

Articles of Association of China Merchants Bank Co., Ltd.

(Amended in 2018)

Shenzhen, PRC

Please note that these Articles of Association 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.

CONTENTS

CHAPTER 1	GENERAL PROVISIONS	3
CHAPTER 2	BUSINESS OBJECTIVES AND SCOPE OF BUSINESS	5
CHAPTER 3	SHARES AND REGISTERED CAPITAL	5
CHAPTER 4	REDUCTION OF CAPITAL AND REPURCHASE OF SHARES	10
CHAPTER 5	FINANCIAL ASSISTANCE FOR REPURCHASE OF SHARES OF THE BANK. . .	12
CHAPTER 6	SHARE CERTIFICATES AND REGISTER OF SHAREHOLDERS	13
CHAPTER 7	RIGHTS AND OBLIGATIONS OF SHAREHOLDERS	16
CHAPTER 8	SHAREHOLDERS' GENERAL MEETINGS	22
Section 1	General Provisions of Shareholders' General Meetings	22
Section 2	Convening of Shareholders' General Meetings	23
Section 3	Proposal(s) and Notice of Shareholders' General Meetings	25
Section 4	Proceedings at Shareholders' General Meetings	28
Section 5	Voting and Resolutions at Shareholders' General Meetings	32
CHAPTER 9	SPECIAL PROCEDURES FOR VOTING BY SHAREHOLDERS OF DIFFERENT CLASSES	37
CHAPTER 10	BOARD OF DIRECTORS	40
Section 1	Directors.	40
Section 2	Independent Directors.	45
Section 3	Board of Directors	50
CHAPTER 11	SECRETARY OF THE BOARD OF DIRECTORS	58
CHAPTER 12	PRESIDENT	60
CHAPTER 13	BOARD OF SUPERVISORS	62
Section 1	Supervisors.	62
Section 2	Board of Supervisors	62
Section 3	Resolutions of the Board of Supervisors	67
CHAPTER 14	QUALIFICATIONS AND OBLIGATIONS OF DIRECTORS, SUPERVISORS, PRESIDENT AND OTHER SENIOR MANAGEMENT MEMBERS	68
CHAPTER 15	FINANCIAL AND ACCOUNTING SYSTEMS, PROFIT DISTRIBUTION AND AUDITING	74
CHAPTER 16	APPOINTMENT OF ACCOUNTING FIRM(S)	79
CHAPTER 17	MERGER OR DIVISION	81
CHAPTER 18	DISSOLUTION AND LIQUIDATION	82
CHAPTER 19	PROCEDURES FOR AMENDING THESE ARTICLES	85
CHAPTER 20	NOTICE	86
CHAPTER 21	DISPUTE RESOLUTIONS	87
CHAPTER 22	SUPPLEMENT	88

CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to protect the lawful interests of China Merchants Bank Co., Ltd. (“the Bank”), shareholders and creditors, and to regulate the organization and acts of the Bank, these articles of association (“Articles”) are formulated according to the “Company Law of the People’s Republic of China” (“Company Law”), the “Securities Law of the People’s Republic of China” (“Securities Law”), the “Commercial Banking Law of the People’s Republic of China” (the “Commercial Banking Law”), the “State Council Guidance on the Implementation of Pilot Scheme of Preference Shares”, and the provisions of other relevant laws and regulations.

Article 2 The Bank was previously a comprehensive bank established on 31 March 1987 upon approval of the People’s Bank of China Document Yin Fu [1986] No.175. Following the approval obtained from Shenzhen Securities Administration Office Document Shen Zheng Ban Fu (1994) No.90, the Bank was restructured to become a joint stock commercial bank. The Bank has duly performed the re-registration formalities according to the Company Law, Commercial Banking Law and other relevant regulations. The Bank was registered at the State Administration of Industry and Commerce on 5 September 1994 and obtained a business license. The Bank is currently registered with Shenzhen Market Supervision and Administration Bureau, and holds the “Enterprise Legal Person Business License” issued by Shenzhen Market Supervision and Administration Bureau, with the unified social credit code: 9144030010001686XA.

The promoters of the Bank were: China Merchants Steam Navigation Company Limited, China Ocean Shipping (Group) Company, Guangzhou Maritime Transport (Group) Company Limited, China National Offshore Oil Nanhai East Corporation, Guangdong Highways Administrative Bureau, Shandong Province Transport Development and Investment Company, Qinhuangdao Port Affairs Bureau of the Ministry of Communications, Shenzhen Shekou Zhaoyin Investment Services Company.

Article 3 The Bank first issued 1.5 billion RMB ordinary shares to the public on 15 March 2002 upon approval of China Securities Regulatory Commission (“CSRC”) Document Fa Xing Zi [2002] No. 33 and was listed on the Shanghai Stock Exchange on 9 April 2002.

On 10 August 2006, the Bank received from CSRC the “Approval Regarding China Merchants Bank Co., Ltd.’s Issuing Overseas Listed Foreign Shares (Zheng Jian Guo He Zi [2006] No.12)”, approving the Bank’s issuance of not more than 2.53 billion overseas listed foreign shares (including 330 million shares issued in over-allotment) of RMB1 each. With the approval of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”), the Bank increased its share capital by issuing 2.2 billion H Shares, with 220 million H shares issued in over-allotment, which together with the 242 million H Shares converted from the corresponding reduction of the state-owned shares, made up the Bank’s total issued H shares to 2.662 billion.

On 22 December 2017, the Bank issued 275,000,000 domestic preference shares at a par value of RMB100 each non-publicly upon approval of CSRC Document (Zheng Jian Xu Ke No.[2017] 2198) and such shares were listed for transfer on the integrated service platform of Shanghai Stock Exchange on 12 January 2018; on 25 October 2017, the Bank issued 50,000,000 overseas preference shares at a par value of RMB100 each non-publicly upon approval of CSRC Document (Zheng Jian Xu Ke No.[2017] 1838) and such shares were listed for transfer on the Hong Kong Stock Exchange on 26 October 2017 subject to applicable settlement rules.

Article 4 Registered name of the Bank: 招商銀行股份有限公司; Abbreviation: 招商銀行; English name of the Bank: CHINA MERCHANTS BANK CO., LTD.

Article 5 Address of the Bank: No.7088 Shennan Boulevard, Futian District, Shenzhen
Postcode : 518040
Tel: 86-755-83198888
Fax : 86-755-83195109

Article 6 The Bank is a joint stock limited company, capable of perpetual existence.

Article 7 The legal representative of the Bank is the chairman of Bank.

Article 8 Shares of the Bank falls into ordinary and preference shares, and shares of the same class have same par value. Shareholders' liability shall be limited to the shares subscribed by them. The Bank shall assume liability for all the liabilities of the Bank by way of all its properties.

Article 9 The Bank has formulated the articles of association ("Articles") according to the Company Law, Securities Law and the provisions of other laws and administrative regulations of the State.

These Articles became effective upon approval of China Banking Regulatory Commission ("CBRC").

From the date these Articles became effective, these Articles shall become a legally binding document, regulating the organisation and acts of the Bank, and the rights and obligations between the Bank and each shareholder, and between a shareholder and each other shareholder.

Article 10 These Articles shall be binding on the Bank and the shareholders, directors, supervisors, president and other senior management members of the Bank. The persons referred to above can enforce their rights on matters relating to the Bank in accordance with these Articles.

Shareholders may initiate legal proceedings against the Bank according to these Articles. The Bank may initiate legal proceedings against the shareholders, directors, supervisors, president and other senior management members according to these Articles. Shareholders may initiate legal proceedings against other shareholders according to these Articles. Shareholders may initiate legal proceedings against the directors, supervisors, president and other senior management members of the Bank according to these Articles.

Senior management members referred to in these Articles shall mean the executive vice presidents, secretary of the Board of Directors, person in charge of finance and other personnel confirmed by the Board of Directors.

Initiating legal proceedings referred to above shall include initiating legal proceedings at courts or applying for arbitration at arbitration organs.

Article 11 The Bank shall conduct independent auditing and operation, assume its own risks, be liable for its own profit and loss and exercise self-constraints according to the principles of effectiveness, safety and flexibility.

- Article 12 The Bank may invest in other limited liability companies and joint stock limited companies according to law and its liability shall be limited to the capital contribution amount. Upon examination and approval by the banking regulatory authorities of the State Council, the Bank may, in accordance with its business development requirements, establish branch organs within and outside the PRC. The branch organs established outside the PRC shall engage in all banking businesses or other businesses permitted by the decrees of the place of its operation.

The Bank shall implement the management system of a class one legal person and operate by different tiers. Branch organs do not have legal person qualifications and shall commence business within the scope authorised by the head office according to law and the head office shall assume their civil liabilities. The head office shall centralise the leadership and management in relation to the major personnel appointment and removal, business policies, comprehensive planning, basic rules and regulations and foreign affairs of branch organs and implement the financial system of unified auditing, unified transfer of capital and management at various levels in relation to the branch organs.

- Article 13 The Bank may establish certain special committees and internal management organs according to the requirements of business operation and management.

CHAPTER 2 BUSINESS OBJECTIVES AND SCOPE OF BUSINESS

- Article 14 The business objectives of the Bank are: to adhere to the principle of credibility, operate lawfully, actively participate in the competition in financial market, provide quality and highly effective financial services to the society, promote the economic prosperity and various developments of the State and obtain the maximum economic benefits for all the shareholders.

- Article 15 Upon approval by the CBRC and State Administration of Foreign Exchange and the vetting by the Company, registration authorities, the business scope of the Bank is:

receiving deposits of the public; granting short-term, medium-term and long-term loans; handling settlement; handling bills discounting; issuing financial bonds; acting as agents in issuance and payment and underwriting government bonds; buying and selling government bonds; inter-bank borrowings; providing letters of credit services and guarantees; acting as agent in the collection and payment of monies and insurance business; providing safe deposit box services. Foreign exchange deposits; foreign exchange loans; foreign exchange remittances; foreign currency conversion; international settlement; exchange settlement and selling; foreign exchange inter-bank borrowings; acceptance and discounting of foreign exchange notes; foreign exchange borrowings; foreign exchange guarantees; buying and selling and acting as agent in the buying and selling of foreign currency quoted securities other than shares; issuing and acting as agent in the issuance of foreign currency quoted securities other than shares; self-operating and acting as agent in buying and selling of foreign exchanges; credit checking, advisory and witnessing businesses; offshore financial business and other businesses as approved by CBRC.

CHAPTER 3 SHARES AND REGISTERED CAPITAL

- Article 16 The Bank issues ordinary shares and preference shares. According to its needs and upon the approval by the examination and approval authorities authorized by the State Council, the Bank may issue other classes of shares according to the provisions of the relevant laws and administrative regulations. Ordinary shares refer to the shares of ordinary class generally defined in the Company Law issued by the Bank. Preference shares refer to the shares other than the issued ordinary shares issued by the Bank according to the Company Law, the shareholders of which are preferred in the distribution of profits and remaining assets by the Bank over shareholders of ordinary shares, though their rights to participate in the decision making and management of the Bank are restricted.

Issuance of the shares of the Bank shall adopt the principles of openness, fairness and impartiality.

As regards shares of the same class issued at the same time, the issuing conditions and price of each share shall be the same. As regards the shares subscribed by any unit or individual, the amount paid for each share shall be the same.

- Article 17 The shares issued by the Bank shall have a par value, among which the ordinary shares shall have a par value of RMB1 per share and the preference shares shall have a par value of RMB100 per share.

Renminbi referred to in the preceding paragraph shall mean the lawful currency of the People's Republic of China.

- Article 18 Subject to verification and approval by the securities supervisory organ of the State Council and the banking supervisory organ of the State Council, the Bank may issue shares to domestic investors and overseas investors.

Overseas investors referred to in the preceding paragraph shall mean investors in foreign countries, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan who subscribe for shares issued by the Bank; domestic investors shall mean investors within the PRC other than the places referred to above who subscribe for shares issued by the Bank.

- Article 19 The shares issued by the Bank to domestic investors and subscribed for in Renminbi are known as domestic shares. The shares issued by the Bank to overseas investors and subscribed for in foreign currencies are known as foreign shares. Domestic ordinary shares which are listed within the PRC shall be known as domestically listed domestic shares; while foreign ordinary shares which are listed outside the PRC shall be known as overseas listed foreign shares.

Foreign currencies referred to in the preceding paragraph shall mean the lawful currencies of other countries or regions, other than Renminbi, which are recognized by the State's foreign exchange competent department and which may be used for payment of shares to the Bank.

Overseas listed foreign shares listed in Hong Kong issued by the Bank shall be known as H shares. H shares mean the shares which are approved to be listed on the Hong Kong Stock Exchange, whose par value is denominated in Renminbi and which are subscribed for and traded in Hong Kong dollars.

Upon approval by the securities supervisory organ of the State Council, shareholders of domestic ordinary shares of the Bank may transfer the shares held by them to overseas investors and such shares may be listed and traded overseas. If the transferred shares are listed and traded on overseas stock exchanges, the regulatory procedures, provisions and requirements of the overseas stock markets shall also be complied with. No voting in shareholders' general meeting will be required for the listing and trading of the transferred shares on overseas stock exchanges.

- Article 20 As regards shares issued by the Bank, domestic shares shall be deposited at China Securities Depository & Clearing Corporation Ltd., Shanghai Branch for safe custody. H shares are mainly under the safe custody of an entrusted custody company of Hong Kong Securities Clearing Company Limited and the shares may also be held under the personal names of the shareholders.

Article 21 Upon approval by the examination and approval departments authorised by the State Council, the total number of ordinary shares issued when the Bank was established as a joint stock limited company was 1,122,727,212 shares. The promoters subscribed for 656,071,942 shares, representing 58.44% of the total number of ordinary shares issued by the Bank at that time, of which China Merchants Steam Navigation Company Limited subscribed for 312,257,428 shares, China Ocean Shipping (Group) Company subscribed for 145,676,349 shares, Guangzhou Maritime Transport (Group) Company subscribed for 58,270,540 shares, China National Offshore Oil Nanhai East Corporation subscribed for 30,005,270 shares, Guangdong Highways Administrative Bureau subscribed for 30,000,000 shares, Shandong Province Transport Development and Investment Company subscribed for 30,000,000 shares, Qinhuangdao Port Affairs Bureau of the Ministry of Communications subscribed for 30,000,000 shares and Shenzhen Shekou Zhaoyin Investment Services Company subscribed for 19,862,355 shares. The capital contribution by promoters following restructuring by the Bank as a joint stock limited company was by way of the capital held in the Bank prior to restructuring, common reserve fund, appraisal in value on assessment and partly by cash.

Article 22 As at 31 December 2016, the shareholding structure for ordinary shares of the Bank was as follows: total share capital of 25,219,845,601 shares, including 20,628,944,429 domestic shares, representing 81.80% of the total number of ordinary shares which can be issued by the Bank, 4,590,901,172 H shares, representing 18.20% of the total number of ordinary shares issued by the Bank. Calculation of the share capital referred to above had taken into account the bonus shares issued in the previous years, shares transferred from the capital reserve and the shares issued as a result of the exercise of the conversion rights of the convertible bonds by bond holders. On 22 December 2017, upon approval by the examination and approval departments authorized by the State Council, the Bank non-publicly issued 275,000,000 shares of preference shares within the PRC; and on 25 October 2017, upon approval by the examination and approval departments authorized by the State Council, the Bank non-publicly issued 50,000,000 shares of preference shares outside the PRC.

Article 23 Subject to approval or verification of the Bank's plan to issue overseas listed foreign shares and domestically listed domestic shares by the securities supervisory organ of the State Council, the Board of Directors of the Bank may implement arrangement regarding the issuance of the shares respectively.

The Bank may separately implement its plan to issue overseas listed foreign shares and domestically listed domestic shares pursuant to the preceding paragraph within 15 months from the date of approval or verification by the securities regulatory organ of the State Council.

When issuing preference shares to replenish tier-1 capital, the Bank shall comply with relevant eligibility criteria for capital instruments issued by the banking regulatory authority of State Council.

Article 24 In the event that there are overseas listed foreign shares and domestically listed domestic shares included in the total number of shares stated in the said plan, such shares shall be fully subscribed for at their respective offerings; should the shares cannot be fully subscribed for due to special circumstances, such shares may be issued in separate tranches upon approval or verification by the securities regulatory organ of the State Council.

In compliance with relevant regulations issued by the banking regulatory authority of State Council, the Bank hereby provides the article on the mandatory conversion of preference shares into ordinary shares that upon the occurrence of a trigger event, the Bank may convert a certain class and number of preference shares into corresponding ordinary shares subject to the conversion price and number confirmed by methods agreed in the issuance plan of preference shares.

The ordinary shares converted from preference shares due to the implementation of mandatory conversion shall rank pari passu with the original ordinary shares of the Bank.

Article 25 The registered share capital of the Bank shall be RMB25,219,845,601.

Article 26 The Bank may, depending on the operating and development requirements, approve an increase in its capital pursuant to the relevant provisions of these Articles. The Bank may increase its capital by way of:

- (1) offering ordinary shares to unspecified investors for subscription;
- (2) placing ordinary shares to existing shareholders;
- (3) allotting ordinary shares to existing shareholders;
- (4) allotting ordinary shares to specific targets;
- (5) converting capital reserve to ordinary shares;
- (6) converting preference shares into ordinary shares; and
- (7) other means as permitted by law and administrative regulations.

After the increase in capital and issuance of new shares are approved according to the provisions of these Articles, the Bank shall comply with the procedures set forth in the relevant laws and administrative regulations of the State.

Share conversion in relation to the Convertible Bonds issued by the Bank will result in the increase of the registered capital of the Bank. Share conversion of the Convertible Bonds shall be implemented according to the provisions of the laws and administrative regulations of the State, department rules and the relevant documents including the explanatory statements regarding the Convertible Bonds.

The number of preference shares issued by the Bank shall not exceed 50% of the total number of ordinary shares, while the proceeds of issuance shall not exceed 50% of the net assets before such issuance, provided that the repurchased and converted preference shares shall not be included in the calculation.

Article 27 Unless otherwise stipulated in the relevant laws and administrative regulations, shares of the Bank shall be freely transferable without any encumbrances.

Article 28 The Bank does not accept shares of the Bank as the subject of pledges.

Shareholders shall be compliant with the following requirements when pledging their equity interest in the Bank:

- (1) in case of providing guarantee for themselves or others with their equity interest in the Bank, the shareholders shall strictly comply with the requirements of laws, regulations and regulatory bodies and give a prior notice to the Board of Directors of the Bank. The office of the Board of Directors or other departments delegated by the Board of Directors shall be responsible for the collection, sortation and submission of information relating to equity pledge.

Shareholders being Directors or Supervisors of the Bank, or directly or indirectly, jointly holding or controlling more than 2% of the Shares or voting rights of the Bank, when pledging the Shares of the Bank, shall in advance apply for approval of and file the same with the Board of Directors of the Bank to provide the basic information including the reasons for pledge, equity amount, term of pledge and pledgor. The shareholder's application shall not be kept in archives if the Board of Directors identifies that his pledge will have a material adverse impact on the stability of the Bank's shareholding structure, corporate governance, control on risk and connected transactions. Directors nominated by the shareholders who intend to pledge their equity in the Bank shall abstain from voting when the Board of Directors considers any matter relating to filing.

- (2) after the completion of the registration of equity pledge, the Shareholders shall provide the Bank with the information on equity pledge in a timely manner as required by the Bank for risk management and information disclosure.
- (3) Shareholders are forbidden from making equity pledge if their outstanding borrowing due to the Bank exceeding the value of the audited net equity held by them in the Bank in the previous year.
- (4) the shareholders' voting rights and those of the Directors on behalf of them, shall be restricted when they vote at the meeting of the Board of Directors in the event that the amount of equity they pledged arrives at or exceeds 50% of their respective equity in the Bank.

Article 29 Directors, supervisors and other senior management members shall report to the Bank in relation to the number of shares held by them and the relevant changes. The number of ordinary shares or preference shares transferred each year during their term of office shall not exceed 25% of the total number of the same class of shares of the Bank held by them and the ordinary shares of the Bank held by them shall not be transferable within one year from the date of listing and trading of such ordinary shares. The persons referred to above shall not transfer shares of the Bank held by them within six months after they cease to be employed except under the circumstance enforced by courts.

Article 30 If any director, supervisor or member of the senior management members of the Bank holding more than 5% of the ordinary shares of the Bank sells shares of the Bank within 6 months after purchase; or purchases shares of the Bank within 6 months after selling, the profits obtained therefrom shall belong to the Bank and the Board of Directors of the Bank shall confiscate the profits. If a securities company holds more than 5% of the ordinary shares as a result of underwriting and purchasing the remaining shares, the sale of such shares shall not be subject to the 6-month period restriction.

If the Board of Directors of the Bank does not perform according to the provisions of the preceding paragraph, shareholders shall have the right to demand the Board of Directors to perform the provisions within 30 days. If the Board of Directors of the Bank fails to perform the provisions within the above period, shareholders shall have the right to initiate legal proceedings at the people's court directly in their own names for the benefit of the Bank.

If the Board of Directors of the Bank does not perform according to the provisions in paragraph 1, the directors who are held accountable shall be jointly liable according to law.

CHAPTER 4 REDUCTION OF CAPITAL AND REPURCHASE OF SHARES

Article 31 According to the provisions of these Articles, the Bank may reduce its registered capital.

Article 32 The Bank shall prepare a balance sheet and a list of inventory of assets on reduction of its registered capital.

The Bank shall notify its creditors within ten days from the date of the Bank's resolution on reduction of registered capital and shall publish an announcement in newspapers at least three times within thirty days. A creditor shall have the right within thirty days of receipt of the notice from the Bank, or within 45 days from the date of the first announcement where the creditor did not receive such notice, to demand the Bank to repay its debts or provide an appropriate guarantee for such debts. The relevant announcements shall be published in newspapers as prescribed by the relevant provisions.

The Bank's registered capital must not, upon the reduction of capital, be less than the minimum amount required by the law.

Reduction of registered capital by the Bank shall be implemented according to the Company Law, Commercial Banking Law and other relevant provisions and the procedures stipulated by these Articles.

