Air China Limited
Working Rules of the Audit and Risk Management Committee (the Supervision Committee) of the Board of Directors (Amended on 30 December 2025)

Chapter 1 General Principles

Article 1 In order to improve the decision-making function of the board of directors (the "Board") of Air China Limited (the "Company"), enhance the effective supervision over the management by the Board and improve the corporate governance structure, the Company established the Audit and Risk Management Committee (the Supervision Committee) of the Board of Directors (hereinafter referred to as the "Committee") and these working rules in accordance with the Company Law of the People's Republic of China and with reference to the Code of Corporate Governance for Listed Companies issued by the China Securities Regulatory Commission and the listing regulatory rules of the jurisdictions in which the shares of the Company are listed such as the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Self-regulatory Guidelines for the Companies Listed on the Shanghai Stock Exchange No. 1 – Standardized Operation (the "Standardized Operation Guidelines"), and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules"), the Articles of Association of Air China Limited (the "AOA") and other relevant rules and regulations.

Article 2 As a dedicated committee established under the Board, the Committee provides advice and recommendations for the decision-making of the Board and is accountable to the Board.

Members of the Committee shall ensure that they dedicate sufficient time and energy to dutifully perform their duties and responsibilities. The Company shall provide the necessary working conditions for the Committee. When the Committee performs its duties and responsibilities, the Company's management and the relevant departments should cooperate with the Committee.

Chapter 2 Composition

Article 3 The Committee shall consist of three to five directors who are not senior management of the Company, with more than half of them being independent directors. The Committee shall include at least one independent director who has adequate expertise in accounting or relevant financial management. The members of the Committee shall have adequate professional knowledge and business experience to perform the Committee's responsibilities.

Article 4 The composition of the Committee and adjustment thereof shall be proposed by the chairman of the Board after consultation with the relevant directors, and shall take effect after being approved by the Board.

Article 5 The Committee shall have one chairman (the "Chairman"), who shall be an accounting professional and an independent director appointed by the Board. The Chairman shall preside over the work of the Committee.

Article 6 Members of the Committee shall have a term equal to the term of a director of the Company and may be re-elected upon expiration of such term. Any member of the Committee shall automatically cease to be a member of the Committee from the time he or she ceases to be a director. The vacancy shall be filled by the Board in accordance with Articles 3 to 5 herein.

Where the resignation of a member of the Committee results in the number of Committee members falling below the minimum quorum, or results in the Committee lacking a member with accounting expertise, the original member shall continue to perform his or her duties before a new member takes office.

The Board shall regularly assess the independence of the Committee members and their performance of their duties and responsibilities. The Board may replace any unsuitable Committee members as it deems necessary.

The Company shall provide trainings to the Committee members to equip them with adequate professional skills in the areas of laws, accounting and corporate regulations that are necessary to perform their duties in a timely manner.

Chapter 3 Powers and Responsibilities

Article 7 The Committee shall have the powers and authorities to:

(1) Be responsible for the appointment and removal, supervision and assessment of works related to external audit.

1. Making recommendations to the Board on the appointment, reappointment and removal of the external audit firm, approving the remuneration and engagement terms of the external audit firm pursuant to the relevant authorizations and handling any matters related to its resignation or dismissal;

2. Reviewing and overseeing the external audit firm's independence and objectivity and the effectiveness of the audit procedures in accordance with the applicable standards, and supervising and assessing whether the external audit firm dutifully performs its duties and responsibilities;

3. Formulating policies regarding the provision of non-audit services by the external audit firm and ensuring their implementation. Assessing and monitoring the independence and objectivity of the external audit firm when providing non-audit services;

4. Discussing with the external audit firm the nature, scope and disclosure responsibilities of the audit prior to the commencement of the audit work; discussing and communicating about the audit scope, audit plan, audit methodology and major issues discovered during the audit;

5. Reviewing the audit-related notes submitted to the management by the external audit firm, any material queries raised by the auditors to the management regarding accounting records, financial accounts and control systems, as well as the management's responses; and ensuring that the Board provides a timely response to the issues raised in the audit-related notes submitted to the management by the certified public accountants for the annual audit;

6. Supervising and urging the external audit firm to act with integrity and due diligence, strictly comply with business rules and industry self-regulatory standards, and rigorously implement internal control system.

