

**Terms of Reference of the Audit Committee
of the Board of Directors
of Postal Savings Bank of China Co., Ltd.**

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Chapter 1 General Provisions

Article 1 In order to standardize the operation of the Audit Committee of the Board (the “**Audit Committee**”) of Postal Savings Bank of China Co., Ltd. (the “**Bank**”), and to enhance its deliberation efficiency and quality of decision-making, the terms of reference of the Audit Committee of the Board of Directors of Postal Savings Bank of China Co., Ltd. (the “**Terms of Reference**”) are formulated with reference to the actual situation of the Bank and in accordance with the Company Law of the People’s Republic of China (the “**Company Law**”), the Commercial Banking Law of the People’s Republic of China, Guidelines No. 1 of Shanghai Stock Exchange for Self-Regulation of Listed Companies – Standardized Operation, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”) and other laws, administrative regulations, departmental rules, normative documents, as well as relevant requirements of the Articles of Association of Postal Savings Bank of China Co., Ltd. (the “**Articles of Association of the Bank**”) and the Rules of Procedure for the Board of Directors of Postal Savings Bank of China Co., Ltd.

Article 2 The Bank has established the Audit Committee, which shall perform its duties in accordance with laws, administrative regulations, departmental rules, supervisory systems, the Articles of Association of the Bank, and the Terms of Reference. The Audit Committee is primarily responsible for reviewing the Bank’s financial information and its disclosure, overseeing and assessing the internal and external audit work and internal controls, and exercising the powers of the board of supervisors as stipulated under the Company Law.

Chapter 2 Composition

Article 3 The Audit Committee shall be composed of at least three (3) directors, at least one (1) of whom shall be an independent director with appropriate professional qualifications required under the Hong Kong Listing Rules or proper expertise in accounting or related financial management expertise. All members of the Audit Committee must be non-executive directors and the majority of the Audit Committee members must be independent directors. The employee director may be a member of the Audit Committee.

The Audit Committee shall have one (1) chairperson who shall be an accounting professional elected from the independent directors and shall be in charge of the work of the Audit Committee. The chairperson of the Audit Committee must work no less than twenty (20) business days each year in the Bank. The Audit Committee may have one (1) vice chairperson.

The chairperson’s main functions and responsibilities shall include:

- i. presiding over the Audit Committee meetings and ensuring the effective operation and performance of duties of the Audit Committee;
- ii. deciding on the agenda of the Audit Committee meetings;
- iii. ensuring that all committee members obtain complete and reliable information about the issues to be discussed in the meetings;
- iv. ensuring that the Audit Committee reaches a clear conclusion to each proposal discussed, which includes approval, rejection, or a request for supplementary materials for reconsideration;

- v. proposing the convening of extraordinary meetings;
- vi. other functions and responsibilities specified in the Terms of Reference.

Article 4 The chairperson (vice chairperson) and members of the Audit Committee shall be nominated by the Nomination and Remuneration Committee of the Board of Directors (the “**Board**”) and appointed by the Board. The removal of the chairperson (vice chairperson) or members of the Audit Committee shall be proposed by the Nomination and Remuneration Committee and decided by the Board.

Article 5 The term of office of the Audit Committee members shall be in conformity with that of their directorship. At the expiration of the term of office, they can be re-elected or re-appointed. During the term of office, if any member no longer acts as a non-executive director of the Bank, resulting in the composition of the Audit Committee not meeting the requirements of the Terms of Reference, the Board shall appoint a new member to fill the vacancy as soon as possible in accordance with the provisions of Article 3 to Article 5 of the Terms of Reference.

If the resignation of a member of the Audit Committee results in the number of members of the Audit Committee falling below the statutory minimum or the absence of an accounting professional, the original member shall continue to perform his/her duties in accordance with the laws, administrative regulations, departmental rules, regulatory systems, the Articles of Association of the Bank and the Terms of Reference until the newly elected member takes office.

Article 6 The main responsibilities of the Audit Committee members shall include:

- i. attending the Audit Committee meetings on time, expressing their opinions on the issues to be discussed at the meetings, and exercising their rights to vote;
- ii. proposing topics to be discussed in the Audit Committee meetings;
- iii. attending relevant meetings of the Bank as non-voting participants or observers, conducting surveys and research, and collecting necessary reports, documents, materials and other relevant information for the purpose of performing their duties;
- iv. fully understanding the duties of the Audit Committee as well as their duties as Audit Committee members, familiarizing themselves with the Bank’s operation and management, business activities and development to ensure that they are capable to perform their duties;
- v. fully ensuring sufficient time and energy for performing their duties;
- vi. other functions and responsibilities specified in the Terms of Reference.