Article 33 The Bank may, according to the procedures set forth in these Articles and upon approval by the relevant governing authorities of the State, repurchase its issued shares under the following circumstances:

- (1) for the purpose of reducing its share capital;
- (2) merging with other companies that hold shares in the Bank;
- (3) giving the shares as incentives to the staff of the Bank;
- (4) shareholders who objected to resolutions on merger or division of the Bank passed at a shareholders' general meeting and requested the Bank to take up their shares; and
- (5) other circumstances permitted by law and administrative regulations.

Except the above circumstances, the Bank shall not engage in any activities of buying or selling the shares of the Bank.

Any acquisition of the Bank's shares as a result of (1) to (3) referred to above shall be resolved at a shareholders' general meeting. After the Bank has acquired its shares according to the above provision, in the event of (1), the same shall be cancelled within 10 days from the date of acquisition; in the event of (2) or (4), the same shall be transferred or cancelled within 6 months.

The shares of the Bank acquired pursuant to (3) above shall not exceed 5% of the total number of shares issued by the Bank; funds used for the acquisition shall be paid from the after-tax profits of the Bank; the acquired shares shall be transferred to the staff within one year.

Article 34 Subject to approval of the relevant government authority, the Bank may repurchase its shares in one of the following ways:

- (1) making an offer to repurchase from all shareholders of the same class on a pro rata basis;
- (2) repurchasing of shares in open market on a stock exchange;
- (3) repurchasing by means of a contractual agreement outside a stock exchange; or
- (4) by other means as permitted by the applicable laws and regulations or as approved by the securities authority of the State Council.

Article 35 The Bank shall obtain prior approval from the shareholders at a shareholders' general meeting (in the manner defined in the Articles) prior to its repurchase of shares by an off-market agreement and the repurchase must be made at the highest price approved at the shareholders' general meeting. The Bank may, by obtaining the prior approval of the shareholders at a shareholders' general meeting (in the same manner as set forth above), discharge or amend the above contracts or waive any of its rights thereunder.

Contracts for the repurchase of shares referred to in the preceding paragraph shall include (but not limited to) an agreement to undertake the obligation to repurchase shares and acquire the right of repurchasing shares.

The Bank shall not transfer a contract on the repurchase of its shares or any rights thereunder.

Article 36 Shares repurchased by the Bank shall be canceled or transferred within the period prescribed by the applicable laws or administrative regulations and any changes to the registered capital arising therefrom shall be filed with the Bank's registry for registration of the change of its registered capital. The total par value of the shares so canceled shall be deducted from the registered capital of the Bank.

Article 37 Unless the Bank is undergoing liquidation process, it shall comply with the following requirements with respect to a repurchase of its issued shares:

- (1) for repurchases of shares by the Bank at their par value, payment shall be made from the book balance of its distributable profits or from the proceeds of a new issue for that purpose;
- (2) for repurchases of shares by the Bank at a premium to its par value, payment up to the par value shall be made from the book balance of its distributable profits or from the proceeds of a new issue for that purpose. Payment of the portion which is in excess of the par value shall be effected as follows:
 - (i) if the shares being repurchased are issued at par value, payment shall be made from the surplus of its distributable profits; and
 - (ii) if the shares being repurchased were issued at a premium to its par value, payment shall be made from the book balance of its distributable profits or from the proceeds of a new issue for that purpose. However, the amount deducted from the proceeds of such new issue shall not exceed the aggregate amount of the premiums received by the Bank on issuance of the shares so repurchased, nor shall it exceed the amount in the Bank's premium account or capital reserve fund account (including the premiums on the new issue) at the time of such repurchase.

- (3) The Bank shall make the following payment from the Bank's distributable profits:
 - (i) payment for acquisitions of rights to repurchase its own shares;
 - (ii) payment for the variation of any contract for the repurchase of its shares; and
 - (iii) payment for release from its obligations under any repurchase contract.
- (4) After the aggregate par value of the cancelled shares is deducted from the Bank's registered capital according to relevant provisions, the amount deducted from the distributable profits for payment of said aggregate par value of the shares shall be credited to the Bank's premium account or capital common reserve account.

The provisions above in this chapter are only applicable to ordinary shares, and with respect to the repurchase of preference shares by the Bank, relevant provisions in laws, administrative regulations, rules, the Articles and the issuance plan of preference shares of the Bank shall be applicable.

CHAPTER 5 FINANCIAL ASSISTANCE FOR REPURCHASE OF SHARES OF THE BANK

Article 38 The Bank (including branch organs of the Bank) or subsidiaries of the Bank (including subsidiary enterprises of the Bank) shall not offer any financial assistance at any time to purchasers or prospective purchasers of the Bank's shares by way of gifts, advances, guarantees, compensation or loans. Such purchasers of the Bank's shares as mentioned above shall include those who directly or indirectly assume obligations as a result of purchase of the shares of the Bank.

The Bank (including branch organs of the Bank) or subsidiaries of the Bank (including subsidiary enterprises of the Bank) shall not offer any financial assistance at any time by any means in order to reduce or relieve the obligations of the above obligors.

This clause does not apply to the circumstances as set out in Article 40 of this chapter.

Article 39 "Financial assistance" referred to in this chapter shall include but is not limited to the following means:

- (1) voluntary disposition;
- (2) guarantees (including the guarantor's undertaking of responsibility or providing property in order to guarantee the obligor's performance of obligations), compensation (but excluding the compensation arising from the Bank's fault), relief or waiver of rights;
- (3) providing loans or entering into a contract in which the Bank performs its obligations prior to other parties; changes in the loans or parties to such loans and transfer of such loans or rights under such contract; and
- (4) financial assistance provided by the Bank in any other form when the Bank is insolvent or has no net assets or such financial assistance will lead to significant decrease of net assets.

The obligations referred to in this chapter shall include the obligations of the obligor by signing a contract or making an arrangement or changing its financial status in any other ways, regardless of whether or not the aforesaid contract or arrangement is enforceable, or whether or not undertaken individually or jointly.

Article 40 The following acts shall not be deemed to be the acts forbidden under Article 38 of this chapter:

- (1) where the Bank provides the relevant financial assistance bona fide for the benefit of the Bank and the main purpose of the financial assistance is not to purchase shares in the Bank, or the financial assistance is an incidental part of an overall plan of the Bank;
- (2) lawful distribution of the Bank's property in the form of dividends;
- (3) distributable profit in the form of shares;
- (4) reduction of registered capital, repurchase of shares, adjustment in shareholding structure in accordance with these Articles;
- (5) provision of loans by the Bank within its scope of business and in the ordinary course of its business (provided that the same does not lead to a reduction in the net assets of the Bank or that if the same constitutes a reduction, the financial assistance is paid out of the Bank's distributable profits); and
- (6) provision of money by the Bank for an employee shareholding scheme (provided that the same does not lead to a reduction in the net assets of the Bank or that if the same constitutes a reduction, the financial assistance is paid out of the Bank's distributable profits).

CHAPTER 6 SHARE CERTIFICATES AND REGISTER OF SHAREHOLDERS

Article 41 The Share certificates of the Bank shall be in registered form. Share certificates shall, other than the matters specified by the Company Law, also contain other items required to be contained therein by the stock exchange where the shares of the Bank are listed.

Article 42 Share certificates shall be signed by the chairman. Where the signatures of other senior management members of the Bank are required by the stocks exchange where the Bank's shares are listed, the share certificates shall also be signed by such other senior management members. The share certificates of the Bank shall become effective after the Bank seal (including the securities seal of the Bank) is affixed thereto or printed thereon. Affixing the seal or securities seal of the Bank on the share certificates shall be authorized by the Board of Directors. The signature of the chairman or other senior management members on the share certificates may also be in printed form. Stipulations of the securities regulatory organs in the place where the shares of the Bank are listed shall apply in case the shares of the Bank are issued and transacted in scripless form.

Article 43 The Bank shall establish a register of shareholders and record the following:

- (1) name, address or domicile, occupation or nature of each shareholder;
- (2) class and number of shares held by each shareholder;
- (3) amount already paid or payable for the shares held by each shareholder;
- (4) serial number of shares held by each shareholder;
- (5) date on which each shareholder is registered as a shareholder; and
- (6) date on which each shareholder ceases to be a shareholder.

Unless proved to the contrary, the register of shareholders is sufficient proof that the shareholder holds share(s) of the Bank.

Article 44 The Bank may keep the register of shareholders of the overseas listed foreign shares in a place outside the PRC and entrust a foreign agency to manage the same in accordance with the understanding and agreement reached between the securities regulatory organs of the State Council and the foreign securities regulatory organ. The register of shareholders of H shares shall be kept in Hong Kong.

The Bank shall keep a duplicate of the register of shareholders of the overseas listed foreign shares at its registered office. The appointed foreign agency shall ensure that the original and copy of the register of shareholders of overseas listed foreign shares are consistent at all time.

In case the original and duplicate of the register of shareholders of overseas listed foreign shares are inconsistent, the original register shall prevail.

Article 45 The Bank shall keep a complete register of shareholders.

The register of shareholders shall include the following:

- (1) a register of shareholders kept at the registered office of the Bank other than those stipulated in (2) and (3) of this Article;
- (2) the register of shareholders of overseas listed foreign shares of the Bank kept at the place of the stock exchange for listing of the overseas listed foreign shares; and
- (3) the register of shareholders kept in such other places as the Board of Directors may decide according to the listing requirements.

Article 46 The different parts of the register of shareholders shall not overlap. In case of the transfer of certain registered shares in any part of the register of shareholders, such shares shall not be registered in any other parts of the register of shareholders during the subsisting registration period of such shares.

Changes to or corrections of any part of the register of shareholders shall be conducted in accordance with the laws in the place where such part of the register of shareholders is kept.

Article 47 All fully paid H shares are freely transferable in accordance with these Articles. Unless the following conditions are satisfied, the Board of Directors may refuse to recognize any instrument(s) of transfer without stating any reasons:

- (1) any instrument of transfer or other documents which are related to or will affect the ownership of shares shall be subject to registration, and a fee thereupon shall be paid to the Bank at a rate to be stipulated according to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules");
- (2) the instrument of transfer only relates to the H shares;
- (3) the stamp duty payable on the instrument(s) of transfer has been paid;
- (4) provision of the relevant share certificates and any other evidence which the Board of Directors may reasonably require to prove that the transferor has the right to transfer the shares;
- (5) should it be intended that the shares are to be transferred to joint owners, the maximum number of joint owners shall not exceed four; and
- (6) the relevant shares shall be free from any encumbrances.

H shares of the Bank shall be transferred in written form by way of ordinary or usual forms of the instrument of transfer or in other forms which are acceptable to the Board of Directors. Such instrument of transfer shall only be signed under hand, or if the transferor or the transferee is a clearing organ or its agent, it may be signed under hand or by machine printed signatures. All instruments of transfer must be placed at the registered place of the Bank or other places designated by the Board of Directors from time to time.

Overseas preference shares shall be transferred in accordance with relevant trading and settlement rules.

Article 48 Registration of changes in the register of shareholders as a result of the transfer of shares may not be conducted within 30 days before the date of the shareholders' general meeting or within 5 days before the record date for distributable profit distribution as decided upon by the Bank. However, if registration of changes in the register of shareholders is otherwise prescribed in laws, regulations, rules and regulations of local securities regulatory authorities where shares of the Bank are listed, relevant provisions shall be observed.

Article 49 If the Bank convenes a shareholders' general meeting, distributes distributable profit conducts liquidation or engages in other acts requiring confirmation of the identities of shareholders, the Board of Directors or the convenor of the shareholders' general meeting shall decide a date to be the shareholding registration date. After the close of the market on the shareholding registration date, the shareholders recorded in the register shall be the shareholders entitled to the relevant interests.

Article 50 Anyone who has objection to the register of shareholders and requests to register his/her name in the register of shareholders or to remove his/her name from the register of shareholders shall have the right to apply to the court having the jurisdiction for rectification of the register of shareholders.

Article 51 If the share certificates (i.e. the "Original Share Certificates") of any shareholders registered in the register of shareholders or any person who requests to register his/her name in the register of shareholders are lost, the shareholders may apply to the Bank for replacement of new share certificates in respect of such shares (the "Relevant Shares").

Application for replacement of share certificates by shareholders of domestic listed shares shall comply with the provisions of Article 143 of the Company Law.

Applications for replacement of share certificates by shareholders of overseas listed foreign shares shall be dealt with in compliance with the laws, rules of the stock exchange or other relevant regulations in the place where the original register of shareholders of overseas listed foreign shares is kept.

Where the share certificates held by shareholders of H shares are lost, the application for replacement shall comply with the following requirements:

- (1) The applicant shall file the application in the standard form specified by the Bank and enclose the notarial certificate or statutory declaration documents. The notarial certificate or statutory declaration documents shall include the reason for the application, the circumstances under which the share certificates are lost and the relevant evidences, and the declaration that no one else apart from the applicant may request to register as shareholders in respect of the relevant shares.
- (2) Before the Bank decides to issue new share certificates, the Bank has not received any declaration that any person other than the applicant has requested to be registered as the shareholder of such shares.

- (3) If the Bank decides to issue new share certificates to the applicant, it shall publish an announcement on issuance of such new share certificates in the newspapers specified by the Board of Directors. The period of notice shall be 90 days and the notice shall be republished at least once every 30 days.
- (4) Before the Bank publishes an announcement on issuance of such new share certificates, it shall submit a copy of the announcement to the stock exchange where its shares are listed. After the stock exchange gives its reply confirming that such announcement has been displayed on the stock exchange, the announcement may be published. The announcement shall remain published on the stock exchange for a period of 90 days.
- (5) If the application for issuance of the new share certificates is not approved by the registered shareholders of relevant shares, the Bank shall mail a copy of the announcement to be published to such shareholders.
- (6) If the Bank receives no objection against the issuance of the new share certificates upon expiry of the 90-day display period for the announcement as stipulated in (3) and (4) of this article, then the Bank may issue such new share certificates in accordance with the application of the applicant.
- (7) When the Bank reissues new share certificates according to this provision, it shall immediately cancel the lost Original Share Certificates and shall record such cancellation and re-issuance in the register of shareholders.
- (8) All the costs arising out of the Bank's cancellation of the lost Original Share Certificates and the issuance of new share certificates shall be borne by the applicant. The Bank shall have the right to refuse to take any action before the applicant provides any reasonable guarantee.

Article 52 After the Bank issues the new share certificates in accordance with the Articles, the names of the bona fide purchasers who obtain the aforesaid new share certificates or the shareholders who subsequently registered as the owner of such shares (provided that he/she is a bona fide purchaser) shall not be removed from the register of shareholders.

Article 53 The Bank shall assume no obligation of compensation to those person(s) who may suffer damages from the Bank's cancellation of the lost Original Share Certificates or the issuance of new share certificates, unless such person(s) can prove fraud on the part of the Bank.

CHAPTER 7 RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

Article 54 Shareholders of the Bank shall be the persons who lawfully hold the shares of the Bank and whose names are registered in the register of shareholders.

Shareholders of ordinary shares shall enjoy the same rights and assume the same obligations; shareholders of preference shares shall enjoy rights and assume obligations in accordance with laws, administrative regulations, departmental rules or the provisions herein and the agreements in specific terms of issuance. Shareholders holding preference shares issued in the same batch under same terms shall enjoy the same rights and assume the same obligations.

In the case of shareholding by joint shareholders, if any one of such joint shareholders passes away, the other surviving shareholder(s) shall be deemed as the owners of the relevant shares. The Board of Directors may require the provision of death certificates acceptable to it for the purpose of amending the register of shareholders. As regards joint shareholders of any shares, only the shareholder whose name stands first in the register of shareholders shall be entitled to receive the share certificate of the relevant shares, receive notices of the Bank and attend and vote at any shareholders' general meeting. Any notice received by such shareholder shall be deemed as having served on all joint shareholders of the relevant shares.

Article 55 Shareholders of the Bank's ordinary shares shall be entitled to enjoy the following rights:

- (1) receiving distributable profit and other forms of benefits on the basis of the number of shares held by them;
- (2) requesting to convene, chairing or attending or appointing proxies to attend shareholders' general meeting according to law;
- (3) exercising voting rights in proportion to the shares held;
- (4) supervising business operation of the Bank and submitting proposals or inquiries;
- (5) transferring, bestowing, pledging or otherwise dealing with the shares held in accordance with laws, administrative regulations, the relevant regulations of the securities regulatory organs in the place where shares of the Bank are listed as well as these Articles;
- (6) obtaining the relevant information in accordance with laws and these Articles, including:
 - (i) obtaining the Articles after paying the relevant cost;
 - (ii) reviewing and making copies of the following documents after paying reasonable costs:
 - (A) any parts of the register of shareholders;
 - (B) personal information of the directors, supervisors, president and other senior management members of the Bank, including:
 - (a) current and previous name and alias;
 - (b) principal address (residence);
 - (c) nationality;
 - (d) full-time and all other part-time occupations and duties; and
 - (e) their identification documents and the number thereof.
 - (C) status of the share capital of the Bank;
 - (D) report on the aggregate par value, quantity, the highest price and the lowest price of each class of shares repurchased by the Bank since the last accounting year, as well as all the expenses paid by the Bank therefor;
 - (E) minutes of shareholders' general meeting, resolutions of board meetings and resolutions of meetings of the Board of Supervisors;
 - (F) counterfoils of the bonds; and
 - (G) financial and accounting reports.

- (7) participating in the distribution of the Bank's remaining property in proportion to the number of shares held by the shareholders upon cessation of the Bank's business or liquidation of the Bank;
- (8) shareholders objecting to resolutions on merger or division passed at the shareholders' general meeting can request the Bank to acquire their shares; and
- (9) other rights conferred by laws, administrative regulations as well as the Articles.

Shareholders of preference shares of the Bank shall be entitled to the following rights:

- (1) rights of class voting on specific matters at shareholders' general meetings;
- (2) preference in profit distribution;
- (3) preference in the distribution of remaining assets;
- (4) the right of shareholders of preference shares with recovered voting rights to request to convene, chair and attend or appoint proxies to attend shareholders' general meeting;
- (5) other rights provided by laws, administrative regulations, departmental rules or the Articles.

Notwithstanding matters to be approved by shareholders of preference shares required by laws or the Articles, the shareholders of preference shares shall have neither the right to request to convene, chair and attend or appoint proxies to attend shareholders' general meeting nor the right to vote at it.

However, when the Bank fails to pay dividends on preference shares as agreed for a total of three accounting years or for two consecutive accounting years, shareholders of preference shares shall recover their voting rights and have the right to attend shareholders' general meeting and vote together with shareholders of ordinary shares from the date following the approval by the shareholders' general meeting that the agreed dividends on preference shares would not be paid for the year. Each preference share shall carry pro rata voting right agreed in specific terms of issuance.

The recovery of voting rights owned by shareholders of preference shares said in the preceding paragraph shall stay valid until the Bank pays the dividends for the year in full.

Article 56 Shareholders shall submit written documents certifying the class and quantity of shares of the Bank held by them when they intend to review the information or obtain the documents referred to above. After the Bank verifies the identity of such shareholders, it shall provide the information and documents as required by such shareholders.

Article 57 If the resolutions of shareholders meetings and board meetings violate the provisions of laws or administrative regulations, shareholders shall have the right to request the people's court to declare that they are void.

If the convening procedures and voting method of shareholders' general meeting and board meetings violate the provisions of laws or administrative regulations or the Articles or the contents of the resolutions violate the Articles, shareholders shall have the right to request the people's court to cancel the same within 60 days from the date of passing of the resolutions.

Article 58 If any director(s) or senior management members in the course of execution of the Bank's duties violate(s) the laws or administrative regulations or the provision of these Articles thus causing any loss to the Bank, shareholders holding more than 1% of the voting shares of the Bank individually or jointly for a continuous period of 180 days shall have the right to request the Board of Supervisors in writing to institute proceedings at the people's court (against such director(s) or senior management members); if the Board of Supervisors in the course of execution of the Bank's duties violates the laws or administrative regulations or the provision of these Articles thus causing any loss to the Bank, shareholders may in writing request the Board of Directors to institute proceedings at the people's court against the Board of Supervisors.

If the Board of Supervisors or the Board of Directors refuses to institute proceedings upon receipt of the written shareholders' request referred to above or fails to institute proceedings within 30 days after receipt of the request or in case of emergency so that the Bank may suffer irrecoverable loss if proceedings are not instituted immediately, the shareholders referred to above shall have the right to directly institute proceedings at the people's court in their own names for the benefit of the Bank.

If a person infringing the lawful interest of the Bank thus causing loss to the Bank, the shareholders stipulated in the first paragraph may institute proceedings at the people's court according to the provisions of the preceding two paragraphs.

Article 59 If any director(s) or senior management members violate(s) the laws, administrative regulations or the provision of these Articles thus affecting the interests of shareholders, shareholders may institute proceedings at the people's court.

Article 60 Shareholders of the Bank shall assume the following obligations, unless otherwise required with respect to shareholders of preference shares by the Articles or applicable laws and regulations or the listing rules:

- (1) abide by the laws, administrative regulations and the Articles;
- (2) pay subscription fees according to the number of shares subscribed by them and the method of capital injection;
- (3) shall not withdraw their shareholdings unless otherwise provided by laws and regulations;
- (4) shall not abuse the shareholders' rights thus damaging the interests of the Bank or other shareholders; shall not abuse the independent legal person status of the Bank and the limited liability of shareholders thus damaging the interests of creditors of the Bank;

If any of the shareholders of the Bank abuse the shareholders' rights thus causing loss to the Bank or other shareholders, they shall assume the liability of compensation according to law.

If any of the shareholders of the Bank abuse the independent legal person status of the Bank and the limited liability of shareholders and evade repayment of debts thus seriously damaging the interests of the creditors of the Bank, they shall assume joint liability for the debts of the Bank.

- (5) the shareholders of the Bank shall perform their duties of fidelity lawfully to ensure the truth, completeness and effectiveness of the information provided by them;
- (6) other obligations imposed by laws and administrative regulations as well as these Articles.

Shareholders shall not be liable to any further contribution of the share capital other than such terms as agreed by the subscriber(s) of the relevant shares at the time of subscription.

