

Please note that these Rules of Procedures for Meetings of the Board of Directors are written in Chinese without an official English version. This English version is for reference only. In case of any inconsistency, the Chinese version shall prevail.

Rules of Procedures for Meetings of the Board of Directors of China Merchants Bank Co., Ltd. (2022 Revision)

CHAPTER 1 GENERAL PROVISIONS

- Rule 1** In order to ensure the Board of Directors of China Merchants Bank Co., Ltd. (the “Bank”) may exercise its authority and power in an independent, standardized and effective manner, work efficiently and make scientific decisions, the Bank has formulated the Rules of Procedures for meetings by the Board of Directors in accordance with the provisions of the “Company Law of the People’s Republic of China” (the “Company Law”), the “Mandatory Provisions of the Articles of Association of Companies Listed Overseas”, the “State Council Guidance on the Implementation of Pilot Scheme of Preference Shares” and the “Articles of Association of China Merchants Bank Co., Ltd.” (the “Articles”) as well as other relevant laws and regulations and regulatory documents, combined with the Bank’s actual situation.
- Rule 2** The Board of Directors is the permanent establishment for operation and decision making of the Bank, and shall be accountable to the shareholders’ general meeting. The Board of Directors performs its duties in accordance with the provisions of the Company Law, the Articles as well as other relevant laws, regulations and regulatory documents.

CHAPTER 2 COMPOSITION AND FUNCTIONS OF THE BOARD OF DIRECTORS

- Rule 3** The Bank shall establish a Board of Directors. The Board of Directors shall comprise of eleven to nineteen directors. The Board of Directors shall have one chairman and one to two vice chairman/chairmen. The composition of Board of Directors shall comply with the relevant provisions of laws, administrative regulations, departmental rules and the Articles.
- Specifically, the total number of executive directors shall not exceed one-third of the total number of directors.
- Rule 4** The chairman and vice chairman of the Board of Directors shall be appointed amongst the directors, and shall be elected and removed by more than one half of all the directors. The term of office of the chairman and vice chairman shall be three years and may be re-elected and reappointed.
- Rule 5** The Board of Directors shall be accountable to the shareholders’ general meeting, take ultimate responsibility for the operation and management of the Bank and shall exercise the following functions and powers:
- (1) to be responsible for the convening of shareholders’ general meetings and shall report on the work to the shareholders’ general meetings;

- (2) to implement the resolutions passed at the shareholders' general meetings;
- (3) to determine the Bank's business plans, investment proposals and important asset disposal proposals;
- (4) to formulate the development strategy and capital management strategy of the Bank, pay special attention to such ancillary strategies as the talent strategy and the IT strategy and supervise the implementation of such strategies;
- (5) to formulate the Bank's proposals on annual financial budgets and final accounts;
- (6) to formulate the Bank's profit distribution proposal and loss recovery proposal;
- (7) to formulate proposals on the increase or reduction of the Bank's registered capital, issuance of bonds or other securities and listing;
- (8) to draw up plans for significant acquisition, repurchase of the Bank's shares or merger, division or dissolution or change of mode of the Bank;
- (9) to decide on matters including equity investment and other external investment, acquisitions and disposals of fixed assets and other assets, disposals and written-off of assets, assets pledge, external guarantees, related party transactions, and external donations within the scope stipulated by the Articles and authorised by the shareholders' general meeting;
- (10) to decide on the establishment of the Bank's internal management organs;
- (11) to appoint or remove the Bank's president and secretary of the Board of Directors; and to appoint or remove the Bank's senior management members including the executive vice presidents and the financial controller in accordance with the recommendations of the president; to decide on their remunerations, rewards and punishment; and to monitor and ensure the effective performance of their management duties by the senior management of the Bank;
- (12) to decide the allocation ratio in proportion to the total profits in relation to the reward fund to the president;
- (13) to formulate the Bank's basic management system;
- (14) to formulate proposals on the amendments to the Articles, formulate the rules of procedures for shareholders' general meetings of the Bank and the rules of procedures for meetings of the Board of Directors, and consider and approve the implementation rules for the specialised committees under the Board of Directors;
- (15) to formulate the vocational guidelines and value standards with which the Board of Directors and senior management members shall comply;