Chapter 3 Duties and Powers

Article 7 The primary duties and powers of the Audit Committee include:

- i. examining the Bank's financial affairs, reviewing the Bank's financial information and its disclosure, reviewing the Bank's major financial and accounting governance documents and their implementation, and supervising the Bank's financial operations and financial reporting procedures;
- ii. supervising the Bank's internal control, inspecting and evaluating the compliance of the Bank's core business activities, relevant rules and major operating activities;
- iii. reviewing the Bank's basic audit management systems, medium and long-term audit plans and annual work plans and making recommendations to the Board, as well as supervising the implementation of the Bank's basic audit management systems, planning and plans;
- iv. reviewing, or under authorization, approving the annual budget of the Bank's internal audit department to ensure the independence of audit work and making recommendations to the Board;
- v. supervising and evaluating the work of the Bank's internal audit department;
- vi. proposing and submitting to the Board for review, the engagement or dismissal of accounting firms that conduct periodic statutory audits of the financial accounting reports of the Bank, being responsible for the implementation of specific matters; supervising and evaluating the work of the accounting firms that conduct periodic statutory audits of the financial accounting reports of the Bank to ensure the independence and effectiveness of its work;
- vii. reviewing the Bank's annual audit report and other specific opinions issued by the accounting firms, the Bank's audited annual financial statements, other financial reports and other financial information required to be disclosed; preparing a report containing its assessment on the truthfulness, completeness, and accuracy of the information of the Bank's audited financial statements for submission to the Board for review;
- viii. coordinating communications between the internal audit department and the accounting firms;
- ix. reviewing the annual audit plans, scope of work and important audit rules of the accounting firms;
- x. supervising the conduct of directors and senior management members in performing their duties, and recommending the removal of directors or senior management members who violate laws, administrative regulations, the Articles of Association, or resolutions of the shareholders' general meeting;
- xi. requiring directors and senior management members to rectify their actions when such actions harm the interests of the company;
- xii. proposing to convene extraordinary general meetings, and convening and presiding over shareholders' general meetings when the Board fails to perform its duties of convening and presiding over shareholders' general meetings as stipulated in the Company Law;

- xiii. submitting proposals to the shareholders' general meeting;
- xiv. instituting legal proceedings against directors or senior management members in accordance with the relevant provisions of the Company Law;
- xv. other matters as required by the laws, administrative regulations, departmental rules, regulatory systems and the Articles of Association of the Bank, and as authorized by the shareholders' general meeting and the Board.

Article 8 The Audit Committee shall supervise the independence and objectivity of the accounting firms and the effectiveness of the audit procedures; make a comprehensive and objective assessment of the annual audit work by the accounting firms and its professional quality in accordance with regulatory requirements, and form final recommendations to the Board; obtain comprehensive knowledge of and make proper assessment on the accounting firms proposed to be engaged, submit to the Board for consideration after an opinion is formulated, and convene a shareholders' general meeting for consideration and approval; and examine the terms of the engagement of the accounting firms and their compensation, and handle matters related to the resignation, removal or change of the accounting firms.

Article 9 The Audit Committee shall supervise and evaluate the work of the internal audit department. In the course of supervising and inspecting the Bank's business activities, risk management, internal controls and financial information, the internal audit department shall be subject to the supervision and guidance of the Audit Committee. The Audit Committee shall be promptly informed of material issues or leads reported by the internal audit department; where the internal audit department identifies any material issues or leads, it shall report directly to the Audit Committee immediately. The Audit Committee shall participate in the performance assessment of the head of internal audit.

Article 10 The Audit Committee shall have the right to require senior management members of the Bank to provide sufficient support to the work of the Audit Committee. The senior management members shall ensure that information regarding the Bank's financial status, internal control status, operational status, and business activities, etc. is provided to the Audit Committee in a timely, accurate, and complete manner to assist the Audit Committee in the proper performance of its duties.

Article 11 The Audit Committee shall have the right to investigate the Bank's internal control, financial information and internal audit matters. The investigation methods shall include but not be limited to attending relevant meetings of the Bank as non-voting participants or observers, conducting investigations and research within the Bank's system, and requiring senior management members of the Bank or relevant persons in charge to report orally or in writing within the prescribed period and answer relevant questions.

The Audit Committee shall review the relevant investigation details and responses from senior management members or relevant persons in charge, and report the investigation results and suggestions to the Board.

Article 12 The Audit Committee may present proposals to the Board for the Board's consideration and approval. The Audit Committee shall present the research and discussion of the relevant proposals in the form of a report, suggestions or summary to the Board for consideration and decision-making.