(2) Guide, supervise and assess the internal audit work of the Company, and coordinate internal and external audit works.

1. Guiding and supervising the establishment and implementation of the internal audit system;

2. Reviewing the annual internal audit work plan and key audit tasks of the Company, and supervising and urging the implementation of the internal audit plan of the Company;

3. Guiding the effective operation of the internal audit department. The internal audit department shall report its work to the Committee, and various audit reports, the rectification plan and rectification progress of audit issues submitted by the internal audit department to the management shall be submitted to the Committee concurrently;

4. Reviewing the internal audit reports, assessing the internal audit outcomes and supervising the rectification of material issues;

5. Reporting to the Board on the progress and quality of internal audit and major issues identified;

6. Making recommendations to the Board on the appointment or dismissal of the Company's financial officer and the person in charge of the internal audit department;

7. Supervising the internal audit department to carry out inspection at least once every six months on the implementation of significant company matters, such as the use of proceeds of the Company, provision of guarantees, connected transactions, securities investment and derivatives transactions, provision of financial assistance, purchase or sale of assets and external investments, large-scale capital transaction and the transactions involving directors, senior management, controlling shareholders and de facto controller and their respective associates, and preparing an inspection report and submitting it to the Committee;

8. Based on the internal audit reports and relevant materials submitted by the internal audit department, the Committee shall issue assessment opinions in writing in respect of the effectiveness of the Company's internal controls and report to the Board. In the event that the Committee considers that there are material deficiencies or material risks in the Company's internal controls, the Board shall promptly report and disclose such information to the stock exchange(s) where the Company is listed;

9. Being responsible for coordinating communication among the Company's management, the internal audit department, other related departments and the external audit firm, ensuring that the internal audit is adequately resourced and has appropriate standing within the Company, and reviewing the effectiveness of internal audits.

(3) Monitor the Company's financial information and disclosures.

1. Reviewing the Company's financial reports and financial information in periodic reports, and providing opinions on the truthfulness, accuracy and completeness of the reports;

2. Reviewing the Company's financial and accounting policies, with a focus on material accounting and auditing issues in the Company's financial reports, including adjustments for material accounting errors, changes in major accounting policies and estimates, matters involving significant accounting judgments, and issues leading to audit reports with non-standard opinions;

3. Focusing particularly on any potential fraud, fraudulent conducts and false statements relating to the financial reporting;

4. Regarding financial reporting issues, urging the relevant responsible departments within the Company to formulate rectification measures and rectification timelines, conduct follow-up reviews, and monitor the implementation of the corrective actions;

5. Members of the Committee shall convene meetings with the external auditing firm at least twice a year.

(4) Guide, supervise and assess works related to risk management, internal control and compliance management.

1. Examining the compliance with relevant laws, regulations and rules, providing guidance in reviewing the establishment of the Company's risk management system, internal control system, compliance management system and accountability mechanism for non-compliant operations and investments, and ensuring that the management has established an effective monitoring and control system;

2. Assessing the effectiveness and implementation of the Company's financial control as well as its risk management, internal control, compliance management, and accountability mechanisms for non-compliant operations and investments along with their related systems. Evaluating the effectiveness of the Company's risk investment (including but not limited to financial derivatives) management rules and operational procedures, and reviewing the Company's risk investment strategies and plans;

3. Reviewing the internal control audit plans and audit reports issued by the internal control audit firm and communicating with the internal control audit firm regarding identified issues and any improvement plan in response to it;

4. Proactively or as delegated by the Board, reviewing significant findings related to risk management and internal control matters and the management's responses to these findings;

5. Where the Company is found to have major internal control deficiencies or is determined to engage in financial fraud, misappropriation of funds, improper guarantees, or similar issues, the Committee shall urge the Company to properly carry out follow-up corrective actions and internal accountability measures, urge the Company to formulate rectification plans and corrective measures and complete the rectifications within a specified timeframe.

(5) Exercise the functions and powers of a supervisory committee as stipulated in the Company Law, including but not limited to:

1. Inspecting the Company's finances;

2. Supervising the conduct of the directors and senior management in performing their duties;

3. Requiring the directors and senior management to rectify actions detrimental to the Company's interests;

4. Proposing the convening of an extraordinary Board meeting;

5. Proposing the convening of an extraordinary shareholders' meeting, and convening and presiding over the shareholders' meeting when the Board fails to perform its duties in relation to the convening and presiding over the shareholders' meeting as required by the laws;

6. Submitting proposals to the shareholders' meeting;

7. Exercising other functions and powers of a supervisory committee.

(6) Other relevant work.