- (16) to take charge of information disclosure of the Bank and take ultimate responsibility for the truthfulness, accuracy, completeness and timeliness of the accounting and financial reports of the Bank;
- (17) to propose at a shareholders' general meeting to appoint or replace the accounting firm which undertakes regular auditing work of financial statements for the Bank;
- (18) to hear the president's work report and inspect the president's work;
- (19) to regularly assess and improve the status of corporate governance of the Bank;
- (20) to formulate the overall strategy for the management of consolidated financial accounts of the Bank, approve and supervise the formulation and implementation of the specific implementation plan on the management of consolidated financial accounts, and establish a mechanism of regular review (including the review of internal transactions) and assessment;
- (21) to formulate the Bank's capital plans, perform the Bank's ultimate duty for capital management, leverage ratio management and solvency management set limits on risk exposure and the capital adequacy objective, approve and supervise the implementation of capital planning, consider and approve the implementation of the advanced capital measurement method, and perform the duty of capital management required by the banking supervision and administration department under the State Council;
- (22) to formulate policies on risk tolerance level, risk management and internal control of the Bank and assume ultimate responsibility for comprehensive risk management;
- (23) to formulate the Bank's data strategy, approve or authorise the approval of major matters related to data governance, and assume the ultimate responsibility for data governance;
- (24) to review the Bank's environmental, social and governance (the "ESG") development strategy, basic management system and related work reports, and approve or authorise the approval of major ESG-related matter;
- (25) to consider and approve the management system for provision for impairment of loans and its material changes;
- (26) to establish and improve the accountability mechanism for material loss of the Bank and formulate an accountability system for senior management;
- (27) to assume the ultimate management responsibility for shareholders' affairs, establish the mechanism for identification, verification and management of the conflict of interest between the Bank and shareholders, in particular substantial shareholders;

- (28) to protect the legitimate interests of financial consumers and other interested parties;
- (29) to decide on matters relating to the issuance of preference shares and the issued preference shares of the Bank, including but not limited to making decisions on whether to conduct relevant repurchase, conversion or dividend distribution (but the Board of Directors shall not be authorised to decide on matters of cancellation of part or all of the dividend distribution) thereof within the scope authorised by the shareholders' general meeting;
- (30) to assume the ultimate responsibility for the establishment, operation and maintenance of the internal audit system, as well as the independence and effectiveness of internal audit;
- (31) to exercise any other duties and powers conferred by laws, administrative regulations, the Articles and the shareholders' general meeting.

Items (6), (7), (8), (11), (14) and (29) and other issues set out in Rule 16 of these Rules of Procedures shall be voted for by two-thirds of the directors and the remaining items shall be voted for by over one-half of the directors. The Board of Directors shall fully take into consideration the opinions of external auditors when performing its duties.

The powers of the Board of Directors shall be exercised collectively by the Board of Directors of the Bank. In principle, the functions and powers of the Board of Directors stipulated in the Company Law shall not be delegated to the chairman of the Board of Directors, directors, other institutions or individuals to exercise. Where it is necessary to authorise any of the aforesaid persons or institutions to make a decision on a specific matter, it shall be done by means of resolution of the Board of Directors in accordance with the laws. The Board of Directors shall only authorise its power on a case-by-case basis, and shall not grant its power to any other institution or individual in a general or permanent manner.

Rule 6 The Board of Directors of the Bank shall explain the qualified audit reports issued by registered accountants in respect of the Bank's financial reports at the shareholders' general meeting.

Rule 7 The chairman of the Bank shall be the first responsible person in handling the shareholding management of the Bank. The secretary of the Board of Directors shall assist the chairman and shall be the direct responsible person in handling the shareholding management.

The Board of Directors of the Bank shall, at least evaluate the qualifications of substantial shareholders, their financial position, shareholding, pledge of equity interests, related party transactions, exercise of shareholders' rights, the performance of responsibilities, obligations and commitments, implementation of the Articles and the terms of the agreements and the compliance with laws, regulations and regulatory requirements of substantial shareholders annually, and submit the assessment reports to the banking supervision and administration department under the State Council or its local offices in a timely manner.

Rule 8 The Board of Directors shall define its authority in relation to investment and disposals of the Bank's assets and establish strict examination and policy making procedures; shall arrange for the relevant experts and professionals to assess and examine significant investment projects and asset disposals and submit a report of the same to the shareholders' general meeting for approval.

The equity investments or other external investments and the acquisition or disposal of fixed assets or other assets each involving an amount not exceeding 10% (inclusive) of the net asset value based on the latest published audited accounts of the Bank shall be approved by the Board of Directors; and any single acquisition or disposal involving an amount which is in excess of the aforementioned limit shall be approved at the shareholders' general meeting. Any assets investment and disposal by the senior management shall be authorized by the Board of Directors.

For disposal of any fixed assets by the Board of Directors, if the aggregate of the expected value of the fixed assets proposed to be disposed of and the value of the fixed assets which had been disposed of within four months immediately preceding such proposal for disposal exceeds 33% of the fixed assets value shown in the most recent balance sheet reviewed by the shareholders' general meeting, the Board of Directors shall not dispose or approve the disposal of such fixed assets before obtaining the approval of the shareholders' general meeting.

