the decision-making of the board of directors or make decisions on professional matters upon authorization by the board of directors.

Article 3 The members of the Committee shall comprise at least three non-executive directors, with a majority of independent directors possessing professional knowledge and work experience in either finance, audit, accounting or law or other fields. The Committee shall have one chairman, who shall be an independent director possessing accounting qualifications. The composition of the Committee and change of its members shall be nominated by the chairman of the board of directors and shall be determined by the board of directors.

Article 4 The term of office of the members of the Committee shall be the same as that of the directors, and they may be re-elected and re-appointed upon expiration of their terms of office. If any member ceases to hold office as a director of the Bank during his/her term of office, he/she will be automatically disqualified as a member of the Committee. If the number of members is less than three as a result of the vacancy, the board of directors shall fill the vacancy as soon as possible in accordance with Article 3 of these terms of reference.

Article 5 The Committee shall establish a secretarial body and have one secretary to the Committee. The secretary to the Committee and the secretarial body shall assist the Committee in its performance and operation.

Chapter 2 Duties and Obligations

Article 6 The major duties of the Committee are:

- (1) making recommendations on the appointment or replacement of external auditor, reviewing the remuneration and terms of engagement of external auditor, and submitting the same to the board of directors for consideration;
- (2) supervising the independence and objectivity of external auditor and the effectiveness of the audit process; discussing with the auditor about the nature and scope of audit and the relevant reporting responsibility before the auditing works proceed; and supervising the Bank's formulation of policies regarding non-auditing services provided by external auditor and implementation of such policies;
- (3) examining the financial and accounting policies and practice of the Bank, reviewing the annual financial budget and final accounting report of the Bank; and reviewing the quarterly, interim and annual financial reports to be disclosed by the Bank, making recommendation on the truthfulness, completeness and accuracy of the information disclosed in such financial reports, and submitting the same to the board of directors for consideration;

the Committee shall pay special attention to the following matters: any changes in the accounting policy and practice; any matters involving material judgments; significant account adjustments due to auditing; on-going concern assumptions and any reserved comments; compliance with the accounting standards; and compliance with the relevant provisions on financial reporting of places where the Bank is listed and other statutory provisions;

the Committee shall take into account any material and unusual matter reflected in or required to be reflected in relevant reports, and shall duly consider any issues raised by the staff responsible for accounting and financial reporting or by the auditor;

- (4) as authorized by the board of directors, reviewing the rules for internal audit and other important systems and reports, approving the medium to long-term audit plan and annual audit plan, as well as guiding, assessing and evaluating the internal auditing work and monitoring the implementation of the internal audit system to ensure sufficient resources are provided to and appropriate standing for the internal auditing department of the Bank;
- (5) supervising and guiding the establishment of the internal control system and organizing the self-evaluation of the internal control of the Bank; discussing the internal control system with the management to ensure the management has performed its duties to establish an effective internal control system, including whether the adequacy of required resources, qualification and experience of accounting and financial reporting personnel and training programmes for relevant employees and relevant expenditure meets the budget;

- (6) coordinating communication among the management, internal audit department and external auditor; supervising the management to rectify problems identified during the internal audit; reviewing the accounting records, financial accounts or proposals for the management of internal control system and proposals for the special auditing on material matters provided to the management by the external auditor, assisting the management to provide corresponding responses and ensuring the board of directors to provide timely responses to the recommendations made by the external auditor to the management;
- (7) reviewing matters related to the appointment or dismissal of the person in charge of financial affairs of the Bank, and providing professional advice and submitting the same to the board of directors for consideration;
- (8) reviewing and supervising the financial reporting, internal control or other irregularities reported by the Bank's employees to ensure that the Bank handles the reporting matters fairly and independently, and takes appropriate actions;
- (9) performing duties stipulated by the laws, administrative regulations, rules and requirements of the securities regulators in the place where the shares of the Bank are listed and dealing with other matters conferred by the board of directors.

Article 7 The Committee may establish a work leadership group for major works to specifically instruct the conduct of such works.

Article 8 The Committee may engage an intermediary to conduct special consultation on important matters.

Article 9 The Committee may require the relevant departments of the Bank to provide such information as may be necessary for performing its duties and shall be authorized to require the relevant departments and employees of the Bank to provide assistance.

Chapter 3 Rules of Proceedings

Article 10 Meetings of the Committee shall be convened by its chairman when necessary and a notice specifying the items to be discussed, venue and time of the meeting shall be given by the secretarial body of the Committee to all members of the Committee five days prior to such meeting. The chairman of the Committee (or in his or her absence or being unable to preside over the meeting, a member who is an independent director designated by the chairman) shall chair the meeting.

The Committee shall hold a meeting at least once a quarter. An extraordinary meeting may be convened upon the proposal of two or more members, or when the chairman of the Committee deems it necessary. The above-mentioned notice period to convene an extraordinary meeting may be exempted provided that the chairman of the Committee shall make an explanation at the meeting.

Article 11 The quorum of the meetings of the Committee shall be not less than two thirds of the members. A resolution proposed to the board of directors shall be passed by not less than half of all members of the Committee before being submitted and a resolution authorized by the board of directors to resolve shall be passed by not less than two thirds of all members of the Committee.

Article 12 The meetings of the Committee may be convened in the form of meeting in person or circulating written resolutions.

Article 13 Subject to the consent of the chairman of the Committee, the Committee may invite other relevant directors, supervisors and senior management of the Bank to attend the meetings. The Committee may also invite intermediaries to send representatives to attend the meetings when necessary.

Article 14 The meetings of the Committee shall vote by a poll. Each member shall be entitled to one vote.

