

**CZBANK**  **浙商银行**

**CHINA ZHESHANG BANK CO., LTD.**

**浙商银行股份有限公司**

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

## **The Rules of Procedures for the Audit Committee of the Board of Directors**

**Hangzhou, China**

**June 2026**

**The English version is for reference only. Should there be any inconsistency  
between the English and Chinese versions, the latter shall prevail.**

**The Rules of Procedures for the Audit Committee of  
the Board of Directors of  
China Zheshang Bank Co., Ltd.  
(2026 Edition)**

**Chapter I General Provisions**

**Article 1** To standardize the procedure behavior for the Audit Committee of the Board of Directors (hereinafter referred to as the “Audit Committee”) of China Zheshang Bank Co., Ltd. (hereinafter referred to as our “Bank”) and safeguard the Audit Committee to implement duties in accordance with laws and regulations, these Rules of Procedures are formulated pursuant to the laws and regulations, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”), the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (Shang Zheng Fa [2026] No. 42, hereinafter referred to as the “SSE Listing Rules”), the Guidelines No. 1 on Self-Regulatory Supervision for Listed Companies on the Shanghai Stock Exchange – Standardized Operation (Shang Zheng Fa [2026] No. 44), the Code of Corporate Governance for Listed Companies (China Securities Regulatory Commission Announcement [2025] No. 18) and the Articles of Association of China Zheshang Bank Co., Ltd. (hereinafter referred to as the “Articles of Association of our Bank”) and other relevant provisions.

**Article 2** The Audit Committee is a specialized organization under the Board of Directors and is mainly responsible for reviewing our Bank’s internal control system and its implementation, internal audit, and the implementation of the internal audit system, expressing an opinion on the appointment of the accounting firm which conducts regular statutory audit of the financial reports of our Bank (the “external auditor”) and overseeing its relationship with our Bank, reviewing our Bank’s financial information and supervising financial reporting, and making judgments on the authenticity, integrity, accuracy and timeliness of the financial information. Regarding our Bank’s interests as the supreme criterion, the Audit Committee exercises authority independently in accordance with the Articles of Association of our Bank and is accountable and shall report to the Board of Directors.

**Article 3** The members of the Audit Committee shall have expertise and work experience in finance, auditing, accounting or law, etc. The members of the Audit Committee should ensure sufficient time and energy to perform the duties of the Committee in a diligent and dedicated way, so as to effectively monitor our Bank’s external audit, guide our Bank’s internal audit, promote our Bank’s establishment of effective internal control and provide financial reports that are true, accurate and complete.

The members of the Audit Committee shall attend the meetings and activities of the Committee on time, and their attendance should be used as an assessment for the performance of directors’ duties.

**Article 4** Our Bank provides necessary working conditions for the Audit Committee, and assigns special personnel or organizations to undertake the Audit Committee’s daily work, such as liaison for work, organization of meetings, preparation of materials and file management. The senior management and relevant departments of our Bank shall cooperate with the Audit Committee during its performance of duties. Members of the Audit Committee may present or sit in on relevant meetings of our Bank as necessary.

## Chapter II Organizational Structure

**Article 5** Members of the Audit Committee shall be directors who do not hold senior management positions in our Bank. The Audit Committee shall comprise non-executive directors and consist of five members, of whom more than half shall be independent directors, and employee representatives on the Board of Directors may serve as members of the Audit Committee. The Audit Committee shall have one chairperson who should be an accounting professional among the independent directors. The chairperson shall have appropriate professional qualification or accounting or related financial expertise as required by the Hong Kong Listing Rules and the Code of Corporate Governance for Listed Companies and shall preside over the work of the Committee. The chairperson and other members of the Audit Committee shall be nominated by the chairperson of and elected by the Board of Directors. The chairperson shall work at our Bank for not less than twenty working days each year.

A former partner of our Bank's existing external auditor shall be prohibited from acting as a member of the Audit Committee for a period of two years from the date of his/her ceasing:

- (1) to be a partner of the firm; or
- (2) to have any financial interest in the firm,

whichever is later.

When the members of the Audit Committee and its composition fail to meet the requirements of this article, the Board of Directors shall immediately explain the details and reasons for failure to meet the requirements through public announcement in accordance with the requirements of the relevant securities regulatory authority, and shall fill the vacancy in accordance with the provisions of this article within three months after the date failure to meet the abovementioned requirements.

**Article 6** The term of office of the members of the Audit Committee shall be identical with that of the directors and members of the Committee may serve consecutive terms if re-elected upon the expiration of their terms. If any member ceases to be a director of our Bank, he/she shall automatically be disqualified as a member of the Committee and the Board of Directors shall timely fill the vacancy according to the Articles of Association of our Bank.