In principle, the total annual external charitable donations of the Bank shall not exceed 1% of the Bank's audited net profit (group basis) of the previous year, and shall be approved by the Board of Directors; external donations in excess of the above limit shall be approved by the shareholders' general meeting. The authority of the senior management for external donations is authorised by the Board of Directors.

Acquisition and disposal of fixed assets referred to in this Rule includes the transfer of interests of assets, but excludes the provision of fixed assets as pledges to any guarantees.

The validity of transactions conducted by the Bank in relation to the disposal of fixed assets shall not be affected notwithstanding any violation of the requirements set out in this Rule.

Rule 9 The chairman shall be entitled to exercise the following powers:

- (1) to preside over shareholders' general meetings and to convene and preside over board meetings;
- (2) to supervise and examine the implementation of the resolutions of the board meeting;
- (3) to sign the share certificates, bonds and other marketable securities issued by the Bank;
- (4) to sign any material documents of the Board of Directors and other documents which shall be signed by the legal representative of the Bank;

- (5) to exercise the functions and powers of a legal representative;
- (6) in the event of an occurrence of any severe natural disaster or any other force majeure event, to exercise his/her special power of disposition in relation to the affairs of the Bank in compliance with the legal provisions and in the interests of Bank and, subsequently report such disposition to the Board of Directors and shareholders' general meeting; and
- (7) other powers conferred by the Board of Directors.

If the chairman cannot perform his/her duties or fails to perform his/her duties, the vice chairman shall perform the duties accordingly (if the Bank has two vice chairmen, the vice chairman selected by more than one half of the directors shall perform the relevant duties); if the vice chairman cannot perform his/her duties or fails to perform his/her duties, a director selected by more than one half of the directors shall perform the relevant duties.

CHAPTER 3 MEETINGS OF THE BOARD OF DIRECTORS

Rule 10 There are two types of board meeting: regular board meeting and extraordinary board meeting. The Board of Directors shall hold at least one regular board meeting on a quarterly basis, and the board meeting shall be convened by the chairman of the Board of Directors. Notice of board meeting shall be sent to all directors and supervisors in writing at least fourteen days before the date of the meeting.

Rule 11 An extraordinary meeting of the Board of Directors may be held by the chairman within ten days, if:

- (1) it is deemed necessary by the chairman;
- (2) it is proposed by more than one-third of the directors;
- (3) it is proposed by more than two of the independent directors;
- (4) it is proposed by the Board of Supervisors;
- (5) it is proposed by the president;
- (6) it is proposed by shareholders (including shareholders of ordinary shares and shareholders of preference shares with recovered voting rights) representing more than 10% of the voting rights; and
- (7) other circumstances stipulated by laws, administrative regulations, departmental rules or the Articles.

Rule 12 The notice of extraordinary meetings of the Board of Directors shall be delivered to the directors and supervisors within a reasonable time prior to the meeting.

Rule 13 Notice of meeting of the Board of Directors shall contain:

- (1) date and place of the meeting;
- (2) duration of the meeting;
- (3) reasons for and discussion topics of the meeting;
- (4) date of issuance of the notice.

CHAPTER 4 VOTING AND RESOLUTIONS AT MEETINGS OF THE BOARD OF DIRECTORS

Rule 14 A meeting of the Board of Directors shall only be held if it has a quorum of more than one half of the directors. Each director shall have one vote. Resolutions adopted at the board meeting must be approved by more than one half of the directors. Where there is an equality of votes for and against a particular resolution, the chairman shall be entitled to have a casting vote.

When a director and the enterprises involved in the resolutions of the board meeting have connected relations, such director shall not exercise his/her voting rights on such proposal nor can he/she exercise any voting rights on behalf of others directors. The meeting may be held if it is quorated by more than one half of the unrelated directors. The resolutions of the board meeting shall be passed by more than one half of unrelated directors. If the number of unrelated directors attending the board meeting is less than three, such matter shall be put forward to the shareholders' general meeting for discussion.

Rule 15 Voting of resolutions of the Board of Directors shall proceed by the following methods: voting by a show of hands or voting by poll.

Rule 16 The meetings of the Board of Directors may be convened by members attending in person (including on-site, video and telephone conferences to ensure that participants can communicate and discuss in real time) or by signature in written form.

Meetings of the Board of Directors may be convened by way of signature in written form provided that the directors have fully expressed their views and comprehended the matters and topics for discussion at the meeting and the directors attending the meeting shall sign accordingly.