Article 61 In addition to the obligations that the common shareholders shall assume, the substantial shareholders shall disclose the information of related parties truthfully, accurately and completely, and undertake to report any change of association relationship to the Board of Directors in a timely manner whenever it occurs.

The “Substantial Shareholders” as mentioned in those Articles refer to the shareholders who, directly or indirectly, jointly hold or control more than 5% of the voting shares of the Bank and can make significant influence on the Bank’s decision.

Article 62 Shareholders, especially the substantial Shareholders shall exercise their rights as capital contributors strictly in compliance with the laws, regulations and the Articles. They shall not seek inappropriate interest, intervene the decision-making and management of the Board of Directors and senior management in accordance with the Articles, bypass the Board of Directors and senior management to directly intervene the operations and management of the Bank, and damage the interests of the Bank and the legitimate rights and interests of other stakeholders.

Article 63 Shareholders, especially the substantial Shareholders shall support the reasonable capital plans formulated by the Board of Directors to enable the Bank to meet regulatory capital requirements constantly. Shareholders shall support the reasonable measures suggested by the Board of Directors to raise the capital adequacy ratio of the Bank when the ratio is lower than the statutory standard, where the capital adequacy ratio can meet regulatory requirements within prescribed period through replenishing capital by way of increasing core capital or taking other measures.

Substantial Shareholders shall not hinder the replenishment of capital by other Shareholders or the entry of new qualified Shareholders.

Substantial Shareholders shall make written long-term undertaking to the Bank in respect of capital replenishment, which will form a part of the capital plan of the Bank.

Article 64 Upon occurrence of any of the following where the Bank suffers from liquidity difficulties, shareholders who have received loans from the Bank shall repay the loans due immediately and shall repay those undue ahead of schedule:

- (1) balance of current assets at the end of the period/balance of current liabilities at the end of period $\leq 15\%$;
- (2) (deposit reserve + monies prepared to be paid)/balance of various deposits at the end of the period (excluding entrusted deposits) $\leq 13\%$;
- (3) balance of non-performing loans at the end of the period/balance of various loans at the end of the period $\geq 30\%$;
- (4) [(interbank borrowings + placements from banks and other financial institutions) – (interbank lendings + placements with banks and other financial institutions)]/balance of various deposits at the end of the period (excluding entrusted deposits) $\geq 5\%$.

Article 65 The voting right of a shareholder of the Bank at its shareholders’ general meetings and that of its despatched director(s) at the meetings of the Board of Directors shall be restricted during the period in which the loan facilities granted by the Bank to that shareholder remains overdue.

Article 66 The conditions of loans that the Bank offers to its shareholders shall not be more favourable than those of similar loans that the Bank offers to other borrowers.

Article 67 Controlling shareholders and de facto controllers of the Bank shall not exploit their related relationship to impair the interests of the Bank. If the relevant provisions are violated thus causing damages to the Bank, the relevant persons shall assume the liability of compensation.

The controlling shareholders and de facto controllers of the Bank owe a fiduciary duty to the Bank and its other shareholders. The controlling shareholders shall strictly exercise their rights as capital contributors according to law. Controlling shareholders shall not impair the lawful interests of the Bank and its other shareholders by way of profit distribution, asset reorganization, external investment, fund appropriation or loan guarantees nor damage the interests of the Bank and its other shareholders by using its controlling status.

Article 68 Except for the obligations as required by laws, administrative regulations or the listing rules of the stock exchange in the place where the shares of the Bank are listed, the controlling shareholders (as defined below) in exercising their voting rights shall not make any decisions affecting the benefits of all or part of the shareholders in respect of the following matters:

- (1) exempting the responsibility of any director or supervisor to act in good faith for the maximum benefit of the Bank;
- (2) approving any director or supervisor (for the benefit of himself or other persons) to dispose of the property of the Bank in any form, including (but not limited to) the opportunities that are favourable to the Bank; and
- (3) approving any director or supervisor (for the benefit of himself or other persons) to deprive of the individual interests of other shareholders, including (but not limited to) any distribution rights or voting rights, but excluding the reorganization of the Bank which is submitted to the shareholders' general meeting for approval in accordance with these Articles.

Article 69 The term "controlling shareholders" herein shall refer to the persons satisfying any of the following conditions:

- (1) has the right to elect more than half of the directors when acting alone or in concert with others;
- (2) has the right to exercise or control the exercise of more than 30% of the voting rights of the Bank when acting alone or in concert with others;
- (3) holding more than 30% of the voting shares of the Bank when acting alone or in concert with others; and
- (4) can effectively control the Bank in any other manner when acting alone or in concert with others.

The term "acting in concert" herein shall mean the act where two or more persons reaching an agreement (verbal or written), pursuant to which one of them obtains the voting rights of the Bank in order to gain or strengthen control over the Bank.

The term "effective controllers" referred herein shall mean a person who can effectively control the acts of the Bank through investment relationship, agreement or other arrangements even though he is not a shareholder of the Bank.

CHAPTER 8 SHAREHOLDERS' GENERAL MEETINGS

Section 1 General Provisions of Shareholders' General Meetings

Article 70 The shareholders' general meetings is the organ of power of the Bank and shall exercise its powers according to law.

Article 71 The shareholders' general meetings shall exercise the following powers:

- (1) deciding on the business policies and investment plans of the Bank;
- (2) electing and replacing directors and deciding on matters concerning their remunerations;
- (3) electing and replacing supervisors not appointed from staff representatives, and deciding on matters concerning supervisors' remuneration;
- (4) examining and approving reports of the Board of Directors;
- (5) examining and approving reports of the Board of Supervisors;
- (6) examining and approving the Bank's annual financial budget and final account proposals;
- (7) examining and approving the Bank's plans for profit distribution and loss make-up;
- (8) examining proposals on changes in the use of proceeds;
- (9) adopting resolutions on increase or reduction of the Bank's registered capital;
- (10) adopting resolutions on plans for issuance of bonds of the Bank;
- (11) adopting resolutions on matters such as merger, division, dissolution, liquidation and change of corporate form of the Bank;
- (12) amending the Articles of the Bank;
- (13) adopting resolutions on the engagement or removal or discontinuation of engagement of accounting firms by the Bank;
- (14) examining proposals put forward by the shareholders who individually or jointly hold 3% or more of the total issued voting shares of the Bank;
- (15) examining proposal(s) on matter(s) relating to any single equity investment and other external investment, any single acquisition and disposal of fixed assets (including real estates and other fixed assets, and the term shall be construed accordingly), and any other assets involving an amount exceeding 10% of the net asset value based on the latest published audited accounts of the Bank as well as any acquisition and disposal of significant asset(s), on an accumulated basis, during a period of one year, (including but not limited to equity interest, fixed assets and other assets) involving an aggregate amount exceeding 30% of the total asset value based on the latest published audited accounts of the Bank;
- (16) examining share incentive plans; and
- (17) examining and approving other issues that shall be approved by the shareholders' general meeting as stipulated by laws, regulations and the Articles of the Bank.

Article 72 There are two types of shareholders' general meeting: annual general meeting and extraordinary general meeting. The annual general meeting shall be held once a year within six months after the end of the previous accounting year. If, for any special reasons, a shareholders' general meeting is postponed, a report setting out the reasons for such postponement shall be immediately issued to the banking regulatory authority of the State Council and the securities regulatory authority in the jurisdictions where the shares of the Bank are listed, and shall also be published.

An extraordinary general meeting shall be convened within two months from the date of occurrence of any of the following events:

- (1) the number of directors is less than the minimum quorum stipulated in the Company Law or less than two-thirds of the number stipulated in the Articles;
- (2) the unrecovered loss of the Bank reaches one-third of the Bank's total paid-in share capital;
- (3) upon request in writing by shareholders individually or jointly holding 10% or more of the Bank's voting shares;
- (4) the Board of Directors may deem necessary;
- (5) upon the request by the Board of Supervisors; and
- (6) other circumstances stipulated by laws, administrative regulations, departmental rules and the Articles.

The number of shares held referred to in (3) above shall be calculated on the date when the shareholders put forward a written request.

Article 73 The place for convening a shareholders' general meeting shall be the registered office of the Bank.

The Bank shall arrange for a venue and the meeting shall be held in the form of on-the-spot meeting. The Bank may provide facilities to the shareholders attending the shareholders' general meeting by adopting safe, economic and expedient networks or other methods required by laws, administrative regulations, the CSRC or the Articles. Shareholders attending the meeting by way of the above methods shall be deemed as to have attended the meeting.

Section 2 Convening of Shareholders' General Meetings

Article 74 The Board of Directors shall convene a shareholders' general meeting according to the provisions of these Articles.

Article 75 Independent directors shall have the right to propose to the Board of Directors to convene an extraordinary general meeting. As regards the proposal of independent directors in relation to convening an extraordinary general meeting, the Board of Directors shall give written replies on whether it agrees or disagrees to the convening of the extraordinary general meeting within 10 days after receiving the proposal according to the provisions of laws, administrative regulations and these Articles.

If the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice on convening the shareholders' general meetings within 5 days after passing of the board resolution. However, if otherwise prescribed in laws, regulations, rules and regulations of local securities regulatory authorities where shares of the Bank are listed, relevant provisions shall be observed. If the Board of Directors does not agree to convene an extraordinary general meeting, it shall state the reason and publish an announcement.

Article 76 The Board of Supervisors shall have the right to propose in writing to the Board of Directors to convene an extraordinary general meeting. The Board of Directors shall give written replies on whether it agrees or disagrees to the convening of the extraordinary general meeting within 10 days after receiving the proposal according to the provisions of laws, administrative regulations and these Articles.

If the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice on convening the shareholders' general meetings within 5 days after passing the board resolution. Changes to the original proposal as stated in the notice shall obtain the consent of the Board of Supervisors. However, if otherwise prescribed in laws, regulations, rules and regulations of local securities regulatory authorities where shares of the Bank are listed, relevant provisions shall be observed.

If the Board of Directors does not agree to convene an extraordinary general meeting or it does not reply within 10 days after receiving the proposal, it shall be deemed that the Board of Directors cannot perform or has failed to perform the duties to convene a shareholders' general meeting and the Board of Supervisors may convene and preside over the meeting.

Article 77 The following procedures shall be complied with when shareholders request to convene an extraordinary general meeting or class meeting:

- (1) two or more shareholders holding more than 10% of the voting shares at the proposed general meeting may sign one or several same written requests proposing to the Board of Directors to convene an extraordinary general meeting or class meeting and stating the subjects to be considered at the meeting. The number of shares held referred to above shall be calculated on the date the shareholders submit their written request. The Board of Directors shall give written replies as to whether it agrees or disagrees to the convening of the extraordinary general meeting or class meeting within 10 days after receiving the request according to the provisions of laws, administrative regulations and these Articles.

If the Board of Directors agrees to convene an extraordinary general meeting or class meeting, it shall issue a notice on convening the shareholders' general meetings or class meeting within 5 days after passing the board resolution. Any changes to the original proposal as stated in the notice shall be approved by the relevant shareholders. However, if otherwise prescribed in laws, regulations, rules and regulations of local securities regulatory authorities where shares of the Bank are listed, relevant provisions shall be observed.

- (2) If the Board of Directors does not agree to convene an extraordinary general meeting or class meeting or it does not reply within 10 days after receiving the request, shareholders individually or jointly holding more than 10% of the voting shares at the proposed meeting shall have the right to propose in writing to the Board of Supervisors to convene an extraordinary general meeting or class meeting.

If the Board of Supervisors agrees to convene an extraordinary general meeting or class meeting, it shall issue a notice to convene the extraordinary general meeting or class meeting within 5 days after receiving the request. Any changes to the original request as stated in the notice shall be approved by the relevant shareholders. However, if otherwise prescribed in laws, regulations, rules and regulations of local securities regulatory authorities where shares of the Bank are listed, relevant provisions shall be observed.

If the Board of Supervisors fails to give notice of the shareholders' general meetings or class meeting within the specified time limit, it shall be deemed as not convening or presiding over the meeting, in which case, the shareholders individually or jointly holding more than 10% of the shares of the Bank (such shares shall have voting rights at such proposed meeting) for more than 90 consecutive days may convene and preside over the meeting on their own.

Reasonable expenses incurred from the aforesaid case where shareholders convene the meeting by themselves due to the failure of the Board of Directors or Board of Supervisors to convene the meeting shall be borne by the Bank, and the same shall be deducted from the payment to those directors or supervisors who failed to perform their duties.

Article 78 If the Board of Supervisors or shareholders decide(s) to convene a shareholders' general meeting on their own, a written notice shall be sent to the Board of Directors and filed with the banking regulatory organ of the State Council and the securities regulatory organ of the State Council in the place where the Bank is situated and the relevant stock exchange. Prior to publication of the announcement on the resolutions passed at the shareholders' general meeting, the ratio of the voting shares held by shareholders convening the meeting to total voting shares shall not be less than 10%.

When issuing the notice of shareholders' general meeting and the announcement on the resolutions passed at the shareholders' general meeting, the shareholders convening the meeting shall submit the relevant evidence materials to the securities regulatory organ of the State Council in the place where the Bank is situated and the relevant stock exchanges.

Article 79 If the Board of Supervisors or shareholders convene(s) a shareholders' general meeting on their own, the Board of Directors and the secretary of the Board of Directors shall cooperate accordingly. The Board of Directors shall provide the register of shareholders as at the date of the shareholding registration date. If the Board of Supervisors or shareholders convene(s) a shareholders' general meeting on their own, the necessary expenses shall be borne by the Bank.

Section 3 Proposal(s) and Notice of Shareholders' General Meetings

Article 80 The contents of the proposal(s) shall be within the scope of authority for the shareholders' general meeting, shall have definite subject(s) for discussion and specific matter(s) for resolution and shall comply with the relevant provisions of laws, administrative regulations and these Articles.

Article 81 When the Bank convenes a shareholders' general meeting, a written notice shall be issued 45 days prior to the meeting to all the shareholders whose names are recorded on the register stating therein the matters proposed to be considered at the meeting as well as the time and venue of the meeting. Shareholders intending to attend the shareholders' general meeting shall send a written reply to the Bank 20 days before the meeting is convened.

Article 82 If the Bank convenes a shareholders' general meeting, the Board of Directors, the Board of Supervisors and the shareholders individually or jointly holding more than 3% of the total issued voting shares of the Bank shall have the right to submit new proposals in writing to the Bank. If the contents of the proposal fall within the scope of authority of the shareholders' general meeting, the same shall be included in the agenda of such meeting.

Shareholders individually or jointly holding more than 3% of the total issued voting shares of the Bank may submit interim proposals in writing to the Bank 15 working days before convening the shareholders' general meeting and submit the same to the convenor. The convenor shall issue a supplemental notice to the shareholders' general meeting and announce the contents of the interim proposal within two working days after receiving the proposal.

Except for those stipulated in the preceding paragraphs, the convenor shall not amend the proposals stated in the notice of shareholders' general meeting or include new proposals after the notice of the shareholders' general meeting has been issued.

Any proposal(s) which has/have not been stated in the notice of shareholders' general meeting or is/are not in compliance with the provisions of Article 80 of these Articles shall not be voted and passed as resolution(s) at the shareholders' general meetings.

Article 83 The Bank shall calculate the number of voting shares represented by the shareholders intending to attend the shareholders' general meeting in accordance with the written replies received 20 days prior to the shareholders' general meeting. Where the number of voting shares held by shareholders intending to attend the shareholders' general meeting reaches more than one half of the total number of voting shares of the Bank, the meeting may be held. Where such number of voting shares is not reached, the Bank shall issue an announcement to notify the shareholders of the matters to be discussed at the shareholders' general meeting and the date and venue of the meeting within the next 5 days. The Bank may convene the shareholders' general meeting after such announcement has been made. Such announcement shall be published in newspapers designated by the relevant requirements.

Article 84 The notice of the shareholders' general meeting shall satisfy the following conditions:

- (1) be in writing;
- (2) specifying the venue, date and time and duration of the meeting;
- (3) describing the matters to be discussed at the meeting;
- (4) providing the information and explanations necessary for shareholders to make informed decisions regarding the matters to be discussed, including (but are not limited to) specific terms and contract (if any) of a proposed transaction and a detailed explanation of the causes and consequences where the Bank proposes a merger, repurchase of shares, capital reorganization or other form of restructuring;
- (5) where any director(s), supervisor(s), president and other senior management member(s) has/have a material interest in the matters to be discussed, then the nature and extent of that interest should be disclosed. If the impact of the matters to be discussed on such director(s), supervisor(s), president and other senior management member(s) who is/are shareholders is different from the impact on other shareholders of the same class, that difference shall be illustrated;
- (6) containing the full text of any special resolution(s) proposed to be passed at the shareholders' general meeting;
- (7) providing a clear description stating that the shareholders of ordinary shares (including shareholders of preference shares with recovered voting rights) having the right to attend and vote at the shareholders' general meeting shall have the right to appoint one or more proxies to attend and vote on their behalf and such proxy needs not be a shareholder of the Bank;

- (8) setting out the deadline and address for the delivery of proxy form for the shareholders' general meeting;
- (9) the shareholding registration date for shareholders who have the right to attend the shareholders' general meeting;
- (10) name and telephone number of the contact person in relation to the shareholders' general meeting; and
- (11) the time and procedures for voting through Internet or by other methods shall be clarified in the notice of convening the shareholders' general meeting if any shareholders attend the shareholders' general meeting through Internet or by another methods.

Article 85 If the matters relating to the election of directors and supervisors are proposed to be discussed at a shareholders' general meeting, the notice of the shareholders' general meeting shall fully disclose details of the candidates for directors and supervisors which shall include at least the following:

- (1) personal particulars including education background, working experience, part-time jobs etc;
- (2) any connected relationship with the Bank or the controlling shareholders and de facto controllers of the Bank;
- (3) disclosure of the number of shares of the Bank held by him/her; and
- (4) whether he/she was subject to any punishment or enforcement action by the securities regulatory authorities of the PRC, other relevant departments and the stock exchange.

Except adopting the cumulative voting system to elect directors or supervisors, the proposal on each candidate for directors or supervisors shall be put forward and voted individually.

Article 86 The notice of the shareholders' general meeting and relevant documents shall be delivered by hand or prepaid post to all the shareholders (whether or not such shareholders have a voting right at the shareholders' general meeting). The address of the receiving party shall be the address recorded in the register of shareholders. For domestic shareholders, the delivery of the notice of shareholders' general meeting, the circular to shareholders and relevant documents may also be made by way of announcement; for holders of overseas listed foreign shares, the notice of shareholders' general meeting, the circular to shareholders and relevant documents may, in accordance with laws, administrative regulations, and the listing rules in the place where the Bank's shares are listed, be delivered on the Bank's website and the website of the Hong Kong Stock Exchange.

Announcements referred to in the preceding paragraph shall be published on one or more newspapers designated by the securities regulatory organ of the State Council within 45 to 50 days before the meeting. All shareholders of domestic shares shall be deemed as having received that notice of shareholders' general meeting upon the publication of that announcement.

Where the matters regarding the notice of preference shareholders' general meeting are otherwise provided by the Articles, applicable laws and regulations and the listing rules, such provisions shall prevail.

Article 87 The shareholders' general meeting and the resolutions of the meeting shall not become void even if there has been any accidental omission to deliver the notice of shareholders' general meeting to a person having the right to receive the notice or that such person fails to receive the notice.

Article 88 After issuing the notice of the shareholders' general meeting, the shareholders' general meeting shall not be postponed or cancelled and the proposals stated in the notice of shareholders' general meeting shall not be cancelled without any justified reasons. In the event of any postponement or cancellation, the convenor shall publish another announcement stating therein the reasons at least 2 working days prior to the original date of the meeting.

Section 4 Proceedings at Shareholders' General Meetings

Article 89 The Bank's Board of Directors and other convenors shall adopt necessary measures to warrant the normal order of the shareholders' general meeting. Any act which intervenes the shareholders' general meeting, causes trouble and affects the lawful interests of shareholders shall be prohibited by adopting the necessary measures and the same shall be reported on a timely basis to the relevant department for inspection and punishment.

Article 90 All shareholders of the Bank's ordinary shares and those of preference shares with recovered voting rights recorded in the register on the record date shall have the right to attend the shareholders' general meetings and exercise the voting rights in accordance with relevant laws, regulations and the Articles of Association. Such shareholders may attend a shareholders' general meeting in person, and also may appoint a proxy to attend and vote on their behalf.

Any shareholder who has the right to attend and vote at a shareholders' general meeting shall have the right to appoint one or more persons (not necessarily a shareholder) as his/her proxy to attend the meeting and vote. Such proxy may exercise the following rights in accordance with the shareholder's authorization:

- (1) such shareholder's right of speech at the shareholders' general meetings; and
- (2) the voting right.

In the event that a shareholder is a recognized clearing house (as defined in the Hong Kong Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)) (or its nominee(s)), it may, as it sees fit, appoint one or more persons as its proxy to attend and vote at any shareholders' general meeting or class meeting. However, in the event that more than one person is so appointed, the proxy form shall specify the number and class of the shares relating to each of such proxies. Such proxy may exercise the rights of such recognized clearing house (or its nominee(s)) on its behalf in the same manner as if it was an individual shareholder of the Bank.

Article 91 A shareholder shall appoint a proxy by a proxy form, which must be signed by the appointer or his/her attorney duly authorised in writing. If the appointer is a corporation, the document shall be executed under its company's seal or signed by duly authorized representative(s).

Article 92 If a shareholder attends the meeting in person, he/she shall produce his/her own identity card or other valid documents or evidence to prove his/her identity and shareholding evidence. If a shareholder appoints a proxy to attend the meeting, the proxy shall produce his/her own valid identification documents and the shareholder's power of attorney and shareholding evidence.

Corporate shareholders shall attend the meeting by legal representatives or proxies appointed by legal representatives. If a legal representative attends the meeting, he/she shall produce his/her own identity card or other valid documents evidencing his/her capacity of legal representative and shareholding evidence; if a proxy is appointed to attend the meeting, the proxy shall produce his/her own identity card and the legal representatives of corporate shareholders shall produce the the written power of attorney according to law and shareholding evidence.