The Board of Directors of our Bank shall evaluate the independence and duty performance of the members of the Audit Committee on a regular basis, and may replace those members who are not suitable for continuing the position as and when necessary.

Where the resignation of a member of the Committee results in the number of members of the Committee falling below the statutory minimum number, or the absence of an accounting professional, the original member shall continue to perform his/her duties before a new member assumes office.

**Article 7** Our Bank shall organize members of the Audit Committee to participate in relevant trainings to enable them to obtain know-how in the legal, accounting and regulatory requirements of listed companies necessary for performing their duties in a timely manner.

### Chapter III Responsibilities

**Article 8** The main duties of the Audit Committee of the Board of Directors of our Bank are as follows:

- (1) to inspect the financial affairs of our Bank and review our Bank's financial information and its disclosure;
- (2) to supervise and evaluate the internal control of our Bank;
- (3) to supervise and evaluate the internal audit work of our Bank;
- (4) to supervise and evaluate the external audit work of our Bank, propose to the Board of Directors the engagement or dismissal of the external auditor of our Bank, and be responsible for the communication and coordination between external audit and internal audit;
- (5) to propose the convening of extraordinary general meetings, and convene and preside over general meetings when the Board of Directors fails to perform its statutory duties to convene and preside over general meetings;
- (6) to submit proposals to general meetings;
- (7) to propose the convening of extraordinary meetings of the Board of Directors;
- (8) to supervise the legality and compliance of the directors' and senior management's performance of duties, exercise other powers stipulated in the Articles of Association of our Bank, and safeguard the lawful rights and interests of our Bank and shareholders;
- (9) where directors or senior management are found to have violated laws and regulations, relevant requirements of stock exchanges or the Articles of Association of our Bank, to notify the Board of Directors or report to the general meeting and make disclosure in a timely manner, and may also directly report to the regulatory authorities;
- (10) in the course of performing supervisory duties, to make recommendations on removal of directors and senior management who violate laws and regulations, requirements of stock exchanges, the Articles of Association of our Bank or resolutions of general meetings;
- (11) other powers stipulated by laws, administrative regulations, self-regulatory rules of stock exchanges, the Articles of Association of our Bank and authorized by the general meeting and the Board of Directors.

**Article 9** The Audit Committee shall inspect the financial activities of our Bank, review our Bank's financial information and its disclosure, review the financial and accounting policies of the Bank, and supervise the financial control, material financial decisions and implementation thereof of our Bank.

The Audit Committee shall review the financial reports of our Bank, give opinions on the truthfulness, accuracy, completeness and timeliness of information of the audited financial reports and submit them to the Board of Directors for consideration. If any member of the Audit Committee is unable to warrant the truthfulness, accuracy and completeness of the financial information in regular reports or has any objection thereto, he/she shall cast a dissenting vote or abstain from voting when the Audit Committee reviews such regular reports.

Before submitting the relevant statements and reports to the Board of Directors for consideration, the Audit Committee shall specifically focus on the following matters on material accounting and audit issues: adjustments to material accounting errors, changes in accounting policies and estimates, issues involving significant accounting judgments, assumptions of going concern and matters resulting in a failure to receive standard unqualified opinion audit reports, compliance with accounting standards and laws and regulations relating to financial reporting, and compliance with the provisions of the Hong Kong Listing Rules and the SSE Listing Rules.

The Audit Committee shall review and consider any significant or unusual matters reflected or required to be reflected in the financial reports and accounts, and shall appropriately consider any matters raised by the staff of our Bank in charge of accounting, finance, audit, supervision and compliance and external auditor; and shall pay special attention to the possibilities of fraud, corrupt practice and material misstatements relating to financial reports.

The Audit Committee shall supervise the rectification of financial reporting matters, urge relevant responsible departments of our Bank to formulate rectification measures and schedule, conduct follow-up review, supervise the implementation of rectification measures, and disclose the completion of rectification in a timely manner.

**Article 10** The Audit Committee shall supervise and evaluate the effectiveness of internal control of our Bank, review the internal control management system, review the internal control evaluation report, guide the construction of the internal control system, and supervise the operation of the internal control system. It shall review the internal control audit report and management letter of the external auditor, and urge the rectification and implementation of internal control deficiencies.

The Audit Committee shall discuss the internal control system with the senior management to ensure that senior management has performed its duty to establish an effective internal control system. The discussion should include the adequacy of resources, staff qualification and experience as well as training programmes and relevant budget in respect of our Bank's internal control.