Important matters including profit distribution proposals, remuneration plans, proposals on significant investment and significant asset disposal, appointment or removal of senior management members, capital replenishment plans, significant changes in equity and financial restructuring shall not adopt the voting by way of signature in written form and such matters shall be approved by more than two-thirds of the directors of the Board of Directors.

Rule 17 Directors shall attend the board meeting in person. If a director cannot attend the meeting due to certain reasons, he may appoint another director in writing to attend on his/her behalf. However, an independent director shall not appoint a non-independent director to attend the meeting on his/her behalf. In principle, a director can accept the appointment of up to two directors who cannot attend the meeting in person. When considering related party transactions, non-related directors shall not appoint related directors to attend the meeting on their behalf.

The proxy form shall state the name of the proxy, the relevant matters, personal opinion, voting intention and validity period and shall be signed by the appointor or a chop shall be affixed.

The Directors attending the meetings on their behalf shall exercise the rights of Directors within the scope of authorisation. If a director fails to attend a meeting of the Board of Directors or appoint a representative to attend such meeting, he/she shall be deemed to have waived his/her right to vote at such meeting.

Directors' responsibilities for voting matters should not be exempted by appointing other directors to attend the meeting.

Rule 18 Minutes shall be taken for the matters discussed at the meeting and the directors attending the meeting, secretary to the Board of Directors and the person taking the minutes shall sign on the minutes. Directors attending the meeting shall have the right to request to record in the minutes details of the speech made by them at the meeting. The minutes of the board meeting shall be kept as the Bank's files permanently.

Rule 19 The minutes of the meeting of the Board of Directors shall include the following:

- (1) date and place of the meeting and the name of the convenor;
- (2) names of the directors attending the meeting and names of the directors (proxies) appointed by others to attend the board meeting;
- (3) agenda of the meeting;
- (4) main points of the speeches of the directors;
- (5) method and results of the voting for each proposal (the voting results shall state the numbers of votes for or against the proposal or abstention).

Rule 20 Directors shall sign on the board resolutions and shall be responsible for the board resolutions. If the board resolutions violate the relevant laws, regulations, the Articles or resolutions of the shareholders' general meeting thus causing losses to the Bank, the directors participating in the resolutions shall be liable to compensate the Bank for the losses. However, on verification that a director had stated his/her objection when voting and the same was recorded in the minutes, such director may be exempted from such liability.

CHAPTER 5 SPECIALISED COMMITTEES UNDER THE BOARD OF DIRECTORS

Rule 21 The Board of Directors of the Bank has established specialised committees, i.e. the Strategy and Sustainable Development Committee, the Audit Committee, the Related Party Transactions Management and Consumer Rights Protection Committee, the Risk and Capital Management Committee, the Remuneration and Appraisal Committee and the Nomination Committee. Each of the specialised committees is responsible directly to the Board of Directors. They provide professional opinions to the Board of Directors, or make decisions in respect of professional issues in accordance with the authorisation of the Board of Directors, and regularly discuss with senior management and relevant departments on the operation and risk status of the Bank and put forward opinions and advices. All specialised committees comprise of directors, and each committee shall have at least three members. In particular, the Audit Committee, the Related Party Transactions Management and Consumer Rights Protection Committee and the Nomination Committee shall not consist of directors nominated by controlling shareholders. The majority of the members of the Audit Committee, the Related Party Transactions Management and Consumer Rights Protection Committee, the Remuneration and Appraisal Committee and the Nomination Committee shall be independent directors, and they shall act as the chairman of meetings. Among the members of the Audit Committee and the Related Party Transactions Management and Consumer Rights Protection Committee who are independent directors, at least one of them shall have professional expertise in accounting. In principle, the proportion of independent directors in the Risk and Capital Management Committee shall not be less than one-third, and its chairman shall have experience in identification and management of various risks. The members of the Audit Committee shall have professional knowledge and working experience in a certain area of finance, auditing, accounting or law and in principle, they shall be independent from the daily operation and management of the Bank. The chairman of a specialised committee in principle shall not serve as the chairman of another committee.

Rule 22 The major duties of the Strategy and Sustainable Development Committee under the Board of Directors include:

- (1) formulate the operational goals and medium-to-long term development strategies, and make an overall assessment on its strategic risk;
- (2) consider material investment and financing projects and make proposals to the Board of Directors;
- (3) supervise and review the implementation of the annual operational and investment plans;
- (4) evaluate and monitor the implementation of Board resolutions;
- (5) put forward proposals and plans on important issues for discussion and determination by the Board of Directors;

- (6) formulate data governance strategies and major matters related to data governance;
- (7) review ESG development strategy and basic management system, review ESG-related work reports, regularly assess the implementation of ESG development strategies, and promote the implementation of other ESG-related work in accordance with regulatory requirements;
- (8) other matters authorised by the Board of Directors.