Article 13 With special authorization by the Board, the Audit Committee shall have the power to make decisions on matters within the authorized scope. The Audit Committee shall regularly report to the Board on the status of its delegated matters.

Article 14 The Audit Committee may, when necessary, engage intermediary institutions or professionals to provide professional opinions and the reasonable expenses incurred shall be borne by the Bank.

Chapter 4 Rules of Procedure

Article 15 The Audit Committee shall formulate an annual work plan. Audit Committee meetings are classified into regular meetings and extraordinary meetings. At least one (1) meeting shall be held each quarter. The Board, the chairperson of the Audit Committee, or two (2) or more of the Audit Committee members shall have the right to propose an Audit Committee extraordinary meeting.

The Audit Committee meetings may be held in the form of an on-site meeting or by circulation of written proposals. If the Audit Committee meeting is held in the form of an on-site meeting, teleconference, videoconference or other forms of instantaneous communication may be adopted for the convenience of the committee members attending the Audit Committee meeting. Committee members' participation in the Audit Committee meetings by the aforementioned means shall be deemed to have attended the on-site meeting.

If the Audit Committee meetings are held in the form of teleconference, video conference or by other instantaneous communication means, the Audit Committee must ensure that speeches by other committee members can be heard clearly by members participating at the meeting and that they can communicate with each other.

Article 16 The notice of meeting shall be delivered to all committee members at least three (3) days before the Audit Committee meeting is convened.

In case of an emergency where an extraordinary meeting shall be held as soon as possible, the above-mentioned notice period for calling such a meeting may be waived. However, the chairperson of the Audit Committee shall provide an explanation at the meeting.

Article 17 The notice of meeting shall include the time, venue, form, duration and agenda of the meeting, the convener of the meeting, matters to be discussed and relevant detailed materials, date of notice, the contact person for the meeting and the contact details, etc.

The notice of meeting may be delivered by hand, or through prepaid mail, fax, e-mail or other means.

Article 18 The Audit Committee meeting shall be held with the attendance of two-thirds or more of all committee members.

Audit Committee members shall attend the meetings in person. If a member is unable to attend in person due to any reason, he/she may authorize in writing the attendance by another committee member on his/her behalf. The letter of authorization shall include the name of the authorized person, matters, scope and duration of authorization, and shall be signed or sealed by the principal.

When the Audit Committee convenes a meeting, other directors, senior management members of the Bank, the persons in charge of the relevant departments in the head office, and personnel from the accounting firms responsible for the periodic statutory audit of the Bank's financial accounting reports, as well as other relevant persons, may be invited to be present at the meeting. The list of non-voting participants shall be approved by the chairperson of the Audit Committee.

Article 19 The Audit Committee meeting shall be presided over by the chairperson, and the vice chairperson shall assist the chairperson in performing his/her duties. When the chairperson is unable to perform his/her duties due to special reasons or is absent, the meeting shall be presided over by the vice chairperson on his/her behalf, unless otherwise stipulated by laws, administrative regulations, departmental rules, regulatory systems, and the Articles of Association of the Bank; if the Audit Committee has not appointed a vice chairperson or the vice chairperson is unable to perform his/her duties due to special reasons or is absent, the meeting shall be presided over by another independent director member who is jointly elected by a majority of the committee members.

Article 20 The Audit Committee meeting shall vote by a show of hands or by roll-call vote.

Each committee member shall have one (1) vote; and the resolution of the meeting shall be passed by more than half of the votes of all members of the Audit Committee.

If a committee member has a material interest in any matters to be discussed at the Audit Committee meeting, the committee member shall abstain when the Audit Committee considers such matters, shall not exercise his/her voting rights on such matters nor be authorized to exercise any voting rights on behalf of other committee members, and shall not be counted in the quorum of committee members attending the Audit Committee meeting.

Article 21 The Audit Committee shall establish a meeting minute system, and the working group shall be responsible for keeping the minutes. Depending on the circumstances, the meeting may adopt on-site audio recording, but written minutes shall be made based on the audio recording after the meeting.

The written meeting minutes based on the audio recordings after the meeting shall be sent to all participating committee members for review within ten (10) business days after the conclusion of the meeting. Committee members who request to revise or supplement the minutes shall submit their feedback in writing within five (5) business days after receiving the meeting minutes. After the meeting minutes are finalized, all participating members and the minute recorder shall sign on the meeting minutes.

The meeting minutes shall be regarded as an important document of the Bank and shall be preserved by the Board office in accordance with the archive management system of the Bank.