The Audit Committee shall study, based on the delegation of the Board of Directors or actively, the important findings on matters related to internal control and feedback of the findings from senior management.

The Audit Committee shall inspect the Explanation Notes to Audit (if any) issued by the external auditor to the senior management or other equivalent documents and any material queries raised by the external auditor about our Bank's internal control system and the response made by the senior management; and shall ensure that the Board of Directors will provide a timely response to the issues raised in the Explanation Notes to Audit (if any) issued by the external auditor to the senior management or other equivalent documents.

The Audit Committee shall issue a written assessment of the effectiveness of our Bank's internal control in accordance with the internal audit report and related information submitted by the internal audit department and report to the Board of Directors.

**Article 11** The Audit Committee shall supervise and evaluate the internal audit work of our Bank, guide and supervise the establishment and implementation of the internal audit system, review the annual internal audit plan of the Bank, urge the implementation of the internal audit plan of the Bank, guide the effective operation of the internal audit institution, report to the Board of Directors on the progress and quality of internal audit work and material issues identified, etc.; review internal audit work reports, guide, assess and evaluate internal audit work; coordinate the relationship between the internal audit institution and external audit units such as the external auditor, and ensure that the internal audit department is adequately resourced and has appropriate standing within our Bank.

The internal audit department of our Bank shall be accountable to the Board of Directors and shall report to the Audit Committee. Various audit reports and the plan and progress of rectification on the problems identified during an audit shall be submitted by the internal audit department to the management and the Audit Committee simultaneously. If the internal audit institution identifies relevant material issues or clues, it shall immediately report directly to the Audit Committee.

Unless otherwise provided by laws and regulations, the Audit Committee shall procure the internal audit department to review the following matters at least once every half year, issue review reports and submit such reports to the Audit Committee. Any violation of laws and regulations or operating irregularities of the Bank identified during the review shall be promptly reported to the Shanghai Stock Exchange:

- (1) the implementation of significant events such as the Bank's use of proceeds raised, provision of non-commercial banking business guarantees, related party transactions, securities investment and derivatives transactions, provision of financial assistance, purchase or sale of assets, and outward investments;
- (2) the Bank's substantial capital transactions and the capital transactions with directors, senior management, controlling shareholders, de facto controllers and their related parties.

**Article 12** The Audit Committee shall supervise and evaluate the work of the external auditor, and be responsible for making recommendations to the Board of Directors on the engagement, re-appointment, dismissal or replacement of the external auditor; reviewing the audit fee and appointment terms of the external auditor and reporting to the Board of Directors for consideration; evaluating the independence and professionalism of the external auditor, in particular, the impact of providing non-audit services by the external auditor on its independence; submitting to the Board of Directors, on a regular basis and at least annually, the evaluation report on the performance of duties by the engaged external auditor and the report on the Audit Committee's performance of supervisory duties over the external auditor; and reviewing the report issued by the external auditor, and ensuring the ultimate responsibility of the external auditor for the Board of Directors and the Audit Committee.

The Audit Committee shall supervise and evaluate whether the external auditor is independent and objective, honest and trustworthy, diligent and responsible, and whether the audit procedures are effective; and urge the external auditor to strictly abide by the business rules and industry self-discipline standards, strictly implement the internal control system, check and verify our Bank's financial and accounting reports, perform the special care obligations, and prudently express professional opinions.

Before the audit work starts, the Audit Committee should first discuss and communicate the audit nature, scope, plan, methods and responsibility of the relevant report, as well as the major audit findings, with the external auditor.

The Audit Committee shall formulate and implement policies on the provision of non-audit services by the external auditor; and report and make recommendations to the Board of Directors about any action to be taken or any matters to be improved.

**Article 13** The Audit Committee shall monitor the improprieties in our Bank's internal control, ensure that employees can anonymously raise concerns about possible improprieties in financial reporting, internal control or other matters, accept internal complaints and whistleblowing on the internal control, finance and other issues, and take appropriate action.

**Article 14** The Audit Committee is responsible for reviewing our Bank's financial information and its disclosure, and supervising and evaluating its internal and external audits and internal control. The following matters shall be submitted to the Board of Directors for consideration with the consent of more than half of all members of the Audit Committee:

- (1) to disclose the financial information and internal control evaluation reports in financial accounting reports and regular reports;
- (2) to employ or dismiss the accounting firm that undertakes the audit business of our Bank;
- (3) to appoint or dismiss the chief financial officer of our Bank;
- (4) to change accounting policies and accounting estimates or to correct material accounting errors due to reasons other than changes in accounting standards;
- (5) other matters specified by laws, administrative regulations, provisions of China Securities Regulatory Commission, self-regulatory rules of stock exchanges and the Articles of Association of our Bank.