1. Reviewing the implementation of Board resolutions and the exercise of Board authorizations, conducting post-investment project evaluations in accordance with regulations and provide suggestions to the Board;

2. Supervising the rectification of issues identified through internal and external audits, state-owned assets supervision, special inspections and other oversight activities, and promoting the application of the findings;

3. Being responsible for overseeing and managing the Company's connected transactions; reviewing major connected transactions of the Company and providing written opinions to the Board for its deliberation;

4. During its supervision and inspection, if the Committee identifies any emergency situations where the Company's operations may jeopardize the safety of its assets, result in asset loss, infringe upon shareholders' rights, or involve significant financial irregularities or major financial risks, it shall promptly report these matters to the Board and the relevant higher competent authorities;

5. Establishing and reviewing the whistleblowing policies and systems, enabling employees and other stakeholders to raise concerns confidentially and anonymously to the Committee regarding any potential improper matters related to the Company. Ensuring appropriate arrangements are in place for the Company to conduct fair and independent investigations into such matters and to take appropriate actions;

6. Preparing and disclosing the Committee's annual work performance, mainly including the performance of its duties and the exercise of its functions and powers, as well as the convening of its meetings.

(7) Other matters stipulated by laws, administrative regulations, regulatory authorities, the listing rules of the stock exchange(s) where the Company is listed and the AOA, and those authorized by the Board and other matters as required by the laws and regulations as well as the relevant regulations of the stock exchange(s) where the Company is listed.

Article 8 Resolutions adopted by the Committee shall be submitted to the Board for its consideration. The Committee shall identify and make recommendations on any matters where any improvement is required.

The following matters shall be submitted to the Board for consideration after the approval of more than half of all the members of the Committee:

(1) disclosure of financial information and internal control assessment report in the financial accounting report and periodic report;

(2) appointment or dismissal of the accounting firm undertaking the auditing business of the Company;

(3) appointment or dismissal of the chief financial officer of the Company;

(4) change of accounting policies, accounting estimates or correction of material accounting errors for reasons other than changes in accounting standards;

(5) other matters as stipulated by laws, regulations, the regulatory rules of the jurisdictions in which the shares of Company are listed and the AOA.

Article 9 The relevant functional departments of the Company shall actively provide support and create necessary conditions for the discharge of its duties by the Committee, such as providing information and relevant materials and coordinating the communication with the accounting firm.

Chapter 4 Rules for Annual Financial Reporting

Article 10 The Committee shall, at the end of each fiscal year, but before the start of the annual audit, agree with the accounting firm engaged for the annual audit on a timetable for auditing the financial statements of the Company.

The Committee shall urge the accounting firm to submit its audit report within the agreed timetable, and record how and for how many times the Committee has done so, and the results, in a written note, which shall be signed by the relevant person in charge.

Article 11 The Committee shall, before the commencement of the audit work by the certified accountants engaged for the annual financial report audit, review and form its opinion in writing on the financial accounting statements prepared by the Company.

The Committee shall, after the certified accountants for the annual audit commences its auditing assignment, strengthen communication with such certified accountants for the annual audit on material issues identified during the auditing process. After the preliminary audit opinion is issued by such certified accountants for the annual audit, the Committee shall review the financial accounting statements of the Company and the audit opinion again to form a written opinion.

Article 12 The Committee shall vote on the annual financial report, and submit it to the Board for consideration after the approval by more than half of all the members. The Committee shall also submit to the Board a summary report on the audit work done by the accounting firm of this year, and its decision on the renewal of the engagement of the existing accounting firm or the engagement of a new accounting firm for the new year.

The documents relating to the audit of the annual financial report of the Company (as considered and reviewed by the Committee) shall be disclosed in the annual report of the Company.

Chapter 5 Procedural Rules and Safeguards

Article 13 The Committee may hold regular or ad hoc meetings. The Committee meeting shall be called and presided by the Chairman, or if the Chairman is unable or unwilling to perform such duties, a member who is an independent director shall be appointed to perform such duties on his or her behalf. Regular meetings shall be held at least four times a year. Ad hoc meetings may be held when so requested by more than two members of the Committee or when the Chairman deems it to be necessary.