Article 93 The form of proxy appointing another person to attend a shareholders' general meeting produced by a shareholder shall state the following:

- (1) name of the appointor and its proxy;
- (2) the number of shares held by the appointor for whom the proxy represents;
- (3) whether he/she has the voting right;
- (4) instructions as to vote for or vote against or abstain from voting in relation to each matter on the agenda to be examined at the shareholders' general meeting;
- (5) issuing date and validity period of the proxy form; and
- (6) signature (or chop) of the appointor. If the appointor is a domestic corporate shareholder, the corporation's seal shall be affixed.

Article 94 Proxy forms provided by the Board of Directors of the Bank or the convenor to the shareholders in relation to appointing proxies shall provide that shareholders shall be free to elect and instruct a proxy to vote for or against accordingly and give separate instructions on each matter to be voted in relation to each subject for discussion. The proxy form shall state that if the shareholder does not give any instruction, the proxy may vote at his discretion.

Article 95 The proxy form for voting shall be placed at the registered office of the Bank or other places designated in the notice of meeting twenty-four hours before the time appointed for convening the meeting to discuss the relevant matter(s) or twenty-four hours before the time designated for voting. If the proxy form is signed by a person authorized by the appointor, the power of attorney to sign the proxy form or other authorization documents shall be notarized. The power of attorney or other authorization documents notarized together with the proxy forms for voting shall be placed at the registered office of the Bank or other places designated in the meeting notice.

If the appointor is a corporation, it shall be represented by its legal representative or a person authorised by its Board of Directors by resolutions or by its policy-making body at the shareholders' general meeting of the Bank.

Article 96 The register of the persons attending the meeting shall be prepared by the Bank. The register shall set out the names of the persons attending the meeting (or names of the entity he/she is from), their identity card numbers, residential addresses, numbers of shares held or representing voting rights, class of shares, names of the proxied (or names of the entity he/she is from).

Article 97 If, before voting, the entrusting party passed away, lost his/her ability to act, withdrew the entrustment, withdrew the authorization on the proxy form or transferred all his/her shares, the vote cast by the proxy in accordance with the proxy form shall remain valid so long as the Bank has not received any written notice regarding such matters before the commencement of relevant meeting.

- Article 98 The convenor and the lawyers appointed by the Bank shall jointly verify the legality of the shareholders' qualifications according to the shareholders' register provided by the securities registration and clearing service provider and register the names of the shareholders and the numbers of shares held by them with voting rights. Registration of shareholders attending the meeting shall terminate before the chairperson of the meeting announces the number of persons and proxies attending the meeting on the spot and the total number of shares with voting rights.
- Article 99 At the time of convening the shareholders' general meeting, all the directors and supervisors, the secretary of the Board of Directors and the lawyers appointed by the Bank shall attend the meeting. The president and other senior management members shall attend the meeting as non-voting delegates. The lawyers shall issue legal opinions on the legality of the procedures for convening the shareholders' general meetings, the qualification of shareholders to attend the shareholders' general meetings and the resolutions to be presented for voting at the shareholders' general meetings.
- Article 100 The shareholders' general meeting shall be convened by the Board of Directors according to laws and shall be presided over by the chairman who will act as chairman of the meeting. If the chairman is unable to perform his/her duties or fails to perform his/her duties, the meeting shall be presided over by the deputy chairman (if the Bank has two deputy chairmen, by the deputy chairman jointly chosen by more than half of the directors). If the chairman or the deputy chairman is unable to perform his/her duties or fails to perform his/her duties, a director jointly chosen by more than half of the directors shall preside over the meeting and act as chairman of the meeting;
- If A shareholders' general meeting is convened by the Board of Supervisors, the meeting shall be presided over and chaired by the Board of Supervisors. If the chairman of the Board of Supervisors is unable to perform its duties or fails to perform his/her duties, a supervisor jointly chosen by more than half the supervisors shall chair the meeting.
- If a shareholders' general meeting is convened by the shareholders, the convenor shall choose a representative to preside over and chair the meeting.
- During the shareholders' general meeting, if the chairperson of the meeting violates the rules of procedures such that the shareholders' general meeting cannot proceed, a person shall be elected to act as chairman of the meeting and the meeting can proceed upon obtaining the consent of more than one half of the shareholders with voting rights attending the shareholders' general meeting.
- Article 101 The Bank shall formulate rules of procedures of the shareholders' general meeting setting out in detail the convening and voting procedures of the shareholders' general meeting, including notice, registration, examination of proposals, voting, vote counting, announcement of the poll results, passing of resolution(s), minutes and their execution and announcement and abstention of related shareholders, and the principles of granting authorisation to the Board of Directors by the shareholders' general meeting. The contents of authorisation shall be precise and specific. The rules of procedures of the shareholders' general meeting shall form an annexure to these Articles and shall be drafted by the Board of Directors and approved by the shareholders' general meeting.
- Article 102 At the annual general meeting, the Board of Directors and the Board of Supervisors shall submit their work reports for the previous year to the shareholders' general meeting. Each independent director shall also submit his work report.

- Article 103 The directors, supervisors and senior management members shall make explanation and clarification to the shareholders' queries and suggestions at the shareholders' general meeting.
- Article 104 Before voting, the chairperson of the meeting shall announce the number of shareholders and proxies attending the meeting in person and the total number of shares held with voting rights. The number of shareholders and proxies attending the meeting in person and the total number of shares held with voting rights recorded on the meeting register shall prevail.
- Article 105 Minutes of the shareholders' general meeting shall be taken by the secretary of the Board of Directors. The minutes shall include the following:
- (1) time, place and agenda of the meeting and the name of the convenor;
 - (2) names of the chairperson of the meeting and the directors, supervisors, president and other senior management members attending the meeting or attending as non-voting delegates;
 - (3) number of voting shares held by shareholders of domestic shares (including proxies) and shareholders of overseas listed foreign shares (including proxies) attending the meeting and the proportion to the total number of shares of the Bank;
 - (4) the course of examination of each proposal, abstract of speech and voting results of each proposals by the shareholders of domestic shares and shareholders of overseas listed foreign shares;
 - (5) queries or suggestions of the shareholders and the corresponding replies and explanations;
 - (6) names of the lawyers, the vote-counter and the scrutineer(s); and
 - (7) other contents which should be set out in the minutes as stipulated in these Articles.
- Article 106 The convener shall warrant that the contents of the minutes are true, accurate and complete. The directors, supervisors, secretary of the Board of Directors, convener or their representatives and the chairperson of the meeting shall sign the minutes. The minutes shall be kept together with the signature register of shareholders attending the meeting in person and proxy forms and valid materials relating to voting through internet or otherwise for a period of not less than ten years.
- Article 107 The convener shall warrant that the shareholders' general meeting will proceed continuously until the conclusion of the final resolution is passed. If a shareholders' general meeting is suspended or no resolution is made due to special reasons including force majeure, necessary measures shall be adopted in order to resume the shareholders' general meeting as soon as practicable or directly adjourn the meeting and make an announcement in a timely manner. At the same time, the convener shall submit a report to a branch of the securities regulatory authorities of the State Council of the jurisdiction where the Bank is situated and the relevant stock exchange.

Section 5 Voting and Resolutions at Shareholders' General Meetings

Article 108 Shareholders of ordinary shares (including their proxies) shall exercise their voting rights according to the number of shares held with voting rights. Each share shall have one voting right. The voting rights of shareholders of preference shares with recovered voting rights shall be calculated as agreed in specific terms of issuance. Unless otherwise required by the Articles in respect of class voting with preference shares, the shares held by the shareholders of preference shares shall not carry any voting rights.

In the event of class voting with preference shares, each preference share (excluding preference shares with recovered voting rights) shall have one voting right.

Ordinary and preference shares of the Bank held by the Bank do not have any voting right and such shares shall not be counted in the total number of shares of different classes with voting rights at the shareholders' general meeting.

When the shareholders' general meeting considers material matters that may influence the interests of minority investors (excluding investors holding preference shares), the votes of minority investors shall be calculated separately. The result of such separate calculation shall be disclosed promptly.

Article 109 Resolutions of shareholders' general meeting shall be divided into ordinary resolutions and special resolution(s).

To adopt an ordinary resolution, votes representing more than one half of the voting rights represented by the shareholders with voting rights (including shareholders' proxies) present at the meeting must be exercised in favor of the resolution.

To adopt a special resolution, votes representing two-thirds or more of the voting rights represented by the shareholders with voting rights (including shareholders' proxies) present at the meeting must be exercised in favor of the resolution.

Article 110 The following matters shall be resolved by an ordinary resolution at a shareholders' general meeting:

- (1) work reports of the Board of Directors and Board of Supervisors;
- (2) profit distribution plans and loss recovery plans formulated by the Board of Directors;
- (3) removal of any member of the Board of Directors and Board of Supervisors, their remuneration and manner of payment;
- (4) annual budgets, final accounts, balance sheets, profit statements and other financial statements of the Bank;
- (5) annual reports of the Bank; and
- (6) matters other than those which are required by laws and administrative regulations or these Articles to be resolved by a special resolution.

Article 111 The following matters shall be approved by a special resolution at a shareholders' general meeting:

- (1) the increase or decrease of registered capital and the issuance of shares of any class, warrants for share subscription and other similar securities;
- (2) the issue of debentures of the Bank;
- (3) the separation, merger, change of corporate form, dissolution or liquidation of the Bank;
- (4) amendments to the Articles of Association;
- (5) share incentive plans;
- (6) any purchase or sale of our material assets within one year, or provision of guaranty within one year where the amount exceeds 30% of the total amount of the Bank's assets as audited in their latest period;
- (7) deciding or authorizing the Board of Directors 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 authorized to decide on matters of cancellation of part or all of the dividend distribution) thereof; and
- (8) any other matters prescribed by the Articles of Association, or resolved by the shareholders at a shareholders' general meeting, by an ordinary resolution, to be of a nature that may have a material impact on the Bank and should be adopted by a special resolution.

Article 112 The Board of Directors, independent directors and qualified shareholders under relevant requirements may collect voting rights of the shareholders at the shareholders' general meeting. The collection of voting rights shall be done without compensation and information shall be fully disclosed to the persons from whom voting rights are collected.

Article 113 Unless approved by a special resolution at a shareholders' general meeting, the Bank shall not enter into any contract with any person other than the director, president or other senior management members pursuant to which the entire management or the Bank's business of any significance shall be vested to such person.

Article 114 When a shareholders' general meeting examines connected transactions, the related shareholders shall not participate in voting and the number of shares with voting rights represented by them shall not be counted in the total number of valid votes; the voting result announcement of the shareholders' general meeting shall fully disclose the voting by unrelated shareholders. If there are special circumstances under which the related shareholders are unable to abstain from voting, the Bank may, after obtaining consent of the relevant department, conduct voting according to the normal procedures and shall explain in details in the voting result announcement of shareholders' general meeting. The relevant announcement shall be published in newspapers in compliance with the relevant stipulations.

If, pursuant to the Company Law or the provisions of other laws and administrative regulations or the Listing Rules, any shareholder(s) has/have to abstain from voting on or is restricted to only vote for or against any individual proposal, any votes cast by such shareholders (or their proxies) violating the relevant stipulation or restriction shall not be counted in the total number of valid votes.

Article 115 The Bank shall, on the premise of ensuring the lawfulness and validity of the shareholders' general meeting, provide various means or channels including the provision of up-to-date information technology such as on-line voting platforms to facilitate the shareholders' participation in the shareholders' general meeting.

In the event that shareholders' general meeting is convened with respect to the issuance of preference shares, the Bank shall allow on-line voting and adopt other channels recognized by the CSRC to facilitate the shareholders' participation in the shareholders' general meeting.

Article 116 The list of candidates for directors and supervisors shall be submitted to the shareholders' general meeting as a proposal for voting;

When taking a poll in respect of the election of directors or supervisors at the shareholders' general meeting, the cumulative voting system shall be adopted according to the provisions of the Articles or resolutions of shareholders' general meetings.

The cumulative voting system referred to in the preceding article means at the shareholders' general meeting where director(s) or supervisor(s) is/are elected, each share shall have the same number of voting rights as the number of director(s) or supervisor(s) to be elected. Shareholders' voting rights may be used collectively. The Board of Directors shall announce the biography(ies) and basic particulars of the candidate(s) for director(s) or supervisor(s).

Article 117 Except for cumulative polling, each of the proposals of the shareholders' general meeting shall be voted in sequence, and different proposals concerning the same matter shall be voted in order when the proposals are submitted. Except in the event of force majeure or other special reasons resulting in the termination of the shareholders' general meeting or that the failure of reaching the resolutions, any proposals proposed at the shareholders' general meeting shall not be set aside or reserve for voting.

When considering the issuance of preference shares, the shareholders' general meeting shall vote on the following matters item by item:

- (1) class and number of preference shares in such issuance;
- (2) issuance targets, issuance methods and arrangement of placement to the existing shareholders;
- (3) par value, issuance price or pricing range and the determining basis;
- (4) methods for shareholders of preference shares to participate in profit distribution, including dividend rate and the determining basis thereof, conditions of dividend distribution, methods of dividend payment, any accumulation of dividends and any entitlement to the distribution of remaining profits;
- (5) terms of repurchase, including conditions, period, price and pricing principles of such repurchase and the entity to exercise the repurchase option (if any);
- (6) use of proceeds;
- (7) conditional share subscription contract entered into between the Company and issuance targets (if any);
- (8) validity period of the resolution;

- (9) proposed amendments to the relevant terms hereof in relation to the profit distribution policy for shareholders of preference shares and shareholders of ordinary shares;
- (10) authorization to the Board to deal with specific matters of the issuance; and
- (11) other matters.

Shareholders of preference shares are not entitled to attend the shareholders' general meeting of the Bank and their preference shares do not carry any voting rights. However, the Bank shall notify the shareholders of preference shares about the convening of shareholders' general meeting upon occurrence of any of the following circumstances. Whereby, shareholders of preference shares are entitled to attend shareholders' general meeting and exercise class voting on the following matters together with shareholders of ordinary shares, with each preference share having one voting right save that the preference shares of the Bank held by the Bank do not have any voting rights:

- (1) amendment to contents relating to preference shares hereof;
- (2) reduction of registered capital of the Bank by over 10% at one time or multiple times together;
- (3) merger, division, dissolution or change of the corporate form of the Bank;
- (4) issuance of preference shares;
- (5) other circumstances stipulated by laws, regulations or the Articles.

According to special procedures for voting by shareholders of different classes under chapter 9 of the Articles, resolution on above matters is not only subject to the approval with over two-thirds of voting rights held by shareholders of ordinary shares (including shareholders of preference shares with recovered voting rights) attending the meeting, but also subject to the approval with over two-thirds of voting rights held by shareholders of preference shares (excluding shareholders of preference shares with recovered voting rights, yet including shareholders in person and its proxies) attending the meeting.

There is neither the need of notification to shareholders of preference shares nor the need of class voting thereof, when a plan on cancellation of part or all of the dividend distribution to shareholders of preference shares or a resolution on issuance of ordinary shares is considered at the shareholders' general meeting.

Article 118 When the proposals are being examined at the shareholders' general meeting, the proposals shall not be amended; otherwise, the amended proposal shall be regarded as a new proposal and shall not be voted at such shareholders' general meeting.

Article 119 Any voting at the shareholders' general meeting shall be taken by way of poll of registered voters. The Bank shall announce the poll results in accordance with provision of relevant laws, rules and the Listing Rules.

Article 120 A voting by poll that is demanded for matters concerning the election of chairman or termination of the meeting shall be conducted immediately; for other matters, the chairman of the meeting shall decide when to conduct voting by poll and the meeting can continue to discuss other matters. The voting results shall still be deemed as a resolution adopted at such meeting.

Article 121 The same voting right shall only be exercised by attending meeting in person, through the internet or any one of the other voting methods. The vote cast first shall prevail if repeated voting occurs in relation to the same voting right.

Article 122 During the voting by poll, shareholders (including their proxies) with two or more voting rights do not necessarily use all their voting rights to vote for or against a proposal.

Article 123 Before any proposals are being voted at shareholders' general meeting, two shareholder representatives shall be elected to participate in vote counting and monitoring. If these shareholders are interested in the matters to be examined, the relevant shareholders or their proxies shall not participate in the vote counting or monitoring.

When the proposals are being voted at the shareholders' general meeting, lawyers, shareholder representatives and supervisors shall be jointly responsible for vote counting and securitization and announcing the voting results on the spot.

Shareholders or their proxies voting through the internet shall have the right to check their own votes cast through the relevant voting system.

Article 124 The chairperson of the meeting shall decide whether the proposals have been passed according to the voting results and his decision shall be conclusive and shall announce the voting results at the meeting. The voting results on the proposals shall be recorded in the minutes.

Article 125 An on-site shareholders' general meeting shall not end earlier than the one held through internet (if applicable) or by other methods. The chairman of the meeting shall announce details and results of the voting on each proposal, and announce whether a proposal is passed according to the voting results. Before announcing the poll results officially, the Bank, the vote-counter, the voting scrutineer, our major shareholders and the internet service providers involved in the voting at the shareholders' general meeting, through the internet or other method shall assume confidentiality obligations.

Article 126 Shareholders present at the shareholders' general meeting shall give one of the following comments to the proposals put forward for voting: for, against or abstention. Securities registration and clearing service providers serve as nominal shareholders of shares under the transactions in stock connect mechanisms between mainland China and Hong Kong, save those declare the intent of reporting as actual holders.

If the voting slip has not been completed or has been completed incorrectly or that the writing is illegible or that the voting slip has not been cast, it shall be treated that the voter has renounced his/her voting rights and the voting results of the relevant number of shares held by him/her shall be counted as "abstain".

Article 127 If the chairperson of the meeting has any doubt on the poll results, he may arrange for vote counting. If the chairperson of the meeting does not arrange for vote counting and the shareholders or their proxies attending the meeting object to the results announced by the chairperson, they shall have the right to demand vote counting immediately after announcement of the voting results, and the chairperson of the meeting shall arrange for vote counting immediately.

Article 128 If counting of votes is held at a shareholders' general meeting, the result of the counting shall be recorded in the minutes of the meeting.

Minutes of meetings together with the signature book of the shareholders attending the meeting and proxy forms shall be kept at the registered office of the Bank.

Article 129 Shareholders can inspect copies of meeting minutes during office hours of the Bank free of charge. If any shareholder requests for copies of relevant meeting minutes, the Bank shall distribute the copies within seven days after receiving a reasonable fee.

Article 130 At the time of convening the shareholders' general meeting, lawyers should be engaged to attend the shareholders' general meeting and issue legal opinion on the following and make an announcement:

- (1) whether the convening of the shareholders' general meeting and the convening procedures comply with the laws, administrative regulations and these Articles;
- (2) whether the qualifications of the person(s) attending the meeting and the convenor are lawful and valid;
- (3) whether the voting procedures and voting results of the shareholders' general meeting are lawful and valid; and
- (4) legal opinions issued on other matters as requested by the Bank.

Article 131 Public announcement of the voting results of a shareholders' general meeting, containing the number of shareholders and proxies of each class attending the meeting, the total number of voting shares held by them and its proportion to the total number of voting shares of the Bank, the form of voting, result of each resolution and the detailed content of each resolution, shall be issued in time.

Article 132 If a proposal is not passed or a resolution passed at the previous shareholders' general meeting is amended at such shareholders' general meeting, it shall be set out as a special reminder in the announcement on resolutions of the shareholders' general meeting.

CHAPTER 9 SPECIAL PROCEDURES FOR VOTING BY SHAREHOLDERS OF DIFFERENT CLASSES

Article 133 Shareholders holding different types of shares shall be shareholders of different classes.

Shareholders of different classes shall enjoy the rights and assume the obligations stipulated by the laws, administrative regulations and the Bank's Articles.

Article 134 If the Bank intends to change or abrogate the rights of shareholders of different classes, it may do so only after such change or abrogation has been approved by way of a special resolution of the shareholders' general meeting and by a separate class meeting convened by the affected shareholders of that class in accordance with Article 136 to Article 140 hereof.

Article 135 Under the following circumstances, rights of shareholders of a certain class shall be deemed to have been changed or abrogated:

- (1) an increase or decrease in the number of shares of such class or an increase or decrease in the number of shares of a class having voting rights, distribution rights or other privileges equal or superior to those of the shares of such class, except the circumstance as contemplated under Article 19 hereof when shareholders of domestic ordinary shares of the Bank transfer their shares to overseas investors and that such shares are listed and traded overseas;

- (2) a re-classification of all or part of the shares of such class into the shares of another class, a conversion of all or part of the shares of another class into the shares of such class or the grant of a conversion right for such shares, except the circumstance as contemplated under Article 19 hereof when shareholders of domestic ordinary shares of the Bank transfer their shares to overseas investors and that such shares are listed and traded overseas;
- (3) cancellation or reduction of rights attached to such class of shares in relation to the accrued distributable profits or cumulative distributable profits;
- (4) a reduction or cancellation of rights attached to such class of shares in relation to the priority to distributable profits or property distribution during liquidation of the Bank;
- (5) increase, cancellation or reduction of share conversion rights, options, voting rights, transfer rights, pre-emptive rights to rights issues or rights to acquire securities of the Bank attached to that class of shares;
- (6) cancellation or reduction of rights attached to the class of shares to receive amounts payable by the Bank in a specified currency;
- (7) a creation of a new class of shares with voting rights, distribution rights or other privileges equal or superior to the shares of that class;
- (8) an imposition of restrictions or additional restrictions on the transfer or ownership of shares of such class;
- (9) issue of rights to subscribe for, or convert into, the shares of such class or another class;
- (10) an increase in the rights and privileges of the shares of another class;
- (11) the restructuring plan of the Bank may result in disproportionate liabilities to be borne by shareholders of different classes during the restructuring; and
- (12) an amendment to or abrogation of the terms stipulated in these Articles.

The change or abrogation of the rights of shareholders of preference shares is limited to the circumstances set forth in the paragraph 3 under Article 117 hereof.

Article 136 Shareholders of the affected class, whether they originally have voting right at shareholders' general meeting or not, shall enjoy voting rights at class meeting of shareholders upon occurrence of events contemplated under Article 135 (2) to (8), (11) to (12). However, interested shareholders shall not have voting rights at class meeting of shareholders.