Members of the Committee who are not able to present in person at the meeting may submit their opinions in writing to the chairman of the Committee before the convening of the meeting.

Article 15 Minutes of a meeting shall be kept after the physical meetings of the Committee, which shall fully reflect the opinions of the attendees on the matters considered and the voting results of each voting matter. Relevant personnels, including directors, the secretary to the board of directors and the person who takes the minutes attending the meetings, shall sign on the minutes of the meetings for confirmation. Based on the review of the directors, the Bank shall keep the finalized minutes of the meetings for filing, which shall be circulated to all members of the Committee.

Minutes of a meeting shall be kept at meetings convened through circulation of written proposal, setting out the results of each voting matter, and the minutes of the meetings shall be circulated to all members of the Committee and filed.

Article 16 Members of the Committee and other personnel present at the meetings shall have an obligation to keep all matters discussed in such meetings confidential and shall not disclose the relevant information without authorization.

Article 17 Members of the Committee shall duly perform their duties and participate in the meetings and activities of the Committee on time. The attendance of the members shall be a criterion of the evaluation of the performance of directors.

Article 18 The independent directors serving as members of the Committee shall perform their duties in the Committee in accordance with the relevant laws, administrative regulations, rules, regulatory documents and the Articles of Association. When the independent directors performing their duties and noticing the significant matters of the Bank within the scope of duties of the Committee, they can bring forth the matters to the Committee for discussion and consideration in a timely manner in accordance with the procedures.

Article 19 The Committee shall submit an annual working report or (when necessary) provisional report to the board of directors.

Article 20 The Bank shall prepare and keep the files of the meetings of the Committee, which include meeting notices, meeting materials, votes, minutes of the meetings signed and confirmed by the attending directors or the minutes of the meetings shall be kept at meetings convened through circulation of written proposal, etc. The meeting records of the Committee shall be kept permanently.

Chapter 4 Working Procedures

Article 21 The Committee shall formulate its annual working plan based on the strategies and working plan of the board of directors.

Article 22 The working procedures of the Committee shall include proposing resolutions, decision-making, reporting, handling extraordinary resolutions and feedback upon decisions.

Article 23 Proposing resolutions procedures. Proposals of the meeting include matters specifically required to be considered and voted on, reports to be heard or matters to be reported.

The proposal submitting department shall submit the proposal signed by the authorized person in writing to the secretarial body of the Committee, who shall request the chairman of the Committee to convene a meeting to study such proposal. The time limit for submission of the proposal shall meet the operational and management requirements of the Committee.

The Committee shall, based on its duties and the Bank's development needs, also has the right to discuss and study the relevant matters required to be decided by the board of directors and directly make a proposal.

Article 24 Decision-making procedures. The chairman of the Committee shall organize the meeting to study and consider or listen to the proposal, and if necessary, communicate with the management, relevant functional departments, other special committees or other directors on the contents of the proposal before the meeting to form a review opinion. The Committee shall submit the proposal considered and approved to the board of directors. The secretarial body of the Committee shall notify the proposal submitting department in a timely manner of the opinions or requests of the Committee for proposals that have not been passed, that have been postponed for voting, or that the Committee considers to be inaccurate, unspecific, or insufficient in relevant materials.

The Committee shall exercise its decision-making authority over the matters authorized for decision-making by the board of directors, and may, if necessary, formulate resolutions and notify relevant departments in a timely manner for implementation and report to the board of directors for filing.

Article 25 Reporting procedures. The Committee shall discuss and study the matters within its terms of reference that are not required to be decided based on its duties and working plan. If it is necessary to report to the board of directors according to relevant requirements or the Committee deems it necessary to further report to the board of directors, the Committee shall report to the board of directors after its study and approval.

Article 26 Handling extraordinary resolutions procedures. The Committee shall arrange and convene a meeting for the discussion of extraordinary resolutions forwarded by the chairman of the board of directors or approved by the chairman of the Committee immediately after the receipt of such resolutions.

Article 27 Feedback upon decisions procedures. Upon forming a resolution or deliberating an opinion, the Committee shall issue a notice to or share Committee’s opinion with the proposal submitting department or the undertaking department, make arrangements and exercise supervision when necessary, and listen to the reporting of the implementation progresses.

Chapter 5 Miscellaneous

Article 28 A “meeting in person” referred to in these terms of reference shall mean a meeting attended in person or convened by way of video or telephone, etc. which can make sure that attendants can communicate and discuss matters instantly.

A meeting convened by way of “circulating written resolutions” referred to in these terms of reference shall mean a meeting method in which a resolution is voted on a proposal by serving it for consideration or by circulating it for consideration, respectively, or by circulating a report and giving feedback.

Article 29 Unless otherwise specified, terms used herein shall have the same meanings as those defined in the Articles of Association.

Article 30 These terms of reference shall come into effect upon the passing of the resolution of the board of directors. The original Terms of Reference for the Audit Committee of the Board of Directors of China Minsheng Banking Corp., Ltd. (considered and approved at the 29th meeting of the eighth session of the board of directors on 30 November 2022) Min Yin Ban Fa [2022] No. 1225 was repealed simultaneously.

Article 31 For any matters not covered by these terms of reference or in the event of any conflict with the relevant provisions of the laws, administrative regulations, rules, regulatory documents or the Articles of Association of the Bank promulgated or amended after these terms of reference come into effect, such provisions shall prevail.

Article 32 The interpretation of these terms of reference shall be vested in the board of directors of the Bank.

* *Important: The above is an English translation of the Chinese version of the Terms of Reference for Audit Committee of the Board of Directors. In case of any discrepancies or inconsistencies, the Chinese version shall always prevail.*