The Committee shall hold a meeting at least once a year to communicate with the external auditor without the presence of the management of the Company. The secretary of the Board may attend the meeting in a non-voting capacity.

The meeting notice shall be issued 5 days before the date of the meeting, and the aforesaid advance notice period may be waived by the unanimous consent of all Committee members. Meeting papers shall be sent 3 days before the date of the meeting.

Article 14 The quorum of a meeting of the Committee shall be two-thirds of all Committee members. Each member present shall have one vote. The resolution of the meeting must be passed by more than half of all the members before such resolution becomes effective.

Should a committee member have any conflict of interest with respect to any matters to be decided at a meeting of the Committee, he or she shall abstain. If a valid deliberation opinion cannot be formed due to the abstention of the Committee member(s), the relevant matter shall be submitted to the Board directly for its consideration.

Article 15 The Committee's meetings may be held in the form of, including but not limited to, physical meetings, teleconferences such as video meetings and conference call meetings, combination of physical meeting and teleconference, or by way of written resolutions. The Committee members should attend the meetings in person and express whether they vote in favor of, against or abstain from voting for the matters to be decided. Should any Committee member be unable to attend the meeting in person, he or she may deliver a proxy letter in writing duly signed by such Committee member, appointing another Committee member to attend the meeting and to express opinions on his or her behalf. The proxy letter should clearly state the extent of authorization and its time limit.

Article 16 The secretary of the Board shall be responsible for organizing and coordinating the work between the Committee and all relevant departments. The secretary of the Board shall be present at meetings of the Committee.

Should the Committee deem it necessary, the directors and senior management of the Company may be invited to attend the meeting, and representatives of the external auditor, internal auditors, financial officers, legal counsels and other relevant personnel may also be invited to attend the meeting and provide necessary information. The Committee may carry out its work through various methods, including receiving work reports from members of the management, attending relevant meetings of the Company, reviewing financial and accounting information and information related to members of the management and employees, making special inquiries on major issues, and organizing special supervision and inspection.

Article 17 The procedures for holding, methods of voting of, and resolutions passed by the meeting of the Committee must comply with the relevant laws and regulations, the AOA and these working rules.

Article 18 The Committee shall prepare minutes of its meetings, which shall be signed by the Committee members who have attended the meeting and shall be kept by the office of the Board.

Article 19 The resolutions passed by, the results of voting conducted and the opinions studied at, the Committee meetings shall be reported in writing to the Board.

Article 20 Members attending a Committee meeting shall keep any matter discussed at the meeting confidential, and shall not disclose any related information unless duly authorized for such disclosure.

Article 21 The Committee shall establish a joint working group, comprising the senior management of the Company and heads of functional departments such as audit, finance and legal affairs, to provide support and safeguards for its work.

As the lead support department, the audit department conducts internal audits and internal control evaluations and other related tasks in accordance with relevant national laws and regulations as well as the Company's relevant policies. It regularly reports to the Committee and completes other tasks assigned by the Committee. The finance department handles budgeting, accounting, fund management, taxation and other work in accordance with relevant regulations, and reports to the Committee. The legal department conducts legal, internal control, risk management, compliance and other work in accordance with relevant regulations, and reports to the Committee. The Board office assists the secretary of the Board with routine liaison and meeting organization for the Committee. Other relevant units and departments provide support to the work of the Committee as required by their respective responsibilities.

If necessary, the Committee may independently engage experts, accounting firms and other intermediary institutions to provide professional support for the performance of its duties, with the related expenses borne by the Company.

Chapter 6 Miscellaneous

Article 22 These working rules are formulated by the Board and shall become effective upon the approval of the Board.

Article 23 In case of any matters not provided herein or conflicts with the provisions of the laws, administrative regulations, other relevant regulatory documents, the relevant regulations of the stock exchange(s) where the Company is listed or the AOA promulgated after these working rules come into effect, such provisions of the laws, administrative regulations, other relevant regulatory documents, the relevant regulations of the stock exchange(s) where the Company is listed or the AOA shall prevail.

Article 24 The Board reserves the rights to amend and interpret these working rules.