GOVERNANCE FRAMEWORK

Governance Principles & Structure

Approved by the Board of Directors - reviewed March 2026

How the Board, its committees and the Authorised Management committee are organised, and what each is responsible for.

A two-tier framework

Governance follows the model prescribed for Luxembourg credit institutions: a Board of Directors responsible for strategy, risk appetite, internal governance and oversight, and an Authorised Management committee responsible for the day-to-day conduct of business. Members of both bodies are subject to fit-and-proper assessment by the Commission de Surveillance du Secteur Financier before appointment.

Body	Responsibility	Composition	Frequency
Board of Directors	Strategy, risk appetite, oversight	8 directors, 4 independent	8 times a year
Authorised Management	Day-to-day conduct of business	4 members	Weekly
Audit Committee	Financial reporting, internal audit	3 non-executive	6 times a year
Risk Committee	Risk appetite and risk framework	4 non-executive	6 times a year
Remuneration Committee	Remuneration policy and awards	3 non-executive	3 times a year
Nomination Committee	Suitability, succession, diversity	3 non-executive	4 times a year
ALCO	Balance sheet, liquidity, IRRBB	Management	Monthly
Credit Committee	Credit approvals within delegation	Management	Weekly

Three lines of defence

- First line: the business lines own and manage the risks they originate, within the limits and delegated authorities set by the Board.
- Second line: the Risk and Compliance functions set the framework, challenge the first line independently and monitor adherence to risk appetite.
- Third line: Internal Audit provides independent assurance on the design and effectiveness of the framework, reporting to the Audit Committee.

Matters reserved to the Board

- Approval of the strategy, the business plan and the annual budget.
- Approval of the risk appetite statement and all Board-level risk limits.
- Approval of the internal capital and liquidity adequacy assessment processes.
- Approval of the recovery plan and the resolution planning submissions.
- Appointment, removal and remuneration of the heads of the control functions.
- Approval of the annual and interim financial statements and Pillar 3 disclosures.

- Any exposure, investment or commitment above the Board delegation threshold.
- Any transaction with the shareholder or a group entity outside standard terms.

Review and approval

This document is approved by the Board of Directors of China Everbright Bank (Europe) S.A. and is reviewed at least annually, or more frequently where a change in law, regulation, supervisory expectation or the bank's own risk profile requires it. It is maintained by the Company Secretary and forms part of the bank's internal governance framework as required by CSSF Circular 12/552 as amended and the EBA Guidelines on internal governance.

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