Interested shareholders referred to in this Article shall have the following meaning:

- (1) where the Bank has made a repurchase offer to all shareholders on a pro rata basis or made repurchase by means of an open offer at the stock exchange in accordance with Article 34 hereof, "interested shareholders" refer to the controlling shareholders defined in Article 69 hereof;
- (2) where the Bank has made repurchases by means of agreement off the stock exchange in accordance with Article 34 hereof, "interested shareholders" refer to the shareholders who are connected with that agreement; or

- (3) for the purpose of the Bank's restructuring plan, "interested shareholders" refer to those shareholders who assume less responsibilities than other shareholders of the same class or those shareholders who enjoy different rights and interests from other shareholders of the same class.

Article 137 Resolutions of class meeting of shareholders shall be made only after it is adopted through voting by more than two-thirds of voting shares represented by the shareholders present at the class meeting of shareholders according to Article 136.

Article 138 For convening class meetings of shareholders, the Bank shall issue a written notice forty-five days before the meeting is convened, informing all shareholders of that class of shares recorded in the register of the matters to be considered at the meeting and the meeting date and place. Shareholders attending the meeting shall send a written reply of attendance to the Bank twenty days before the meeting is convened.

The Bank shall convene a class meeting of shareholders when the voting shares represented by the shareholders to be present at the meeting reach more than one-half of the total voting shares of that class at the meeting. Failing such number of voting shares, the Bank shall inform again the shareholders of the matters to be considered at the meeting, meeting date and place through public announcement within the next five days. The Bank may convene the class meeting of shareholders by issuing an announcement on newspapers in compliance with the relevant stipulations.

Article 139 A notice of class meeting of shareholders only needs to be sent to those shareholders who have voting right at the meeting. The procedures to convene class meeting of shareholders shall resemble those of shareholders' general meeting as far as possible. Terms concerning the procedures to convene shareholders' general meeting shall be applicable to class meeting of shareholders.

Article 140 Except shareholders of other classes of shares, shareholders of domestically listed domestic shares and shareholders of overseas listed foreign shares shall be regarded as shareholders of different classes. Shareholders of ordinary shares and shareholders of preference shares shall also be regarded as shareholders of different classes.

Special procedures for voting by shareholders of different classes shall not be applicable to the following circumstances:

- (1) after approval by the shareholders' general meeting by special resolution(s), the Bank issues domestically listed domestic shares and overseas listed foreign shares every twelve months, whether separately or jointly, and the domestically listed domestic shares and overseas listed foreign shares to be issued shall not exceed 20% of the issued share capital of respective class of shares;
- (2) the plan to issue domestic shares and overseas listed foreign shares upon establishment of the Bank was completed within fifteen months from the date of approval by the securities regulatory organ of the State Council; and
- (3) shareholders of ordinary domestic shares of the Bank transfer their shares to overseas investors and the shares are listed and traded overseas as referred to in Article 19.

CHAPTER 10 BOARD OF DIRECTORS

Section 1 Directors

Article 141 A director of the Bank shall be a natural person who is not required to hold any shares in the Bank. Directors of the Bank comprise of executive directors and non-executive directors (including independent directors).

Executive director means a director holding other senior operation and management positions in addition to holding directorship of the Bank.

Non-executive director means a director of the Bank who does not hold a senior operation and management position.

Article 142 Directors shall be elected or removed by the shareholders' general meeting. The term of office of a director shall be three years. A director's term of office shall commence from the date of approval by the China Banking Regulatory Commission under the State Council. Upon expiry of his/her term of office, a director may be re-elected and re-appointed. A director shall not be dismissed without any justified reasons before the expiry of his/her term of office. Where no new appointment is made upon expiry of the term of a director, the original director shall, prior to the newly appointed director assumes his/her office, continue to perform his/her duties as a director in accordance with the provisions of laws, administrative regulations, departmental rules and the Articles of Association.

A written notice of the intention of nominating a candidate to become a director and the candidate's consent with such nomination shall be given to the Bank no later than the seventh day after the date of issuing the notice of the shareholders' general meeting for the election of such director.

Subject to compliance with the relevant laws and administrative regulations, the shareholders' general meeting may, by ordinary resolution, remove any director prior to the expiry of his term of office (but claims for compensation under any contract shall not be affected by this provision).

The qualification of directors of the Bank shall be verified by the regulatory authority under the State Council prior to the assumption of their office in the Bank. If a director becomes disqualified for serving as a director of the Bank during his/her term of office, the Bank shall require him/her to proceed with rectifications or terminate his/her term of office in the Bank, and report the relevant information to the banking regulatory authority.

Pursuant to the requirements of the laws, regulations and these Articles, after a director is elected, the Bank shall timely enter into an appointment contract with such director specifying the rights and obligations between the Bank and the director, term of office of the director, liability of the director for violating the laws, regulations and these Articles and compensation for early termination by the Bank of the above contract due to certain reasons.

After a director has been elected, he/she shall attend trainings, learn about the rights and duties of directors, familiarize with relevant laws and regulations and obtain relevant knowledge in accordance with relevant requirements.

Article 143 The nomination and election of directors shall comply with the following requirements:

- (1) the candidates for directors may be nominated by the Nomination Committee of the Board of Directors in accordance with the number of proposed candidates for directors within the number of members of the Board of Directors stipulated by the Articles of Associations of the Bank; the candidates for directors may also be nominated to the Board of Directors by the shareholders individually or jointly holding more than 3 percent of the total number of the Bank's issued and outstanding shares carrying voting rights.
- (2) the Nomination Committee of the Board of Directors shall conduct preliminary verification on the qualification and conditions of appointment of the candidates for directors, and propose the qualified candidates to the Board of Directors for consideration; and propose them to the shareholders' general meeting by way of written resolutions after they are considered and approved by the Board of Directors.
- (3) the candidates for directors shall, before the convening of the shareholders' general meeting, make written undertakings, express their consent to their nomination, confirm the truthfulness and completeness of their publicly disclosed information and undertake that they will duly perform their duties upon election.
- (4) the Board of Directors, before the convening of the shareholders' general meeting, shall disclose the detailed information on the candidates for directors to all the shareholders of the Bank in accordance with the laws, regulations and the Articles of Association of the Bank, so as to ensure that the shareholders will have sufficient knowledge on the candidates when casting their votes.
- (5) when an additional director shall be temporarily nominated, the Nomination Committee of the Board of Directors or the shareholders satisfying the conditions for making such nomination may propose a candidate to the Board of Directors for consideration, and to the shareholders' general meeting for election or replacement.
- (6) the same shareholder and his/her/its associates shall not nominate a candidate for a director and another candidate for a supervisor at the shareholders' general meeting; if the candidate for a director (supervisor) nominated by the same shareholder and his/her/its associates has already served as a director (supervisor), the shareholder shall not nominate the candidate for supervisor (director) prior to the expiry of the term of office and the replacement of such person. The number of directors nominated by the same shareholder and his/her/its associates in principle shall not exceed one third of the total number of the members of the Board of Directors, unless otherwise authorized by the State.

Article 144 Directors shall have the right to learn about the operating status of various businesses and the financial position of the Bank, and supervise the performance of duties by other directors and senior management members in accordance with law.

A director owes fiduciary and diligent duties to the Bank, and shall exercise the rights conferred to him/her by the Bank prudently, conscientiously and diligently in order to ensure that:

- (1) the commercial acts of the Bank comply with the State's laws and administrative regulations and the requirements of various economic policies of the State. The scope of commercial activities shall not exceed the business scope stipulated in the business licence;

- (2) shall treat all the shareholders fairly;
- (3) shall diligently read the business and financial reports of the Bank and familiarise with the operating and management conditions of the Bank's business in a timely manner and sign written confirmations on the regular reports of the Bank in order to ensure that all information disclosed by the Bank is true, accurate and complete;
- (4) shall personally exercise the management and disposal right lawfully conferred to him/her and shall not be manipulated by other persons; shall not transfer his disposal right to other persons unless permitted by laws and administrative regulations or upon approval obtained from shareholders' general meeting on an informed basis;
- (5) shall inform the relevant status and provide the relevant information to the Board of Supervisors in accordance with the facts, and shall not hinder the Board of Supervisors or supervisors in exercising their powers and shall accept the lawful supervision and reasonable proposals of the Board of Supervisors in relation to the performance of duties; and
- (6) other diligence obligations stipulated by laws, administrative regulations, departmental rules and the Articles of the Bank.

Article 145 A director shall not act on behalf of the Bank or the Board of Directors in his own name without complying with the provisions of these Articles of the Bank or obtaining the lawful authorisation of the Board of Directors. If a director acts in his own name and a third party reasonably considers that such director acts on behalf of the Bank or the Board of Directors, such director shall declare his position and identity in advance.

Article 146 Except the following circumstances, a director or any of his associates shall not vote on the board resolution(s) in respect of contracts, transactions or arrangements or other proposals in which he/she is materially interested. Whenever for confirmation whether there is a quorum attending the meeting, he/she shall not be counted. The definition of "associates" referred to above shall have the same meaning ascribed to it in the Listing Rules:

- (1)
 - 1. a director or his/her associate lends money to the Bank or any of its subsidiaries; or a director or his/her associate incurs or assumes obligations at the request of the Bank or any of its subsidiaries or for their benefits, which results in the Bank providing any pledge or indemnity guarantee to such director or his/her associate; or
 - 2. the Bank or any of its subsidiaries provides any pledge or indemnity guarantee to a third party in relation to its debts or obligations; for the purpose of such debts or obligations, a director or his/her associate (individually or jointly) has assumed all or part of the liabilities in respect of such debts or obligations as a result of the provision of a pledge or indemnity guarantee or collateral;
- (2) As regards any shares, bonds or other securities of the issuer or other companies (established by the Bank or in which the issuer has interests) offered by other persons or the Bank for subscription or purchase, a director or his/her associate has acquired or will have acquired an interest as result of participation in the underwriting or sub-underwriting of such offer;

- (3) a director or any of his/her associates directly or indirectly has interests in the offers made by other companies (whether in the capacity of senior officer or executive or shareholder); or as regards the proposals made by any other relevant companies, a director or his/her associate beneficially owns shares in such other companies; however, such director and any of his/her associates does not beneficially own an aggregate of 5% or above of any class of issued shares or voting rights in those companies (or any third company by which such director or any of his/her associates obtains the relevant interests);
- (4) proposals or arrangements in relation to the benefits of any of the employees of the Bank or any of its subsidiaries, including:
 - 1. adopting, amending or implementing employee share schemes or any share incentives or share option schemes in which any associates of a director may benefit; or
 - 2. adopting, amending or implementing any retirement fund schemes, retirement plans, death or disability benefit schemes in relation to the directors, their associates and employees of the Bank or any of its subsidiaries and pursuant to which a director (or his/her associate) is not granted concessions or benefits which are not generally conferred to any person related to such scheme or fund; and
- (5) any contract or arrangement in which a director or his/her associate owns interest and as regards such contracts or arrangements, a director or his/her associate owns interests in the same way as other holders of the shares or bonds or other securities of the Bank only because such director or his/her associate owns interest in the shares or bonds or other securities of the Bank.

If a director or other enterprises in which he/she holds a post directly or indirectly has connected relations with any existing or proposed contract, transaction, arrangement of the Bank (except employment contract), the nature and extent of such connected relations shall be disclosed to the Board of Directors as soon as possible irrespective of whether the relevant matter is required to be approved by the Board of Directors or not under normal circumstances.

Unless the director having connected relations makes disclosure to the Board of Directors in accordance with the requirements of this article and the Board of Directors approves such matter at a meeting in which such director is not counted in the quorum of the Board of Directors and such director does not participate in the voting, the Bank shall have the right to cancel such contract, transaction or arrangement, except to the extent that the counterparty is a bona fide third person.

Article 147 When performing the above obligations, a director shall state the relevant circumstances in writing to the Board of Directors. The Board of Directors shall confirm whether the director is a connected person in the relevant transaction in accordance with the share dealing rules of the stock exchange in the place where the shares are listed.

The avoidance and voting procedures of a connected director are as follows: a connected director may avoid on his own or that the other directors or director representatives participating in the Board of Directors make a request on his/her behalf.

Article 148 Independent Directors shall work at least 15 days each year in the Bank, and the directors serving as chairman of the Audit Committee, the Related Party Transactions Control Committee or the Risk and Capital Management Committee shall work at least 25 days each year in the Bank.

A director shall attend personally at least two-thirds of the board meetings each year. If a director fails to attend a board meeting in person on two occasions consecutively and fails to appoint another director on his/her behalf to attend the board meeting, the director shall be deemed as failing to discharge his/her duties. The Board of Directors shall put forward a proposal at the shareholders' general meeting to remove such director. Directors shall express independent, professional and objective opinions at the meetings of the Board of Directors.

Article 149 The Bank shall establish directors' profiles and make a complete record of attendance of directors at the meetings of the Board of Directors, their respective opinions and advices and the status of adoption of their opinions and advices, which may be used as the pursuance for making appraisals on its Directors. A director may resign before his/her term of office expires. If a director resigns, he/she shall submit a resignation report in writing to the Board of Directors. The Board of Directors shall disclose the relevant situation within two days.

If the normal operation of the Bank is affected or the number of directors of the Board of Directors is less than two thirds of the number of directors of the then session of the Board of Directors or the statutory minimum number due to the resignation of a director, the resigning director shall discharge his/her duties in accordance with laws, administrative regulations, departmental rules and the provisions of the Articles of Association before the newly appointed director assumes his/her office. The Board of Directors shall as soon as possible convene an extraordinary shareholders' general meeting to elect a new director.

Other than the circumstances set out in the preceding paragraph, resignation of a director shall take effect at the time of submission of the resignation report to the Board of Directors.

Article 150 A director shall complete all the handover formalities with the Board of Directors when his/her resignation takes effect or his/her term of office expires. The fiduciary obligations owed to the Bank and shareholders shall not be discharged before his/her resignation report becomes effective or within a reasonable period after such report becoming effective and within a reasonable period after expiry of his/her term of office. His/her obligation of preserving confidentiality in order to protect the commercial secrecy of the Bank shall still be subsisting after expiry of his/her term of office until such commercial secrecy becomes public information. The subsisting period of other obligations shall be determined in accordance with the principle of fairness depending on the duration of the time between the occurrence of the event and the time he/she ceases to be employed by the Bank and the circumstances and conditions under which his/her relationship with the Bank ends.

Article 151 A director shall assume compensation liability if such director performed his/her duties to the Bank in violation of the laws, administrative regulations, departmental rules or the provisions of these Articles of the Bank and thus causing losses to the Bank.

Section 2 Independent Directors

Article 152 Independent directors of the Bank refers to directors who do not hold any position other than as independent directors and have no relation with the Bank and its substantial shareholders that may impair their independent and objective judgment. Independent directors shall satisfy the following basic requirements:

- (1) satisfying the qualifications for holding the position of director in a listed company as stipulated by the laws, regulations and other relevant requirements;
- (2) performing independently their duties without any interference from the substantial shareholders of the Bank, de facto controllers, or other units or individuals having interests in the Bank;
- (3) having basic knowledge about the operation of a listed company and being familiar with the relevant laws, administrative regulations, regulations and rules;
- (4) having an education background beyond undergraduate level (consisting of at least an undergraduate degree) or a job title at above middle level in the related profession;
- (5) having more than five years' experiences in law, economics and finance, or other working experiences required for performing the duties of an independent director;
- (6) well versed in the laws and regulations relating to the operation and management of commercial banks;
- (7) being able to read, understand and analyse statements on credit statistics and financial statements of commercial banks; and
- (8) having enough time and energy to effectively perform the duties of an independent director.

Article 153 The following persons shall not act as an independent director of the Bank:

- (1) any person and any of his/her close relatives holding more than 1% of the Bank's voting shares or holding a position in the shareholders' units;
- (2) a natural person among the Bank's top ten shareholders with voting rights or holding a position in the units owned by any of the Bank's top five shareholders with voting rights;
- (3) any person or any of his/her close relatives who holds a position in any companies which are controlled or effectively controlled by the Bank;
- (4) any person or any of his/her close relatives who holds a position in any entity which is unable to repay loans to the Bank when falling due;
- (5) any person who held a position in the Bank or any companies which are controlled or effectively controlled by the Bank within three years prior to the assumption of his/her office;

- (6) any person who provides such services as financial, legal and consultancy services to the Bank or its subsidiaries, or any person or any of his close relatives who holds a position in any entity which has a relationship of business, liabilities or debts with, or any interests in the Bank by providing such services as legal, accounting, auditing, management consultancy and guarantee cooperation services to the Bank, thus impeding his/her independence in the performance of duties;
- (7) any other person or any of his/her close relatives upon whom the Bank, its substantial shareholders or senior management members may control or exercise significant influence through various means, thus impeding his/her independence in the performance of duties;
- (8) the immediate or major relatives of the above-mentioned persons (immediate relatives refer to spouse, father/mother, children, etc.; major relatives refer to brothers/sisters, father/mother-in-law, son/daughter-in-law, spouse of brothers/sisters, brother/sister of spouse, etc.);
- (9) any person who is within any of the above categories within the past one year;
- (10) any other person who is prohibited to act as independent director as prescribed by the relevant regulatory authorities or pursuant to the Articles of Association of the Bank; and
- (11) any other person as prescribed by laws and regulations.

Close relatives set out in the Articles of Association refer to spouses, parents, children, brothers, sisters, grandparents, grandparents-in-law, grandchildren and grandchildren-in-law.

Article 154 Independent directors shall comprise of more than one-third of the members of the Board of Directors and at least one of them shall be an accounting professional. Independent directors shall faithfully perform their duties and protect the interests of the Bank, in particular ensuring that the lawful interests of the depositors and minority shareholders shall not be prejudiced.

Independent directors shall perform their duties independently and shall not be influenced by major shareholders and de facto controllers of the Bank or other units or individuals having interests in the Bank and its substantial shareholders and de facto controllers.

If an independent director fails to satisfy the requirement of independence, or on the occurrence of certain events rendering him/her not appropriate to perform the duties of independent directors independently which result(s) in the number of independent directors to fall below the number required by these Articles, the Bank shall make up for the number of independent directors in accordance with the relevant provisions.

Article 155 Nomination, election and replacement of independent directors

- (1) The Nomination Committee under the Board of Directors, the Board of Supervisors or any shareholder who individually or in aggregate holds more than 1% of the issued voting shares of the Bank may nominate candidate(s) for independent director(s), and the shareholders who have already nominated the candidate(s) for director(s) shall not nominate the candidate(s) for independent director(s). The same shareholder may only nominate one candidate for independent director and shall not nominate candidates for both independent director and external supervisor.

- (2) The person nominating a candidate for independent director shall obtain the consent of the person being nominated before the nomination. The person nominating such candidate shall fully understand the occupation, education, position, detailed working experience and all part-time jobs of the person being nominated and shall express opinion on his/her qualifications of acting as an independent director and his/her independence. The person being nominated shall make a public declaration stating that there is no relationship between him/her and the Bank which may hinder his/her independent and objective judgment.

Before convening the shareholders' general meeting for election of independent directors, the Board of Directors of the Bank shall publish an announcement incorporating the above in accordance with the relevant provisions.

- (3) The qualification of candidates nominated for serving as independent directors shall be verified by the Nomination Committee under the Board of Directors, with a focus on their independence, professional knowledge, experience and capability.
- (4) The election and appointment of independent directors shall mainly follow market principles, and an independent director shall not concurrently hold positions in two commercial banks.
- (5) Before convening the shareholders' general meeting for election of independent directors, the Bank shall submit the materials relating to all the persons being nominated to the banking regulatory organ and securities regulatory organ of the State Council and the securities regulatory organ of the State Council and the stock exchange in the place where the Bank is situated. If the Board of Directors of the Bank has any disagreement on the relevant circumstances in which the person is nominated, written opinions of the Board of Directors shall be submitted at the same time.

If a person being nominated is objected to by the banking regulatory organ of the State Council and the securities regulatory organ of the State Council, such person may become candidate for director of the Bank but in no event can he/she become a candidate for independent director.

- (6) Independent directors are appointed for the same term as that of the Bank's directors. The term of office of the independent directors of the Bank shall not be more than an aggregate of six years.

Article 156 In addition to the duties and powers as those of a director of the Bank, independent directors shall have the following duties and powers:

- (1) significant connected transactions (as so determined in accordance with the relevant requirements of the banking regulatory authority and the securities regulatory authority under the State Council and the stock exchange in the jurisdictions where the Bank's shares are listed) shall be approved by independent directors before submitting to the Board of Directors for discussion. Before the independent directors make a judgment, they may appoint an intermediary committee to issue the report of independent financial adviser as the basis for their judgment;
- (2) propose to the Board of Directors to appoint or remove an accounting firm;
- (3) propose to the Board of Directors to convene an extraordinary shareholders' general meeting;
- (4) propose to convene a board meeting;

- (5) independently appoint an external auditing organ and advisory organ to conduct auditing and consultancy on the specific matters of the Bank;
- (6) independently give opinions in respect of the influence of issuance of preference shares on the interests of shareholder of different classes; and
- (7) publicly solicit voting rights from shareholders before the shareholders' general meeting convenes.

The exercise of the above duties and powers (except (5)) by the independent directors shall obtain the consent of more than one-half of all the independent directors. The exercise of the duties and powers referred to in (5) above by the independent directors shall obtain the consent of all the independent directors. If the above proposal is not accepted or the above duties and powers cannot be normally exercised, the Bank shall disclose the relevant circumstances.

Article 157 Independent directors shall give independent opinions to the Board of Directors or shareholders' general meeting in relation to the following important matters of the Bank:

- (1) nomination, appointment and removal of directors;
- (2) appointment or removal of senior management members;
- (3) remunerations of directors and senior management members;
- (4) the legality and fairness of existing or new significant connected transactions incurred by the shareholders and de facto controllers of the Bank and its affiliated enterprises and whether the Bank has adopted effective measures to recover the outstanding amount(s);
- (5) matters which the independent directors consider may prejudice the legitimate rights and interests of depositors, minority shareholders and other interested parties or may cause material losses to the Bank;
- (6) profit distribution plans;
- (7) the appointment of external auditors; and
- (8) other matters stipulated by laws and regulations.