Rule 23 The major duties of the Audit Committee under the Board of Directors include:

- (1) review the financial information and its disclosure, be responsible for the annual audit work, and make a judgment report on the authenticity, accuracy, completeness and timeliness of the information set out in the audited financial report;
- (2) inspect accounting policies, financial reporting procedures and financial position;
- (3) propose to engage or replace an accounting firm for regular audit of financial reports, and supervise and evaluate its audit work;
- (4) monitor the internal audit system and its implementation, and evaluate the work procedures and work effectiveness of the internal audit department;
- (5) coordinate the communications between internal auditors and external auditors;
- (6) examine the internal control system, and put forward suggestions on the improvement of internal control;
- (7) review and supervise the mechanism for employees to whistleblow any misconducts in respect of financial reports, internal control or other aspects, so as to ensure that the Bank always handles the whistleblowing issues in a fair and independent manner and takes appropriate actions;
- (8) any other tasks delegated by the Board of Directors.

Rule 24 The major duties of the Related Party Transactions Management and Consumer Rights Protection Committee under the Board of Directors include:

- (1) identify related parties;
- (2) examine, monitor and review material Related-Party Transactions and Continuing Related-Party Transactions and control the risks associated with Related-Party Transactions;
- (3) review the measures on the management of Related-Party Transactions and supervise the establishment and improvement of the relevant management system of Related-Party Transactions;
- (4) review the announcement(s) in respect of Related-Party Transaction(s);
- (5) review and consider the strategies, policies and objectives of consumer rights protection;
- (6) review reports on consumer rights protection efforts and relevant proposals;
- (7) supervise and evaluate the comprehensiveness, promptness and effectiveness of consumer rights protection efforts as well as the duty performance of the senior management in consumer rights protection, and the information disclosure of consumer rights protection;
- (8) any other matters authorised by the Board of Directors.

Rule 25 The major duties of the Risk and Capital Management Committee under the Board of Directors include:

- (1) supervise the status of risk control by the senior management members in relation to credit risk, market risk, operation risk, liquidity risk, strategic risk, compliance risk, reputation risk, country risk and other risks;
- (2) make regular assessment on the risk policies, management status, risk-withstanding ability and capital status;
- (3) perform the relevant duty of the advanced capital measurement method under the authorisation of the Board of Directors;
- (4) submit opinions and proposals on perfecting the management of risks and capital;
- (5) arrange and instruct risk prevention works in accordance with the authorisation of the Board of Directors;
- (6) evaluate, supervise and govern the risk management policies and practices of relevant overseas institutions, including those of the Bank in the United States, in accordance with overseas regulatory requirements;
- (7) any other matters authorised by the Board of Directors.

Rule 26 The major duties of the Remuneration and Appraisal Committee under the Board of Directors include:

- (1) study the standards for assessment of directors and senior management members and make assessment and put forward proposals depending on the actual conditions of the Bank;
- (2) study and review the remuneration policies and proposals in respect of directors and senior management members, put forward proposals to the Board of Directors and supervise the implementation of such proposals;
- (3) review the remuneration management system and policies of the Bank;
- (4) any other matters authorized by the Board of Directors.

Rule 27 The major duties of the Nomination Committee under the Board of Directors include:

- (1) study the selection criteria and procedures of directors and senior management and make recommendations to the Board of Directors;
- (2) promote the diversity of the members of the Board of Directors, including but not limited to the diversity of gender, age, culture, education background and professional experience, and regularly review the implementation of the diversity;
- (3) review the structure, number of directors and composition (including their skills, knowledge and experience) of the Board of Directors regularly according to the business activities, asset scale and shareholding structure of the Bank, and put forward proposals in respect of any intended changes to the Board of Directors in line with the strategies of the Bank;
- (4) search extensively for qualified candidates for directors and senior management members;
- (5) conduct preliminary examination on candidates for directors and senior management members, and make relevant proposals to the Board of Directors;
- (6) any other matters authorised by the Board of Directors.

Rule 28 The specialised committees may appoint intermediary institutions to provide professional advice and the relevant costs shall be borne by the Bank.

CHAPTER 6 SUPPLEMENTARY PROVISIONS

Rule 29 The Rules shall be implemented on the date the Articles become effective after approval at the shareholders' general meeting.

Rule 30 The interpretation power of the Rules of Procedure belongs to the Board of Directors.