**Article 15** The Audit Committee may set up a working group for critical work to give specific guidance to carry out the work. Members of the Audit Committee should regularly contact the Board of Directors and senior management. The Audit Committee is entitled to require our Bank's senior management to give full support to the work of the Audit Committee, and reply to the questions raised as soon as possible. Senior management shall have responsibilities to provide adequate and appropriate information for the Audit Committee in a timely manner to help them make informed decisions. The Audit Committee and its members may make further investigation when it considers necessary and contact the senior management independently.

**Article 16** The Audit Committee shall report and make recommendations to the Board of Directors on the necessary measures to be adopted and matters to be improved.

**Article 17** If, in its day-to-day performance of duties, the Audit Committee discovers clues of financial fraud involving our Bank or abnormal operation, or becomes aware of relevant material negative public opinion and material media queries relating to our Bank, or receives clear complaints and reports, it may require our Bank to conduct self-inspection, require the internal audit institution to conduct investigation, and, if necessary, engage a third-party intermediary institution to assist with the work, with reasonable expenses to be borne by our Bank.

**Article 18** The Audit Committee and our Bank's external auditor shall hold meetings at least twice a year.

The Audit Committee shall at least meet with the external auditor for separate communication once a year without the attendance of the senior management of our Bank. The secretary to the Board of Directors may present at the meeting.

**Article 19** Where our Bank proposes to engage or change the external auditor, the Audit Committee shall form its review opinion on such matter and submit it to the Board of Directors before the Board of Directors may consider the relevant proposals.

**Article 20** The Audit Committee shall promptly report the matters within the scope of its duties to the Board of Directors. The Audit Committee should report the adopted proposals to the Board of Directors and shall regularly inform the Board of Directors of its decisions and recommendations adopted, unless otherwise reporting any matter is in conflict with the general responsibility of the Audit Committee or is not allowed by laws and regulations or regulatory requirements.

The chairperson of the Audit Committee shall present at the annual general meeting. If the chairperson is unable to present at the meeting, the chairperson of the Board of Directors shall invite another member within the Audit Committee to present at the annual general meeting. If such member is unable to present at the meeting, a suitable representative should be appointed. Members or representatives present at the annual general meeting should answer questions about the work of the Audit Committee raised by shareholders at the meeting.

#### **Chapter IV Rules of Meeting**

**Article 21** The meetings of the Audit Committee shall include regular meetings and extraordinary meetings. The chairperson of the Audit Committee shall convene and preside over the meetings.

When the chairperson of the Audit Committee fails or refuses to perform the duties, an independent director shall be appointed to perform the duties instead.

The Audit Committee is responsible for collecting and organizing meeting topics, and shall submit such topics to the meeting for discussion and consideration after approval by the chairperson.

**Article 22** The Audit Committee shall hold at least one meeting every quarter.

The Audit Committee may hold extraordinary meetings when necessary. When two or more members of the Audit Committee propose, or when the chairperson of the Audit Committee considers necessary, an extraordinary meeting can be held.

**Article 23** The quorum of the Audit Committee meetings shall be not less than two-thirds of the members.

Notice of the meeting to be convened by the Audit Committee should be given three days prior to the meeting and the Board of Directors Office shall be responsible for delivering the meeting notices and meeting documents to each member. Such notice may be waived subject to the unanimous consent of all members of the Committee.

**Article 24** Meetings of the Audit Committee may adopt two voting methods, namely voting at physical meetings (including telephone conference and video conference) and voting by means of communication. Subject to the precondition that directors can fully express their opinions, meetings may be conducted and resolutions may be made by means of communication. Directors attending meetings by telephone, video or other means shall be deemed to have attended physical meetings. When voting by means of communication is adopted, the members or other members entrusted by them shall write “for”, “against” or “abstain” on the resolution. Once the number of the directors who sign in favor of a resolution reaches the quorum as required for making the resolution in the Articles of Association of our Bank, the proposal shall be adopted. The method of voting by means of communication shall specify the effective time limit of the vote, and the members who fail to express their views within the specified time limit shall be deemed as a waiver.