Article 158 Independent directors shall express one of the following opinions on the above matters: consent; qualified opinions and reasons; objection and reasons; unable to express opinions and the impediments.

If the relevant matters belong to matters which require to be disclosed, the Bank shall announce the opinions of the independent directors. If the opinions of independent directors differ, the Board of Directors shall disclose the opinions of each independent director separately.

Article 159 To ensure the effective performance of the duties and powers by independent directors, the Bank shall provide the following necessary working conditions for independent directors:

- (1) The Bank shall take measures to ensure that independent directors have the same right to information as other directors. The Bank shall inform the independent directors in advance and provide them with sufficient materials for any matter to be decided by the Board of Directors in accordance with the stipulated time. If the independent directors consider that the materials are insufficient, they may request for supplements. Where two or more independent directors consider that such materials are insufficient or the reasoning is ambiguous, they may jointly submit a written request to the Board of Directors proposing to postpone the convening of the board meeting or postpone the discussion of such matter and the Board of Directors shall comply with such request. As regards the materials provided by the Bank to independent directors, the Bank and the independent directors shall keep the same for at least five years;
- (2) The Bank shall establish a working system of independent directors. The secretary of the Board of Directors shall actively assist the independent directors to perform their duties and provide the necessary materials and information to the independent directors in a timely manner, inform them of the operation conditions of the Bank on a regular basis and organise on-the-spot investigation for independent directors when necessary. As regards the independent opinions, proposals and written statements of independent directors which require announcement, the secretary of the Board of Directors shall complete the necessary formalities with the stock exchange accordingly;
- (3) When the independent directors are exercising their duties and powers, the relevant personnel of the Bank shall cooperate positively and shall not refuse to act, hinder or conceal anything and shall not interfere with the independent exercise of their powers and duties;
- (4) The expenses incurred from engaging intermediary institutions and other expenses required for exercising the duties and powers by independent directors shall be borne by the Bank; and
- (5) The Bank shall give appropriate allowances to independent directors. Proposals on the allowance standards shall be formulated by the Board of Directors and discussed and approved at the shareholders' general meeting and the same shall be disclosed in the annual report. Except the above allowance, independent directors shall not obtain undisclosed other additional benefits from the Bank and its major shareholders or any organ or personnel who have interests in the Bank.

Article 160 Independent directors shall attend board meetings on a regular basis, understand the business and operation conditions of the Bank, actively investigate and obtain the relevant information required for making a decision. Independent directors shall submit an annual report of all the independent directors at the annual general meeting of the Bank and state the circumstances for the performance of their powers and duties. Independent director(s) may appoint other independent director(s) to attend board meetings, but each director shall, in person, attend at least two-thirds of the board meetings each year. If an independent director fails to attend a board meeting in person for three times consecutively, the Board of Directors may request to remove him/her at the shareholders' general meeting.

Except the above circumstances and the circumstances under which the Company Law or the Commercial Banking Law prohibit a person from acting as director or independent director, an independent director shall not be removed from office without any reason before his/her term of office expires. If an independent director is removed from office before his/her term of office expires, the same shall be disclosed as a special disclosure matter. If the independent director being removed from office considers that the reasons for his/her removal are inappropriate, he/she may make a public statement.

Section 3 Board of Directors

Article 161 The Bank shall establish a Board of Directors. The Board of Directors shall comprise of eleven to nineteen directors and shall have one chairman and one to two vice chairman/chairmen.

Article 162 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 re-appointed.

Article 163 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, purchase 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, assets pledge, external guarantees and connected transactions 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 of the Bank;
- (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 auditing work 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 perform the Bank's primary duty for capital management and leverage ratio 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 regulatory authority under the State Council;
- (22) to consider and approve the management system for provision for losses on loans formulated by the management and its material changes;
- (23) to establish and improve the accountability mechanism for material loss of the Bank;
- (24) to establish the mechanism for identification, verification and management of the conflict of interest between the Bank and shareholders, in particular substantial shareholders;
- (25) to protect the legitimate interests of depositors and other interested parties;

- (26) 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 authorized to decide on matters of cancellation of part or all of the dividend distribution) thereof within the scope authorized by the shareholders' general meeting; and
- (27) to exercise any other duties and powers conferred by laws, regulations, these Articles and the shareholders' general meeting.

Items (6), (7), (8), (11), (14) and (26) and other issues set out in Rule 174 of these Rules of Procedures shall be voted for by two-thirds of the directors and the remaining items shall be voted for by more than one half of the directors. The Board of Directors shall fully take into consideration the opinions of external auditors when performing its duties.

Article 164 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.

Article 165 The Board of Directors shall formulate the rules of procedure of the Board of Directors, including notices of meetings, the manner of convening a meeting, preparation of documents, the method of voting, the mechanism for making proposals, minutes of meetings and its signatures, in order to ensure that the Board of Directors implements the resolutions of the shareholders' general meeting, thereby improving work efficiency and ensuring scientific policy making. The rules of procedures of the Board of Directors shall be drafted by the Board of Directors and approved at the shareholders' general meeting.

Article 166 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

Acquisition and disposal of fixed assets referred to in this Article 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 the first paragraph of this Article.

Article 167 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 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.

Article 168 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.

Article 169 An extraordinary meeting of the Board of Directors may be held by the chairman within 10 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 the Board of Supervisors;
- (4) it is proposed by the president;
- (5) it is proposed by shareholders (including shareholders of ordinary shares and shareholders of preference shares with recovered voting rights) representing more than one-tenth of the voting rights; and
- (6) other circumstances stipulated by laws, administrative regulations, departmental rules or these Articles.

Article 170 Mode of notification of extraordinary meetings of the Board of Directors: by notice in writing, including sending it by registered mail, telegram, telex, email and facsimile (with acknowledgment of receipt). Such notice shall be delivered to the directors and supervisor within a reasonable time prior to the meeting.

Article 171 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; and
- (4) date of issuance of the notice.

Article 172 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. Resolution(s) 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 resolution(s) of the board meeting has 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 other directors. The meeting may be held if it is quorated by more than one-half of the unconnected directors. The resolution(s) of the board meeting shall be passed by more than one-half of unconnected directors. If the number of unconnected directors attending the board meeting is less than three, such matter shall be put forward to the shareholders' general meeting for discussion.

Article 173 Voting of resolutions of the Board of Directors shall proceed by the following methods: voting by a show of hands or voting by poll.

Article 174 The meetings of the Board of Directors may be convened by members attending in person (including video and telephone conferences) or by way of written resolution(s). If the meeting is convened by way of written resolution(s), the information on the issues for voting and relevant background shall be delivered to all the Directors of the Bank at least three days before such voting. The Board of Directors shall explain the reasons for convening a meeting by way of written resolution(s).

Extraordinary meetings of the Board of Directors may be convened by way of written resolution(s) 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, 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 written resolutions and such matters shall be approved by more than two-thirds of the directors of the Board of Directors.

Article 175 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.

The proxy form shall state the name of the proxy, the relevant matters, scope of authorization and validity period and shall be signed by the appointor or a chop shall be affixed.

The director attending the meeting on other's behalf shall exercise the director's rights within the scope of authorization. If a director does not attend the board meeting and fails to appoint a proxy to attend the meeting, the same shall be deemed as a waiver of his/her voting right at such meeting.

Article 176 Minutes shall be taken for the matters discussed at the meeting and the directors attending the meeting 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 for a period of not less than 10 years.

Article 177 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 convener;
- (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; and
- (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).

Article 178 Directors shall sign on the board resolutions and shall be responsible for the board resolutions. If the board resolutions violate the relevant laws, regulations, these 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.

Article 179 The Board of Directors of the Bank has established specialised committees, i.e. the Strategy Committee, the Audit Committee, the Related Party Transactions Control 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 authorization 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 Control 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 Control 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 Control Committee who are independent directors, at least one of them shall have professional expertise in accounting. The Risk and Capital Management Committee shall have at least one independent director, and its chairman shall have experience in identification and management of various risks. The chairman of a specialised committee in principle shall not serve as the chairman of another committee.

Article 180 The major duties of the Strategy Committee under the Board of Directors include:

- (1) formulate the operational goals and medium-to-long term development strategies of the Bank, 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; and
- (5) put forward proposals and plans on important issues for discussion and determination by the Board of Directors.

Article 181 The major duties of the Audit Committee under the Board of Directors include:

- (1) propose the appointment or replacement of external auditors;
- (2) monitor the internal audit system of the Bank and its implementation, and evaluate the work procedures and work effectiveness of the internal audit department;
- (3) coordinate the communications between internal auditors and external auditors;
- (4) audit the financial information of the Bank and its disclosure, take charge of annual audit of the Bank, prepare a report of judgments on the truthfulness, accuracy, completeness and timeliness of the audited financial reports of the Bank and submit the same to the Board of Directors for consideration;
- (5) examine the internal control system of the Bank, and put forward the advices to improve the internal control of the Bank;
- (6) review and supervise the mechanism for the Bank's 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;
- (7) inspect the accounting policies, financial reporting procedures and financial position of the Bank; and
- (8) any other tasks delegated by the Board of Directors.

Article 182 The major duties of the Related-Party Transactions Control Committee under the Board of Directors include:

- (1) identify related parties of the Bank pursuant to relevant laws and regulations;
- (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 the Bank's Related-Party Transactions and supervise the establishment and improvement of the relevant management system of Related-Party Transactions of the Bank; and
- (4) review the announcement(s) in respect of the Bank's Related-Party Transaction(s).

Article 183 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 of the Bank 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 of the Bank;
- (3) perform the relevant duty of the advanced capital measurement method under the authorization of the Board of Directors;
- (4) submit proposals on perfecting the management of risks and capital of the Bank;
- (5) arrange and instruct risk prevention works in accordance with the authorization of the Board of Directors; and
- (6) any other matters authorized by the Board of Directors.

Article 184 The major duties of the Remuneration and Appraisal Committee under the Board of Directors include:

- (1) study the assessment standards 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; and
- (4) any other matters authorized by the Board of Directors.

Article 185 The major duties of the Nomination Committee under the Board of Directors include:

- (1) review the structure, number of directors and composition (including their skills, knowledge and experience) of the Board of Directors at least once a year 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;
- (2) study the selection standards and procedures of directors and senior management members and put forward proposals to the Board of Directors;
- (3) search extensively for qualified candidates for directors and senior management members;
- (4) conduct preliminary examination on candidates for directors and senior management members, and make relevant proposals to the Board of Directors; and
- (5) any other matters authorized by the Board of Directors.

Article 186 The special committees may appoint intermediary institutions to provide professional advice and the relevant costs shall be borne by the Bank.

CHAPTER 11 SECRETARY OF THE BOARD OF DIRECTORS

Article 187 The Bank shall have one secretary of the Board of Directors. The secretary of the Board of Directors is a senior management officer of the Bank and shall be accountable to the Board of Directors.

Article 188 The secretary of the Board of Directors shall be a natural person who is a university graduate or above and having at least three years' working experience in finance, financial auditing, business administration or law, and having more than six years' work experience in finance or more than ten years' work experience in related industries (including three years' work experience in finance); the secretary of the Board of Directors shall possess the necessary professional knowledge in finance, taxation, law and business management and have good personal qualities and work ethics and shall strictly comply with the relevant laws, regulations and rules and shall faithfully perform his/her duties and shall have good ability to handle public affairs; having participated in training for secretary of the Board of Directors organised by CSRC and other organs and having passed the relevant examination.

The provisions of Article 229 in relation to the conditions prohibiting a person from acting as a director of the Bank shall be applicable to the secretary of the Board of Directors.

Article 189 The major responsibilities of the secretary of the Board of Directors are: assisting the directors in handling the daily work of the Board of Directors, providing directors with or reminding them of and ensuring that the directors understand the regulations, policies and requirements of the regulatory authorities within and outside the PRC in relation to the Bank's operations, and assisting directors and the president in complying with laws, administrative regulations and rules and regulations within and outside the PRC, these Articles and other relevant provisions in performing their functions and powers; being responsible for organizing and preparing documents of the board meetings and the shareholders' general meetings, taking minutes of meetings, ensuring that decisions made at meetings are in compliance with the statutory procedures, and acquainting himself/herself with the implementation of resolutions of the Board of Directors; being responsible for organising and coordinating information disclosure, coordinating the relationship with investors, enhancing the transparency of the Bank; participating in organising capital markets financing; handling relationship with intermediary organs, regulatory authorities and media and public relations work.

The major duties of the secretary of the Board of Directors include:

- (1) ensuring that the Bank has complete organizational documents and records;
- (2) ensuring that the Bank prepares and submits the reports and documents required by the competent authorities according to law;
- (3) ensuring that the Bank's register of shareholders is properly set up and ensuring that the persons entitled to obtain the relevant records and documents shall obtain the relevant records and documents in a timely manner;
- (4) responsible for organizing and preparing board meetings and shareholders' general meetings, preparing meeting documents, arranging for the relevant meeting matters, responsible for taking minutes, safeguarding the accuracy of the minutes, safekeeping the meeting documents and minutes, understanding the implementation of the relevant resolutions. As regards important matters being implemented, he/she shall submit a report and proposals to the Board of Directors;

- (5) ensuring that important matters decided by the Board of Directors strictly comply with the stipulated procedures; participating in consultancy and analysis in relation to policy making of the Board of Directors, submitting the relevant opinions and proposals; being delegated to be responsible for the day-to-day works of the Board of Directors and the relevant committees;
- (6) as the coordinator between the Bank and the securities regulatory departments, the secretary of the Board of Directors shall be responsible for organising and preparing the required documents and submit them to the regulatory departments in a timely manner; responsible for accepting the relevant tasks assigned by the regulatory authorities and their completion;
- (7) responsible for coordinating and organising information disclosure of the Bank and establishing a sound information disclosure system; participating in all meetings relating to information disclosure and be aware of important business policies and the relevant information of the Bank in a timely manner;
- (8) responsible for keeping in confidence the price sensitive information of the Bank and formulating an effective confidentiality system and measures. As regards the leakage of price sensitive information of the Bank due to various reasons, he/she shall adopt the necessary remedial measures and explain and clarify the same in a timely manner and notify the overseas regulatory organ in the place where the shares are listed and the securities regulatory organ of the State Council;
- (9) responsible for coordinating and organising market promotion, coordinating visitor arrangements, handling investor relationship, maintaining the relationship with investors, intermediary organs and the press media; responsible for answering questions raised by the public, ensuring the investors may obtain the information disclosed by the Bank in a timely manner; organising and preparing promotion activities within and outside the PRC, compiling reports on market promotion and main visits and submitting reports to the securities regulatory organ of the State Council;
- (10) responsible for managing and keeping the shareholders' register, directors' register and information on shareholdings of major shareholders and directors and a list of beneficiaries of the bonds; safe-keeping the Bank's seal and establishing a sound management measure in relation to the seal of the Bank;
- (11) assisting the directors and president in complying with laws, administrative regulations and rules and regulations within and outside the PRC, these Articles and other relevant provisions in performing their functions and powers; upon becoming aware of the breach or possible breach of the provisions of the relevant resolutions, to issue timely reminders and are entitled to truly reflect the situation to the securities regulatory organ of the State Council and other regulatory organs;
- (12) coordinating the provision of all necessary information to the Board of Supervisors of the Bank and other regulatory organs in the performance of regulatory functions; assisting in investigations in relation to the performance of credibility obligations by the financial controller, directors and president of the Bank; and
- (13) performing other duties conferred by the Board of Directors and required by the overseas listing place.

Article 190 A director and senior management member of the Bank may serve as the Bank's secretary of the Board of Directors concurrently. However, the supervisors of the Bank may not serve as secretary of the Board of Directors concurrently. A registered accountant of any accounting firms and a lawyer of any law firms that are engaged by the Bank are forbidden to act as the secretary of the Board of Directors. If a director acts as the secretary of the Board of Directors and an act is required to be performed by a director and the secretary of the Board of Directors separately, such person who is at the same time a director and the secretary of the Board of Directors shall not perform such act in both capacities.

Article 191 The secretary of the Board of Directors shall be nominated by the chairman and shall be appointed or removed by the Board of Directors. Qualifications of the secretary of the Board of Directors shall be examined by the securities regulatory authority under the State Council.

CHAPTER 12 PRESIDENT

Article 192 The Bank shall practise a system wherein the president shall assume full responsibility under the leadership of the Board of Directors. The Bank shall appoint one president and, if necessary, appoint other senior executives to assist the president. The president and executive vice presidents may be appointed or removed by the Board of Directors, and the chairman of the Board of Directors and the President of the Bank shall be held separately. The qualifications of the President and executive vice presidents shall be submitted to the banking regulatory authority under the State Council for assessment.

The president, executive vice presidents, financial controller, secretary of the Board of Directors and other senior management members as confirmed by the Board of Directors and the supervisory departments comprise the senior management of the Bank.

Article 193 Persons holding posts other than as directors at the controlling shareholder units and de facto controller units of the Bank shall not act as senior management members of the Bank.

Article 194 The president shall have a term of office of three years and may be re-appointed.

Article 195 The president shall be accountable to the Board of Directors and shall perform the following functions and powers:

- (1) taking charge of the day-to-day administration, operation and financial management of the Bank and reporting the work to the Board of Directors;
- (2) implementing the board resolutions, annual plans and investment proposals;
- (3) drafting proposals on establishing the Bank's internal management organs;
- (4) drafting the basic management system of the Bank;
- (5) formulating specific regulations of the Bank;
- (6) nominating the executive vice presidents and financial controller and proposing to the board their appointment or removal and the appointment or removal of other senior management members including the persons in charge of various departments and branch organs other than those who shall be engaged or removed by the Board of Directors;
- (7) formulating proposals on wages, benefits, rewards and punishment of the Bank's staff and deciding on the appointment and dismissal of the Bank's staff;

- (8) authorizing the senior management members and principals of the internal departments and branches to engage in business activities;
- (9) proposing to convene extraordinary board meetings;
- (10) deciding the establishment and cancellation of branch organs of the Bank and authorising the presidents of branches to commence ordinary business and management;
- (11) adopting emergency measures on occurrence of significant events including bank run and promptly report them to the banking regulatory organ of the State Council, the Board of Directors and the Board of Supervisors; and
- (12) other functions and powers conferred by these Articles or the Board of Directors.

Executive vice presidents shall assist the president in his/her work; in case the president is unable to exercise his powers, the executive vice presidents shall do so in order on his/her behalf.

Article 196 The president shall attend board meetings as non-voting delegate and a non-director president does not have voting rights at the board meeting.

Article 197 The president shall formulate detailed work rules of president and submit the same to the Board of Directors for approval before implementation.

Article 198 The detailed work rules of the president shall include the following:

- (1) conditions and procedures for convening a president meeting and the participating personnel;
- (2) specific duties and division of work of the president, executive vice presidents and other senior management members;
- (3) use of funds and assets, authority of entering into material contracts and the system on reporting to the Board of Directors and the Board of Supervisors; and
- (4) other matters which are deemed necessary by the Board of Directors.

Article 199 The president shall perform his/her obligations of fidelity and diligence according to the provisions of laws, administrative regulations and these Articles. If the president, executive vice presidents and staff of the Bank violate(s) the laws and regulations, engage(s) in malpractices or commit(s) other serious acts involving dereliction of duties thus causing economic losses to the Bank, they shall assume such economic and legal liabilities.

Article 200 The president may resign before the expiration of his/her term of office. The specific procedures and measures for such resignation shall be specified in the appointment contract between the president and the Bank. The president and executive vice presidents must complete the relevant examination procedures before leaving the employ of the Bank.

CHAPTER 13 BOARD OF SUPERVISORS

Section 1 Supervisors

Article 201 Directors, president and other senior management members shall not act as supervisors concurrently.

Article 202 The process of nomination and election of shareholder supervisors and external supervisors of the Bank shall make reference to the process of nomination and election of directors and independent directors set out in the Articles of Association of the Bank. Shareholder supervisors and external supervisors of the Bank shall be elected, removed and replaced by the shareholders' general meeting of the Bank; employee supervisors shall be nominated by the Board of Supervisors and the Labour Union of the Bank, and elected, removed and replaced by the staff representative meeting, the staff meeting or other democratic processes.

The number of supervisors nominated by the same shareholder and his/her/its associates in principle shall not exceed one third of the total number of supervisors, and the same shareholder in principle shall nominate only one candidate for the external supervisor and shall not nominate a candidate for an independent director and another candidate for an external supervisor simultaneously. If a waiver of the above requirements is required due to a special shareholding structure, an application setting out the reasons shall be made to the relevant regulatory authority.

The term of office of supervisors shall be three years, and may be renewable upon reelection and re-appointment. The term of office of external supervisors shall not be more than the aggregate of six years. Supervisors may resign prior to the expiry of their term of office.

Article 203 If the term of office of a supervisor expires and a new supervisor is not elected in a timely manner or a supervisor resigns during his/her term of office thereby causing the number of members of the Board of Supervisors falls below the statutory number, the original supervisor shall discharge his/her duties according to the laws, administrative regulations and the provisions of these Articles until the newly elected supervisor assumes office.

Article 204 Supervisors shall comply with laws, administrative regulations and these Articles and shall exercise care, honesty and diligence obligations. Supervisors shall not use their powers to accept bribes or other illegal income and shall not infringe the Bank's property. Supervisors shall warrant that the information disclosed by the Bank is true, accurate and complete.

Article 205 Supervisors shall not prejudice the interests of the Bank by using their connected relationship and shall be liable to compensate the Bank for any losses. If a supervisor discharges the duties of the Bank in violation of laws, administrative regulations, departmental rules or the provisions of these Articles thus causing losses to the Bank, he/she shall assume compensation liability.

Section 2 Board of Supervisors

Article 206 The Bank shall have a Board of Supervisors. The Board of Supervisors shall consist of 5 to 9 supervisors. The Board of Supervisors shall have a chairman who shall be elected by more than one-half of all supervisors. The chairman of the Board of Supervisors shall be served by a professional person who shall at least have professional knowledge and work experience in accounting, auditing, finance and law. The chairman of the Board of Supervisors shall convene and preside over the meeting of the Board of Supervisors. If the chairman of the Board of Supervisors cannot discharge his/her duties or fails to discharge his/her duties, a supervisor selected by more than one-half of the supervisors shall convene and preside over the meeting of the Board of Supervisors.