Article 22 Proposals approved at the Audit Committee meetings that require submission to the Board for consideration, along with their voting results, shall be submitted to the Board in writing for review and decision-making.

Article 23 Upon authorization or approval by the Board, if the resolutions passed at the Audit Committee meeting need to be further carried out by senior management members or other relevant persons in charge of the Bank, the Board office shall inform the relevant senior management members or other relevant persons in charge of such resolutions in writing as soon as possible. The Audit Committee shall have the right to require the above-mentioned personnel to report on the progress of implementation within a prescribed period or at the next meeting.

Article 24 The committee members and other personnel attending the meeting shall keep confidential the issues discussed and resolved at the meeting, and shall not disclose relevant information without permission. If there is any act in violation of such obligations, the Bank has the right to hold the related persons responsible for legal liabilities in accordance with the law.

Article 25 When disclosing its annual report, the Bank shall also disclose the annual report on the performance of duties by the Audit Committee, which shall mainly set out the performance of its responsibilities and the convening of meetings of the Audit Committee.

Chapter 5 Working Group

Article 26 A working group shall be established under the Audit Committee and be responsible for information collection, research support, daily liaisons and organization of meetings. The work of the working group shall be led by the Board office which shall be mainly responsible for service and support work such as daily liaisons, organization of meetings, communication and coordination. Relevant departments including but not limited to the Bank's audit department, the finance and accounting department, and the internal control and compliance department shall be mainly responsible for decision-supporting work and specific implementation such as information collection and research support, assist the committee in performing its duties in accordance with relevant laws and regulations and departmental responsibilities, and submit relevant proposals in a timely, accurate, complete and compliant manner.

Article 27 The duties of the working group shall include but not be limited to:

- i. being responsible for the daily operation of the Audit Committee;
- ii. arranging Audit Committee meetings and taking meeting minutes;
- iii. being responsible for the preliminary preparation work for matters to be considered by the Audit Committee, reviewing materials submitted to the Audit Committee for consideration, and ensuring the management presents reports and meeting documents to the Audit Committee by proper means;
- iv. upon authorization by the chairperson of the Audit Committee, reporting the work of the Audit Committee to the Board;
- v. coordinating the arrangement of committee members to attend other relevant meetings of the Bank as non-voting participants or observers, and conducting investigation and research;
- vi. assisting the committee members in accessing relevant information;
- vii. being responsible for the coordination between the Audit Committee and other committees of the Bank;
- viii. other duties assigned by the Audit Committee.

Chapter 6 Coordination and Communication

Article 28 If the Audit Committee has significant or special issues to be presented to the Board for its consideration, the Audit Committee shall submit written reports to the Board and may suggest that the chairman of the Board convene a Board meeting.

The written reports presented by the Audit Committee to the Board shall be signed by its chairperson himself/herself or by a committee member authorized by him/her.

Article 29 If any senior management member of the Bank has significant or special issues, he/she shall submit written reports to the Audit Committee and may suggest that the chairperson of the Audit Committee convene a meeting for discussion.

Article 30 The written reports presented by the senior management members of the Bank to the Audit Committee shall be signed by the President or senior management members responsible for the relevant issues.

Article 31 The Audit Committee shall report their work to the Board or make a special report on certain matters if needed.

Chapter 7 Supplementary Provisions

Article 32 The Board of the Bank shall have the right to interpret and amend the Terms of Reference.

Article 33 Unless otherwise required herein and subject to any discrepancies, for the purpose of the Terms of Reference, the terms “or more” and “at least” shall include the given figure; the terms “more than” and “less than” shall not include the given figure.

Article 34 Unless otherwise specified, terms used herein have the same meanings as the same terms used in the Articles of Association of the Bank.

Article 35 For any matters not provided herein and if there is any conflict between the Terms of Reference and the laws, administrative regulations, departmental rules, and relevant requirements of the securities regulatory authorities of the places where the shares of the Bank are listed promulgated or amended after the Terms of Reference come into effect, or requirements of the Articles of Association of the Bank, the laws, administrative regulations, departmental rules, relevant requirements of the securities regulatory authorities of the places where the shares of the Bank are listed, and requirements of the Articles of Association of the Bank shall prevail.

Article 36 After being considered and approved by the Board, the Terms of Reference shall become effective from the date of approval of the Articles of Association of the Bank (Revised Version 2025) by the National Financial Regulatory Administration, upon which the original Terms of Reference of the Audit Committee of the Board of Directors of Postal Savings Bank of China Co., Ltd. (Revised Version 2019) (You Yin Zhi [2019] No. 260) shall be repealed at the same time.