**Article 25** If the meeting of the Audit Committee is convened in the form of a physical meeting, the members of the Audit Committee shall attend meetings in person, give definite opinions on the matters to be considered and vote by show of hands or other means. When a member of the Audit Committee is unable to attend a meeting in person for any reasons, he/she may authorize another member in writing to attend the meeting and exercise voting rights on the matters to be considered on his/her behalf. The authorization letter shall clearly specify the scope and period of authorization. Each member may act as proxy for a maximum of one member only. An independent director shall authorize another independent director within the Audit Committee to attend the meeting on his/her behalf when he/she fails to attend such meeting in person for any reasons.

Any member who fails to attend the meeting of the Audit Committee in person without authorizing other members to attend the meeting in writing on behalf of this member shall be deemed to have waived the voting rights at this meeting.

**Article 26** Review opinions of the Audit Committee shall be passed by more than half of all members, and shall be submitted to the Board of Directors in writing. Members having the interests with the voting matters shall not exercise the right to vote and should be abstained. The issues shall be reviewed directly by the Board of Directors when the Audit Committee is unable to give effective review opinions due to the abstaining of its member(s).

**Article 27** If necessary, the Audit Committee may invite representatives of external auditors, internal audit personnel, financial personnel, legal advisors and other relevant personnel to attend the meeting of the Audit Committee and provide necessary information.

**Article 28** The meeting of the Audit Committee should have the resolutions and minutes and the members attending the meeting shall sign the resolutions of the meeting. Minutes shall have detailed records on the matters reviewed and the decisions made in the meeting, including any concerns raised by the members and different views expressed by the members. The draft and the final version of minutes should be sent in a reasonable period of time after the meeting to all the Committee members for review. The draft shall be used for members to express their views and the final version of minutes shall be used for file. Members and other persons attending the meeting shall sign the finalized minutes.

Minutes shall be kept by the Board of Directors Office. Upon reasonable request by any director, such minutes shall be provided to the director for review within a reasonable period of time.

**Article 29** Meeting resolutions and minutes of the Audit Committee and power of attorney to authorize other persons to attend the meeting shall be retained for at least ten years as our Bank's file.

**Article 30** Members present at the meeting and non-voting attendees shall keep the meeting resolutions, minutes, materials and matters discussed confidential and shall not disclose the relevant information without authorization.

**Article 31** The procedures for convening a meeting, the method of voting and the resolutions passed at a meeting of the Audit Committee shall comply with relevant laws and regulations, the Articles of Association of our Bank and other requirements.

**Article 32** The Board of Directors Office of our Bank shall be responsible for daily affairs of the Audit Committee.

## **Chapter V Information Disclosure**

**Article 33** Our Bank shall disclose the information on the members of the Audit Committee, including the composition of members, their professional backgrounds and work experiences in the past five years, as well as the changes in the members of the Audit Committee.

**Article 34** Our Bank shall disclose a summary of the work of the Audit Committee during the year on the website(s) and media designated by the stock exchange(s) where our Bank is listed when publishing its annual report, primarily including the performance of responsibilities of the Audit Committee and the convening of meetings by the Audit Committee.

**Article 35** In case of discovery of material matters contravening the information disclosure standards required under the SSE Listing Rules and Hong Kong Listing Rules during the discharge of duties by the Audit Committee, our Bank shall promptly disclose such matters and the rectifications thereof.

**Article 36** If the Audit Committee puts forward its review opinions to the Board of Directors of our Bank on any matter within the scope of its duties and those opinions are not taken by the Board of Directors, our Bank shall disclose such matter and provide reasons for taking a different view.

**Article 37** Our Bank shall disclose the special opinions issued by the Audit Committee on the material issues of our Bank in accordance with the laws and regulations, normative documents, related requirements of relevant regulatory authorities and the stock exchange(s) where our Bank is listed.

## Chapter VI Supplementary Provisions

**Article 38** The term “not less than” as mentioned herein shall include the figure listed.

**Article 39** Any matters that are not covered herein shall be subject to the relevant laws and regulations, normative documents, relevant regulatory rules, the Articles of Association of our Bank, as amended from time to time. In case of any conflict, the relevant laws and regulations, normative documents, relevant regulatory rules, the Articles of Association of our Bank, as amended from time to time shall prevail.

**Article 40** These Rules of Procedures shall be interpreted and amended by the Board of Directors of our Bank.

**Article 41** These Rules of Procedures shall be published on our Bank’s website and the website(s) of the stock exchange(s) where our Bank’s shares are listed.

**Article 42** These Rules of Procedures shall be effective from the date of approval by the Board of Directors. The original Notice on Issuing the Rules of Procedures for the Audit Committee of the Board of Directors of China Zheshang Bank Co., Ltd. (2024 Edition) (Zhe Shang Yin Dong [2024] No. 8) shall be repealed simultaneously.