The Board of Supervisors shall comprise of shareholder representative supervisors, employee representative supervisors and external supervisors, and the number of both the employee representative supervisors and external supervisors shall not be less than one third of the total number of supervisors. External supervisors shall not have any relationship with the Bank and its substantial shareholders which will otherwise affect their independent judgments.

Article 207 The Board of Supervisors is the supervisory organ of the Bank which is accountable to the shareholders' general meeting. It shall exercise the following functions and powers to protect the legal rights of the Bank, shareholders, employees, creditors and other interested parties:

- (1) to supervise and examine the Bank's financial activities, with main focus on supervising its development strategies, operation decisions, internal control and risk management of the Bank, and lead the work of its internal audit department;
- (2) to supervise the adoption by the Board of Directors of prudent business philosophy and value standards and formulate suitable development strategies in line with the actual situations of the Bank;
- (3) to supervise the process of election and appointment of directors and the actual performance of duties by directors, president and other senior management members of the Bank, conduct overall assessment on the performance of duties by directors, supervisors and other senior management members of the Bank, and report the final assessment results to the banking regulatory authority and report the same to the shareholders' general meeting of the Bank, and require the directors, president and other senior management members to proceed with rectifications within a designated period and take accountability when they violate the relevant laws, rules, regulations and the Articles of Association of the Bank;
- (4) to supervise the objectivity and reasonableness of the remuneration management system and policies of the whole Bank and the remuneration packages for its senior management members;
- (5) to make written or verbal proposals to directors, president and other senior management members of the Bank, give directions, conduct discussions, raise questions and require formal replies when necessary; when the directors, president and other senior management members are found to have problems in making and implementing important financial decisions, to require them to make rectifications and to report to the regulatory authority when necessary;
- (6) to examine the Bank's regular reports prepared by the Board of Directors and submit written examination opinions on the truthfulness, accuracy and completeness of such reports; to review financial information including the financial statements and business reports to be submitted by the Board of Directors to the shareholders' general meeting, to appoint, in the name of the Bank, registered accountants and practicing accountants to assist in reviewing such information should any doubt arises; and to review the profit distribution plans of the Bank and submit opinions on the compliance and reasonableness of the profit distribution plans of the Bank;
- (7) to propose to convene extraordinary general meetings; to convene and preside over shareholders' general meetings if the Board of Directors fails to perform the duty of convening and presiding over shareholders' general meetings according to the provisions of the Articles of Association;
- (8) to put forward proposals at the shareholders' general meeting;

- (9) to represent the Bank in negotiating with its directors, president and other senior management members and to initiate legal proceedings against them according to the provisions of the Company Law;
- (10) the Bank's important decisions shall be reported to the Board of Supervisors in advance, and the information on operation conditions, financial conditions, important contracts, important events and cases, audit issues and significant changes in personnel shall be provided according to the requirements of the Board of Supervisors; The Board of Supervisors shall conduct investigation when becoming aware of any unusual operating situation;
- (11) to conduct examination on the resignations of directors, president and other senior management members when necessary;
- (12) to communicate with the banking regulatory authority on the status of the Bank on a regular basis; and
- (13) other functions and powers stipulated by the relevant laws, administrative regulations, departmental rules and those conferred by the Articles of Association and the shareholders' general meeting.

Supervisors may attend board meetings, specialised committee meetings of the Board of Directors and senior management meetings, and shall be entitled to raise questions or put forward proposals in relation to the matters to be resolved at those meetings. Supervisors present at a meeting of the Board of Directors shall report the results of such meeting to the Board of Supervisors.

Article 208 The Board of Supervisors may perform its duties by taking the following methods such as off-site monitoring, examination, attending meetings, visits and symposia, reviewing reports, investigations, questionnaires, conducting audit on resignations, and appointing a third party professional entity to assist its work, and shall have the right to require the Board of Directors and senior management members to provide necessary information on information disclosure and audit. The Board of Supervisors has an independent financial budget, and has the right to arrange budget expenditures independently based on its work conditions. All expenses incurred by the Board of Supervisors in performing its duties shall be borne by the Bank.

Supervisors shall proactively participate in the supervision and examination activities organized by the Board of Supervisors, and shall have the right to conduct investigations and obtain evidence independently in accordance with law, and raise queries and put forward supervisory opinions.

The audit results of the internal audit department of the Bank on each of its departments, branches, sub-branches and wholly-owned subsidiaries shall be fully reported to the Board of Supervisors in a timely manner. If the Board of Supervisors has any doubts on the audit results reported by the internal audit department, it shall have the right to require the Board of Directors or the internal audit department to make explanations.

Article 209 The Board of Supervisors shall formulate the rules of procedures of the Board of Supervisors with specific mode of discussion and voting procedures of the Board of supervisors, including notices of meetings, the manner of convening a meeting, preparation of documents, the method of voting, the mechanism for making proposals, minutes of meetings and signatures, for purposes of ensuring the work efficiency and scientific decision making of the Board of Supervisors. The rules of procedures of the Board of Supervisors shall be drafted by the Board of Supervisors and approved at the shareholders' general meeting.

Article 210 A Supervisory Committee and a Nomination Committee are established under the Board of Supervisors. The head of the Supervisory Committee and the Nomination Committee shall be the external supervisors.

Article 211 The major duties of the Supervisory Committee under the Board of Supervisors include:

- (1) to formulate detailed plans on the performance of supervisory duties by the Board of Supervisors;
- (2) to formulate supervisory plans for financial activities of the Bank and conduct relevant examinations;
- (3) to supervise the adoption by the Board of Directors of prudent business philosophy and value standards and formulate development strategies in line with the actual situations of the Bank;
- (4) to conduct supervision and assessment on important financial decisions of the Board of Directors and senior management members and subsequent implementations, the establishment and improvement of internal control governance structure and overall risk management governance structure and the division of duties of relevant parties and the performance of their duties;
- (5) to formulate the specific plans for reviewing the operation decisions, internal control and risk management of the Bank under the authorization of the Board of Supervisors when necessary;
- (6) to formulate the plans for reviewing the resignations of directors, president and other senior management members when necessary; and
- (7) any other matters authorized by the Board of Supervisors.

Article 212 The main responsibilities of the Nomination Committee of the Board of Supervisors are as follows:

- (1) to put forward proposals to the Board of Supervisors in relation to the scale and composition of the Board of Supervisors;
- (2) to study the standards and procedures for selection of supervisors and put forward proposals to the Board of Supervisors;
- (3) to search extensively for qualified candidates for supervisors;
- (4) to conduct preliminary examination and put forward proposals in relation to the qualifications and conditions of candidates for supervisors proposed by the shareholders;
- (5) to supervise the process of election and appointment of directors;
- (6) to conduct assessment on the performance of duties by the Board of Directors, the Board of Supervisors, the senior management and its members and submit reports to the Board of Supervisors;
- (7) to supervise the scientificity and reasonableness of the remuneration management system and policies of the whole Bank and the remuneration package for its senior management members; and
- (8) any other matters authorized by the Board of Supervisors.

Article 213 The special committees may appoint intermediary institutions to provide professional advice and the relevant costs shall be borne by the Bank.

Article 214 The Board of Supervisors shall hold at least one meeting on a quarterly basis, which shall be convened by the chairman of the Board of Supervisors. Supervisors may propose to convene an extraordinary meeting of the Board of Supervisors. When all the external supervisors make such proposal in writing, the Board of Supervisors shall convene a meeting. When all the external supervisors consider that the information on the resolutions presented at the meeting of the Board of Supervisors is not adequate or accurate, they may jointly make a written proposal to postpone the convening of such meeting or the consideration and approval of relevant resolutions, and the Board of Supervisors shall adopt such proposal. When all the external supervisors reach a consensus, they shall have the right to propose the Board of Supervisors to recommend the Board of Directors to convene an extraordinary general meeting, and the Board of Supervisors shall reply its agreed or disagreed opinions in writing upon receipt of such proposals.

Article 215 The notice on a meeting of the Board of Supervisors shall be sent in writing or by email to all the supervisors 10 days before convening the meeting of the Board of Supervisors. The notice on an extraordinary meeting of the Board of Supervisors shall be delivered one day before convening the meeting.

Article 216 The notice on a meeting of the Board of Supervisors shall contain:

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

Article 217 A meeting of the Board of Supervisors shall only be held if it is attended by more than half of the supervisors.

Article 218 Supervisors shall attend the meeting of the Board of Supervisors in person after receiving the notice on such meeting. If a supervisor cannot attend the meeting due to certain reasons, he/she may appoint another supervisor in writing to attend on his/her behalf. However, a supervisor shall not accept such appointments by more than two supervisors to attend a meeting of the Board of Supervisors on their behalf. External supervisors may appoint other external supervisors to attend on their behalf.

The proxy form shall state the name of the proxy, the relevant matters, scope of authorization and validity period and shall be signed by the appointor or a chop shall be affixed.

The supervisor attending the meeting on other's behalf shall exercise supervisors' rights within the scope of authorisation. If a supervisor fails to attend the meeting of the Board of Supervisors or appoint other supervisor to attend the meeting, the same shall be deemed as waiver of the voting right at such meeting.

Article 219 Any supervisor shall, in person, attend at least two-thirds of the meetings of the Board of Supervisors each year. If a supervisor fails to attend meetings convened by the Board of Supervisors consecutively for two times and fails to appoint other supervisor(s) to attend such meetings on his/her behalf, or fails to attend at least two thirds of such meetings in person each year, he/she shall be deemed as failure on his/her part to perform his/her duties. The Board of Supervisors shall propose to the shareholders' general meetings or staff representative meeting to remove such supervisor.

Each shareholder representative supervisor and external supervisor shall work for the Bank for not less than 15 working days each year. The Board of Supervisors shall make self-assessment on its work performance each year, assess the performance of duties by its supervisors, and report relevant assessment results to the shareholders' general meeting.

Employee representative supervisor shall have the right to participate in the formulation of rules and regulations involving the interests of employees of the Bank, and shall proactively conduct supervision and examination on the implementation of such rules and regulations.

Article 220 The Board of Supervisors shall report to the shareholders' general meeting at least once a year. The report shall contain the following contents:

- (1) the performance of duties by the Board of Directors and the senior management members and its members of the Bank, and the status of supervision on the financial activities, internal control and risk management of the Bank;
- (2) the work performance of the Board of Supervisors;
- (3) the provision of independent opinions on relevant issues; and
- (4) other matters which, in the opinion of the Board of Supervisors, shall be reported to the shareholders' general meeting.

Section 3 Resolutions of the Board of Supervisors

Article 221 The method of discussion of the Board of Supervisors: meeting of the Board of Supervisors.

Article 222 Matters for discussion at the Board of Supervisors shall be voted item by item, that is, voting commences after a proposal has been examined; the next proposal may not be voted if the previous proposal is still being voted. Each and every supervisor shall have one vote.

Article 223 Meetings of the Board of Supervisors may be conducted by way of resolutions in writing provided that the supervisors should have fully expressed their views and the supervisors attending the meeting shall sign the resolutions accordingly.

Article 224 Voting of resolutions of the Board of Supervisors shall adopt the following methods: voting by a show of hands, voting by poll or written resolutions. Resolutions shall be announced according to the voting results. Voting results as well as the circumstances in which the resolutions were passed shall be recorded in the minutes.

Article 225 Resolutions and reports of the Board of Supervisors shall be approved by more than two-thirds (including two-thirds) of the members of the Board of Supervisors.

If a supervisor has different opinions on the resolutions or reports, the same shall be stated in the resolution or report.

Article 226 Supervisors shall sign on the resolutions and shall be accountable to the resolutions passed by the Board of Supervisors. If it is verified that a supervisor has stated his objection when voting and the same has been recorded in the minutes, such supervisor may be exempted from liability.

Article 227 Minutes shall be taken for the meeting and the supervisors attending the meeting and the person taking the minutes shall sign on the minutes. Supervisors 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 of Supervisors' meeting shall be kept as the Bank's files for a period of not less than 10 years.

Article 228 The minutes of the meeting of the Board of Supervisors shall include the following:

- (1) date and place of the meeting and the name of the convener;
- (2) names of the supervisors attending the meeting and names of the supervisors (proxies) appointed by others to attend the Board of Supervisors' meeting;
- (3) agenda of the meeting;
- (4) main points of the speeches of the supervisors; and
- (5) methods and results of the voting for each proposal (the voting results shall state the numbers of votes for or against the proposal or votes that have abstained from voting).

CHAPTER 14 QUALIFICATIONS AND OBLIGATIONS OF DIRECTORS, SUPERVISORS, PRESIDENT AND OTHER SENIOR MANAGEMENT MEMBERS

Article 229 The following persons shall not assume the roles of directors, supervisors, president, executive vice presidents or other senior management members:

- (1) he does not possess civil capacity or possesses limited civil capacity;
- (2) he was convicted of corruption, bribery, infringement of property or misappropriation of property or other offences which disrupted the socialist market economic order within a period of five years after the sentence was served, or he has been deprived of his political rights within a period of five years after the sentence was served;
- (3) he was a former director, factory manager or manager of a company or an enterprise which has been dissolved or liquidated and was personally liable for the dissolution or liquidation of such company or enterprise within a period of three years after the date of completion of the dissolution or liquidation of such company or enterprise;
- (4) he was a former legal representative of a company or an enterprise the business license of which was revoked as a result of violation of law and was personally liable for such revocation within a period of three years after the date of the revocation of said business license;
- (5) he has a relatively substantial amount of debts which have become overdue;
- (6) he is currently under investigation by judicial authorities for commission of criminal offence;
- (7) he is not permitted to act in the capacity of leader of an enterprise according to law and administrative regulations;
- (8) he is not a natural person; and
- (9) he was determined by competent authorities for violation of applicable securities regulations and such conviction involved a finding that he acted fraudulently or dishonestly within a period of five years after the date of such determination.

Except the above circumstances and the personnel prohibited to act as directors or supervisors pursuant to the provisions of the Commercial Banking Law and Company Law and other laws, administrative regulations and departmental rules, the following personnel also shall not act as directors or supervisors of the Bank:

- (1) he was prohibited to participate in the market by the securities regulatory organ of the State Council and such prohibition has not been uplifted;
- (2) he was removed from his office by other commercial banks or organisations on failure to perform the honesty obligations;
- (3) shareholders or personnel holding any post with the shareholding units whose borrowings from the Bank (excluding borrowings by way of bank deposit receipts or guarantee for State debt pledges) exceed the net value of their audited shareholdings for the previous year; and
- (4) individual personnel or those holding any post at an enterprise whose borrowings from the Bank have become overdue.

Any persons who are disqualified by the banking regulatory organ of the State Council in accordance with law shall not act as senior management members of the Bank.

Article 230 The validity of any act carried out by a director, president, executive vice president or other senior management of the Bank on the Bank's behalf to a bona fide third party shall not be affected by any irregularities during the term of his/her office, election or any defect in his/her qualifications.

Article 231 In addition to the obligations imposed by law, administrative regulations or the listing rules of the stock exchange on which shares of the Bank are listed, the Bank's directors, supervisors, president, executive vice presidents and other senior management members owe the following obligations to each shareholder in exercising the functions and powers conferred to them by the Bank:

- (1) not to cause the business of the Bank to exceed the business scope stipulated in its business license;
- (2) not to make use of any insider information for their own and other's benefits;
- (3) not to expropriate the Bank's property in any manner, including (but not limited to) opportunities advantageous to the Bank; and
- (4) not to expropriate the individual rights of shareholders, including (but not limited to) distributions rights and voting rights, except pursuant to a restructuring of the Bank which has been submitted to the shareholders' general meeting for approval in accordance with these Articles.

Article 232 Directors, supervisors, president, executive vice presidents and other senior management members of the Bank shall, in the exercise of their powers and in the discharge of their obligations, exercise care, diligence and skills that would be exercised by a reasonably prudent person under similar circumstances.

Article 233 Directors, supervisors, president, executive vice presidents and other senior management members of the Bank shall exercise and perform his duties in accordance with the principles of utmost good faith and shall avoid conflicts of interests. These principles include (but not limited to):

- (1) to act honestly in the best interests of the Bank;
- (2) to act within the scope of his/her powers and not to exceed such powers;
- (3) to exercise in person the discretion conferred to him/her and shall not be controlled by others; and not delegate such discretion to others unless otherwise permitted by laws or administrative regulations or approved by the shareholders based on an informed decision at the shareholders' general meeting;
- (4) to treat shareholders of the same class equally, and to treat shareholders of different classes fairly;
- (5) not to execute any contracts or transactions or make arrangements with the Bank unless otherwise provided by these Articles or approved by the shareholders based on an informed decision at the shareholders' general meeting, except those within the ordinary business scope of the Bank and complying with the administrative rules of the relevant connected transactions of the Bank;
- (6) not to use the Bank's assets in any manner to pursue own personal interests unless approved by the shareholders based on an informed decision at the shareholders' general meeting;
- (7) not to accept any bribery or other illegal income by virtue of his/her powers and positions, and not to seize the Bank's assets in any manner, including (but not limited to) opportunities advantageous to the Bank;
- (8) not to accept any commission with respect to any of the Bank's transactions with other persons without the prior approval granted by the shareholders based on an informed decision at the shareholders' general meeting;
- (9) to comply with these Articles, perform their duties honestly and faithfully, to protect the Bank's interests and not to pursue own personal gains by taking advantage of his/her powers and positions conferred by the Bank;
- (10) not to self-operate or operate on behalf of others any business having similar nature to the Bank and not to engage in any activities damaging the interests of the Bank and not to compete with the Bank in any manner unless approved by the shareholders based on an informed decision at the shareholders' general meeting;
- (11) save for the ordinary business of the Bank, not to misappropriate the funds of the Bank or open accounts in personal name(s) or others' name(s) and deposit funds of the Bank, and not to lend the Bank's funds to others or provide guarantees for others by way of the Bank's assets unless approved by the shareholders based on an informed decision made during the shareholders' general meeting or the Board of Directors; and

(12) not to divulge any confidential information concerning the Bank that has been obtained during his/her term of office, unless approved by the shareholders based on an informed decision at the shareholders' general meeting; and not to utilize such information unless it is for the benefits of the Bank provided however such information can be disclosed on petitioning to a court or other competent government authorities under the following circumstances:

1. as prescribed by law;
2. as required for the purpose of public interest; or
3. as required for the interests of the directors, supervisors, president, executive vice presidents or other senior management members.

Article 234 Directors, supervisors, president, executive vice presidents and senior management members of the Bank shall not direct the following persons or organizations ("related parties") to do what he/she has been prohibited from doing:

- (1) spouse or minor children of the directors, supervisors, president, executive vice presidents and other senior management members of the Bank;
- (2) the trustees of directors, supervisors, president, executive vice presidents and other senior management members of the Bank or of any person(s) as described in (1) of this Article;
- (3) the partners of directors, supervisors, president, executive vice presidents and other senior management members of the Bank or of any person(s) as described in (1) or (2) of this Article;
- (4) company(ies) which is/are effectively and solely controlled by the directors, supervisors, president, executive vice presidents or other senior management members of the Bank or under the common control with any person(s) as described in (1), (2) or (3) of this Article or other directors, supervisors, president, executive vice presidents and other senior management members of the Bank; or
- (5) the controlled directors, supervisors, president, executive vice presidents and other senior management members of the Bank as referred to in (4) of this Article.

Article 235 The fiduciary duty of a director, supervisor, president, executive vice president and a member of other senior management members of the Bank may not necessarily cease upon the conclusion of his/her term, and his/her obligations to keep the commercial secrets of the Bank shall survive beyond the conclusion of his/her term. The duration of other obligations shall be determined in accordance with the principle of fairness, depending on the length of the period between the occurrence of the relevant event(s) and the time when a director, supervisor, president, executive vice presidents or a member of the senior management members leaves the employ of the Bank and the circumstances and terms under which his/her relation with the Bank ends.

Article 236 The shareholders may make informed decisions at the shareholders' general meeting to remove any director, supervisor, president, executive vice president and any other senior management members of the Bank as a result of breaches of any specific obligation, except for the circumstances as specified in Article 68 hereof.

Article 237 A director, supervisor, president, executive vice president and other senior management members of the Bank who directly or indirectly has material interest in any contracts, transactions, or arrangements executed or proposed to be executed by the Bank (except for service contracts between the directors, supervisors, president, executive vice presidents and other senior management members and the Bank) shall disclose to the Board of Directors the nature and extent of his/her interest as soon as possible, regardless of whether or not such matters require the approval of the Board of Directors under normal circumstances.

Directors shall not vote on board resolutions in relation to the approval of any contract, transaction or arrangement or other proposals in which he/she or any of his/her associates has material interests; in confirming whether a quorum is formed at the meeting, he/she himself/herself shall not be counted. The definition of “associates” referred to above has the same meaning ascribed to it under the Listing Rules. Unless the interested director, supervisor, president, executive vice president and other senior management members of the Bank has made such disclosure to the Board of Directors as required by the preceding paragraph of this Article, and the relevant matter has been approved by the Board of Directors at the board meeting in which such director, supervisor, president, executive vice president and other senior management members has not been counted into the quorum and has not voted at the meeting, the Bank shall be entitled to rescind such contracts, transactions, or arrangements, except where the counterparty(ies) is/are bona fide without knowledge of the breaches of duties on the part of such director, supervisor, president, executive vice president and other senior management members.

Where any related party(ies) or associate(s) of any director(s), supervisor(s), president, executive vice president(s) and other senior management members of the Bank is/are interested in any contracts, transactions or arrangements, such director(s), supervisor(s), president, executive vice president(s) and other senior management members shall also be deemed to be interested.

Article 238 If, prior to the Bank first considers entering into the relevant contracts, transactions or arrangements, a director, supervisor, president, executive vice president or senior management members of the Bank has delivered a written notice to the Board of Directors stating that he/she is interested in such proposed contracts, transactions or arrangements as a result of the reasons stated in the notice, such director, supervisor, president, executive vice president or senior management members shall be deemed to have made the disclosure stipulated in the preceding article within the scope stated in the notice.

Article 239 The Bank shall not, in any manner, pay any taxes for its directors, supervisors, president, executive vice presidents and other senior management members.

Article 240 The Bank shall not grant loans to the related parties; the conditions for providing loans or loan guarantees by the Bank to the related parties shall be normal commercial terms; the terms of providing secured loans to the related parties shall not be more favourable than the terms for similar loans granted to other borrowers.

Related parties referred to above shall mean:

- (1) directors, supervisors, management personnel, personnel engaged in the credit business of the Bank and their close relatives; and
- (2) companies, enterprises and other economic organizations in which the personnel referred to above make investment or hold senior management posts.

Article 241 Any person who receives any funds from a loan which has been made by the Bank in breach of the preceding Article shall, irrespective of the terms of the loan, forthwith repay such funds.

Article 242 A guarantee for a loan provided by the Bank in breach of Article 240 shall not be enforceable against the Bank, except under the following circumstances:

- (1) when a loan was provided to a related party of any director(s), supervisor(s), president, executive vice president(s), general manager and other senior management members of the Bank or the Bank's holding company and the provider of the loan has no knowledge of the relevant circumstances at the time of making the loan; or
- (2) the collateral provided by the Bank has been lawfully sold by the lender to a bona fide purchaser.

Article 243 Guarantees referred to in the preceding paragraph of this chapter shall include an undertaking or any property provided by the guarantor to secure the obligor's performance of his/her/its obligations.

Article 244 In addition to the rights and remedies provided by law and administrative regulations when a director, supervisor, president, executive vice president and other senior management members of the Bank breaches his/her obligations to the Bank, the Bank shall be entitled to:

- (1) require such director, supervisor, president, executive vice president and other senior management members to compensate for any loss sustained by the Bank as a result of such breach of duty;
- (2) rescind any contract or transaction entered into between the Bank and such director, supervisor, president, executive vice president and other senior management members or between the Bank and a third party, where such party has knowledge or should have known that such director, supervisor, president, executive vice president and other senior management members representing the Bank has breached his/her duties owed to the Bank;
- (3) require such director, supervisor, president, executive vice president and other senior management members to account for the profits made as result of such breach of obligations;
- (4) recover any amount which otherwise would have been received by the Bank but were received by such director, supervisor, president, executive vice president and other senior management members instead, including (but not limited to) commissions; and
- (5) demand the return of interest earned or which may be earned by such director, supervisor, president, executive vice president and other senior management members on any sum which should have been received by the Bank.

Article 245 With the prior approval of the shareholders' general meeting, the Bank shall enter into a written contract with a director or supervisor in relation to remuneration. Remuneration referred to above shall include:

- (1) remuneration with respect to his/her service as a director, supervisor or member of the senior management members of the Bank;
- (2) remuneration with respect to his/her service as a director, supervisor or member of the senior management members of any subsidiaries of the Bank;

- (3) remuneration with respect to the provision of other services in connection with the management of the Bank and its subsidiaries; and
- (4) any payment as compensation for or in connection with loss of office or retirement from office of such director or supervisor.
- (5) No proceedings may be brought by a director or supervisor against the Bank for any benefit which otherwise would have been received by him/her by virtue of any of the matters referred to above except pursuant to any contract described above.

Article 246 Any contracts between the Bank and its directors or supervisors with respect to their remunerations shall stipulate that the directors and supervisors shall, subject to the prior approval of the shareholders' general meeting, be entitled to receive compensation or other payment as a result of his/her loss of office or retirement in the event that the Bank will be acquired by others. For the purposes of this paragraph, the acquisition of the Bank shall include any of the following:

- (1) a general offer made by any person to all the shareholders; or
- (2) an offer made by any person in anticipation of becoming a controlling shareholder. The definition of "controlling shareholder" has the same meaning ascribed to it as that defined in Article 69 hereof.

In the event that the relevant director or supervisor does not comply with this Article, any sum so received by him/her shall belong to those persons who have sold their shares as a result of such offer. The expenses incurred in distributing such sum pro rata among such persons shall be borne by the relevant director or supervisor and shall not be deducted from such sum.

CHAPTER 15 FINANCIAL AND ACCOUNTING SYSTEMS, PROFIT DISTRIBUTION AND AUDITING

Article 247 The Bank shall establish its financial and accounting systems in accordance with laws, administrative regulations and the requirements of the relevant departments of the State.

Article 248 A financial report shall be prepared at the end of each accounting year, audited by an accounting firm according to law, and reported in a timely manner to the banking regulatory organ of the State Council, the People's Bank of China and competent financial authority of the State Council.

Article 249 The Bank shall submit its annual financial and accounting reports to the securities regulatory organ of the State Council and the stock exchanges within 4 months from the ending date of every accounting year. The Bank shall submit half-yearly financial and accounting reports to the agencies of the securities regulatory organ of the State Council and stock exchanges within 2 months from the ending date of the first 6 months of every accounting year. The Bank shall submit quarterly financial and accounting reports to the agencies of the securities regulatory organ and stock exchanges within one month from the ending date of the first 3 months or the first 9 months of every accounting year.

The above financial and accounting reports shall be prepared in accordance with the relevant laws, administrative regulations and departmental rules.

Article 250 The Board of Directors of the Bank shall present to the shareholders, at each annual general meeting, such financial reports prepared by the Bank as required by applicable laws, administrative regulations and directives promulgated by regional and competent authorities.

Article 251 The Bank's financial reports shall be made available for shareholders' inspection at the Bank's offices twenty days prior to the date of each annual general meeting. Each shareholder of the Bank is entitled to obtain a copy of the financial reports referred to in this Chapter.

The Bank shall deliver or post to each shareholder of overseas listed foreign shares, by prepaid mail, (1) the directors' report along with the balance sheet, the income statement and the cash flow statement (including all the documents required to be attached according to law); or (2) a copy of the financial summary report no later than twenty-one days prior to the date of each annual general meeting, and the addresses of the recipients shall be those recorded in the register of the shareholders. For holders of overseas listed foreign invested shares, statements may, in accordance with laws, administrative regulations, the listing rules in the place where the Bank's shares are listed, be delivered on the Bank's website, the website of the Hong Kong Stock Exchange and any other websites as may be provided by the Listing Rules from time to time.

Article 252 The financial statements of the Bank may, in addition to being prepared in accordance with the accounting standards and regulations of the PRC, be prepared in accordance with the international accounting standards, or the accounting standards accepted in a place outside China where the shares of the Bank are listed.

In the event of any material discrepancies in the financial statements prepared in accordance with the two types of accounting standards, such discrepancies shall be stated in the notes to the financial statements. The profit after taxation to be distributed by the Bank shall be the profit after taxation for a relevant accounting year stated in the financial statements prepared in accordance with PRC accounting standards.

Article 253 The interim results or financial information published or disclosed by the Bank shall be prepared in accordance with the PRC accounting standards and regulations as well as the international accounting or the accounting standards of a place which the shares of the Bank are listed overseas.

Article 254 The Bank shall announce its financial reports at least two times every accounting year. An interim financial report of the Bank shall be published within two months after the end of the first six months of each accounting year and an annual financial report shall be published within four months after the end of each accounting year.

Article 255 The Bank shall not keep financial records other than those required by law. As regards the Bank's assets, they shall not be deposited into any account opened in an individual name.

Article 256 The profit after taxation of the Bank shall be allocated according to the following order and sequence:

- (1) make up for the losses of the previous year;
- (2) allocate 10% of the profits to the statutory common reserve fund;
- (3) allocate general reserve;
- (4) distribute dividends on preference shares;
- (5) allocate discretionary common reserve fund; and
- (6) distribute dividends to shareholders of ordinary shares.

When the accumulated amount of the statutory common reserve fund reaches 50% or above of the registered capital of the Bank, allocation is no longer required.

After making allocation to the statutory common reserve fund and general reserve from profits after taxation, the Bank distributes dividends on preference shares according to the decision of the Board of Directors with authority from the shareholders' general meeting or the decision of relevant director with authority delegated from the Board of Directors.

After making up for the losses, making allocation to the statutory common reserve fund and general reserve and distributing dividends on preference shares, the Bank may also allocate discretionary common reserve fund from profits after taxation.

After making up for the losses, making allocation to the common reserve fund and general reserve and distributing dividends on preference shares, the remaining profit after taxation shall be distributed according to the shareholding ratios of shareholders of ordinary shares, except those allocations to be made not in accordance with the shareholding ratios as stipulated in these Articles.

The Bank's shares held by the Bank shall not participate in profit distribution.

Before making up for the losses, making allocation to the statutory common reserve fund and general reserve, the distribution of dividend or other distribution by way of bonus shall be prohibited. If the shareholders' general meeting distributes profits to the shareholders in violation of preceding provisions of the Article, the shareholders shall return to the Bank the profits which are distributed in violation of the provisions.

Article 257 The capital reserve fund shall include the following items:

- (1) premium received from issuance of shares at a premium exceeding their par value;
- (2) any other income which shall be included in the capital reserve fund as stipulated by the competent finance department under the State Council.

Article 258 The common reserve fund of the Bank shall apply for the following purposes:

- (1) to cover losses but the capital reserve fund shall not be used for making up for the Bank's losses;
- (2) to expand the Bank's operation scale; and
- (3) to convert the common reserve fund into share capital after a resolution has been passed at the shareholders' general meeting. Upon approval by the banking regulatory organ of the State Council, the Bank may issue bonus shares or increase the par value of the shares. However, when the statutory common reserve fund is converted into share capital, the amount remaining in such reserve fund shall not be less than 25% of the registered capital prior to the conversion.

Article 259 The Bank's policies and plans for profit distribution shall be prepared by the Board of Directors and approved by the shareholders' general meeting. In the course of making specific plans for profit distribution, the Board of Directors and the shareholders' general meeting shall fully consider the views of independent directors, the Board of Supervisors and public investors, communicate with public investors through a variety of channels and accept the inspections on the Bank's profit distribution by independent directors, the Board of Supervisors and public investors. Independent directors shall review the policies and plans for profit distribution presented for consideration and approval at the shareholders' general meeting and form a written opinion.

After the resolution on profit distribution has been passed at a shareholder's general meeting of the Bank, the Bank's Board of Directors shall complete the distribution of cash profits (or shares) paid to ordinary shareholders within 2 months after convening of the shareholders' general meeting.

Any share monies of any shares paid before the call shall be entitled to distributable profit. However, shareholders shall not have any right to receive the distributable profit declared thereafter in relation to the pre-paid share monies.

The Bank shall adjust its profit distribution policies in accordance with the industry regulatory policies, changes in the external regulatory environment, its operation status and long-term development. The adjusted profit distribution policies shall not violate the laws, regulations and the relevant provisions of the regulatory authority in the place where the Bank is listed. Any resolution regarding adjustments to the profit distribution policy is subject to the prior review of independent directors and the Board of Supervisors, shall be presented at the shareholders' general meeting of the Bank for approval after consideration by the Board of Directors and approved by more than two-thirds of the votes of the Shareholders with right to vote attending the shareholders' general meeting of the Bank. In considering the adjustments to its profit distribution policy, the Bank shall make online voting accessible to its shareholders.

Provisions in preceding paragraphs herein only apply to the profit distribution to shareholders of ordinary shares by the Bank, and matters relating to dividend payment to shareholders of preference shares by the Bank shall be dealt with pursuant to the paragraph 2 under Article 260 hereof and other relevant provisions.

Article 260 The profit distribution policies for ordinary shares of the Bank are:

- (1) Profit distribution of the Bank shall focus on reasonable returns to investment of the investors, and such policies shall maintain continuity and stability;
- (2) The Bank may distribute profits in cash, shares or a combination of cash and shares, and the Bank shall distribute profits mainly in the form of cash. Subject to compliance with prevailing laws, regulations and the requirements of relevant regulatory authority on the capital adequacy ratio, as well as the requirements of general working capital, business development and the need for substantial investment, merger and acquisition plans of the Bank, the cash dividends to be distributed by the Bank to shareholders of ordinary shares each year in principle shall not be less than 30% of the net profit after taxation attributable to shareholders of ordinary shares, audited in accordance with PRC accounting standards for that year. The Bank may pay interim cash dividend. Unless another resolution is passed at the shareholders' general meeting, the Board of Directors shall be authorized at the shareholders' general meeting to approve the interim profit distribution policy;
- (3) If the Bank generated profits in the previous accounting year but the Board of Directors did not make any cash profit distribution proposal after the end of the previous accounting year, the Bank shall state the reasons for not distributing the profit and the usage of the profit retained in the periodic report and the independent directors shall give an independent opinion in such regard;
- (4) In the event the Board of Directors considers that the share price of the Bank no longer matches the scale of its share capital or it is deemed necessary by the Board of Directors, subject to the satisfaction of the aforesaid conditions in respect of profit distribution in cash, the Bank may propose the profit distribution plan in shares, and implement it after consideration and approval by the shareholders' general meeting;

- (5) The Bank shall pay cash profits and other amounts to holders of domestically listed domestic shares and such sums shall be calculated, declared and paid in Renminbi. The Bank shall pay cash profits and other amounts to holders of H shares and such sums shall be calculated and declared in Renminbi and be paid in Hong Kong dollars. The foreign currencies required by the Bank for the payment of cash profits and other sums to shareholders of overseas listed foreign shares shall be handled according to the relevant provisions on foreign exchange administration of the State;
- (6) Where fund appropriation to a shareholder is found to be in violation of relevant rules, the Bank shall make deduction against the cash dividend to be paid to the shareholder, and such amount shall be used to repay the funds appropriated; and
- (7) The Bank shall disclose its implementation of the cash dividend policy and other relevant matters in its periodic report in accordance with the relevant requirements.

The dividend distribution policies for preference shares of the Bank are:

- (1) Fixed dividend rate or floating dividend rate may apply to the preference shares issued by the Bank, which shall be calculated according to agreements in the issuance document of preference shares;

Unless otherwise provided by laws and regulations or otherwise resolved at the shareholders' general meeting of shareholders, a dividend rate adjustable by stage is adopted for the issued and surviving preference shares of the Bank, that is, the dividend shall be paid at fixed dividend rate for each adjustable stage.

- (2) The Company shall distribute dividends to shareholders of preference shares if there are distributable profits after taxation, provided that the Bank has the right to cancel the distribution of part or all of the dividends on preference shares and such cancellation shall not constitute a breach of agreement. In the event that the Company cancels the distribution of part or all of the dividends on Offshore Preference Shares, the Bank will not distribute any profit to shareholders of ordinary shares during the period from the date following the adoption of relevant resolution at the shareholders' general meeting to the restoration of full dividend payment to the shareholders of preference shares;
- (3) Where the Bank does not distribute dividend to shareholders of preference shares in full for a particular year, the difference will not be carried forward to the following year;
- (4) Where the dividend is distributed to shareholders of preference shares by Bank as agreed, they shall not be entitled to the distribution of the remaining profit;
- (5) The Bank shall pay dividends and other amounts to shareholders of domestic preference shares and such sums shall be calculated, declared and paid in Renminbi. The Bank shall pay dividends and other amounts to shareholders of overseas preference shares and such sums shall be calculated and declared in Renminbi, and paid in foreign currencies. The payment shall be handled according to the relevant provisions on foreign exchange administration of the State.

Article 261 The Bank shall appoint a receiving agent for the holders of the overseas listed foreign shares. Such receiving agent shall receive distributable profit and other sums in relation to the overseas listed foreign shares of the Bank on behalf of such holders.

The receiving agent appointed by the Bank shall meet the relevant requirements of the laws of the listing place or the relevant regulations of the stock exchange of the listing place.

The receiving agent appointed for holders of overseas listed foreign shares listed in Hong Kong shall be a trust company registered under the Trustee Ordinance of Hong Kong.

Article 262 The Bank shall establish an internal audit system and appoints professional auditors to undertake internal auditing and supervision of the Bank's financial income and expenditure and economic activities.

Article 263 The internal audit system and the duties of such auditing personnel shall be implemented upon approval of the Board of Directors. The person in charge of auditing shall be accountable and report to the Board of Directors.

CHAPTER 16 APPOINTMENT OF ACCOUNTING FIRM(S)

Article 264 The Bank shall appoint an independent accounting firm complying with the relevant stipulations of the State to audit the annual financial reports and conduct verification of other financial reports of the Bank.

Article 265 The accounting firm appointed by the Bank shall hold office from the conclusion of each annual general meeting until the conclusion of the next annual general meeting. The accounting firms may be re-appointed.

Article 266 The accountant firm appointed by the Bank shall have the following rights:

- (1) to inspect books, records and vouchers of the Bank and shall have the right to require directors, president or other senior management members of the Bank to provide the relevant information and explanations;
- (2) to require the Bank to take all reasonable measures to obtain from its subsidiaries any information and explanations necessary for the discharge of its duties;
- (3) to attend shareholders' general meetings and to receive meeting notices or other communications relating to the meeting which any shareholder shall be entitled to receive, and to speak at any shareholders' general meeting in relation to matters concerning its role as the Bank's appointed accounting firm; and
- (4) The Bank shall provide true and complete accounting evidence, accounting books, financial report and other accounting information to the accounting firm engaged and shall not refuse, withhold from providing, or falsify such information.

Article 267 In the event of a vacancy in the accounting firm, the Board of Directors may appoint an accounting firm to fill such vacancy prior to the convening of the shareholders' general meeting. Such accounting firms may continue to act during the vacancy period if the Bank has other incumbent accounting firms.

Article 268 Shareholders attending a general meeting may by ordinary resolution remove the Bank's accounting firm prior to the expiration of its term, irrespective of the provisions in the contract between the Bank and such accounting firm. Notwithstanding such provisions, the accounting firm's entitlement to claim for damages arising out of its removal shall not be affected thereby.

Article 269 The remuneration of an accounting firm or the manner in which such remuneration is to be determined shall be determined by the shareholders' general meeting. The remuneration of an accounting firm appointed by the Board of Directors to fill a vacancy shall be determined by the Board of Directors and approved by the shareholders' general meeting.

Article 270 The appointment, removal or discontinuation of appointment of an accounting firm by the Bank shall be resolved by shareholders at a general meeting and filed with the securities regulatory organ of the State Council.

In the event that a resolution at a shareholders' general meeting is to be passed to appoint an accounting firm other than the incumbent accounting firm to fill any vacancy in the office of the accountant, or to reappoint an accounting firm which was appointed by the Board of Directors to fill a vacancy, or to remove an accounting firm prior to the expiration of its term, the following provisions shall apply:

- (1) A proposal on the appointment or removal shall be sent (before a notice of the shareholders' general meeting is issued) to the accounting firm proposed to be appointed or the accounting firm intends to resign or has resigned in the relevant accounting year. "Resign" shall include removal, resignation and retirement.
- (2) In the event that the accounting firm that is going to leave its post makes written statements and requests that the Bank to notify the shareholders of such representations, the Bank shall (unless the written statements have been received too late) take the following measures:
 1. In any notice issued for passing a resolution, the Bank shall state the statements made by the accounting firm that is going to leave its post; and
 2. To attach a copy of the statements as a schedule to the notice and deliver it to the shareholders in the manner provided in these Articles.
- (3) In the event that the Bank fails to send the accounting firm's statements in the manner set out in (2) above, such accounting firm may require that the statements be read out at the shareholders' general meeting and may make further appeals.
- (4) The accounting firm which is going to leave its post has the right to attend the following meetings:
 1. The shareholders' general meeting at which its term would otherwise have expired;
 2. The shareholders' general meeting at which it is proposed to fill the vacancy caused by such removal; and
 3. The shareholders' general meeting which is convened as a result of the voluntary resignation of said accounting firm.

The accounting firm leaving its post is entitled to receive all notices of, and other communications relating to, any such meeting, and to speak at any such meeting which it attends on any matters with respect to which its capacity as the former accounting firm of the Bank.

Article 271 When the Bank removes or does not re-appoint an accounting firm, it shall give advance notice to the accounting firm. The accounting firm shall have the right to make representations at the shareholders' general meeting. If the accounting firm considers that the reasons given by the Bank for its removal or non reappointment are inappropriate, it may lodge an appeal with the securities regulatory organ of the State Council and China Registered Accountants Association. Where the accounting firm resigns, it shall state in the shareholders' general meeting whether or not there are any irregularities in the Bank.

An accounting firm may resign by depositing a written notice of resignation at the registered address of the Bank. Such notice shall contain the following statements:

- (1) a statement to the effect that there are no circumstances connected with its resignation which it considers should be brought to the notice of the shareholders or creditors of the Bank; and
- (2) a statement of any such circumstances.

Such notice shall become effective on the date it is being placed at the legal registered address of the Bank or a later date stated in the notice.

When the Bank receives the notice referred to above, it shall within 14 days send a copy of the notice to the supervisory authorities. If the notice contains the statement mentioned in (2) above, a copy of the notice shall be kept by the Bank at the registered address of the Bank for inspection by shareholders. The Bank shall also send a copy of the aforesaid statements to each holder of the overseas listed foreign shares by prepaid post, and the address of the recipient shall be as recorded in the register of shareholders. In addition, the statement may also, in accordance with provision of laws, administrative regulations, the listing rules of the place where the Bank's shares are listed, be made on the Bank's website, the website of the Hong Kong Stock Exchange, and any other websites as may be provided by the Listing Rules from time to time. The Bank may send a copy of the above notice to shareholders of domestic shares by way of public announcement.

When the notice of resignation of the accounting firm contains a statement of any relevant circumstances, the accounting firm may require the Board of Directors to convene an extraordinary general meeting for the purpose of hearing its explanation of the circumstances in connection with its resignation.

CHAPTER 17 MERGER OR DIVISION

Article 272 In the event of a merger or division of the Bank, the Bank's Board of Directors shall submit a proposal, which shall be approved in accordance with the procedures stipulated in these Articles of the Bank and the relevant examination and approval formalities shall be completed. Shareholders who object to the merger or division proposal shall be entitled to request that the Bank or the consenting shareholders to acquire such dissenting shareholders' shares at a fair price. The contents of the resolutions on merger or division shall constitute special documents which shall be available for inspection by shareholders.

Such special documents shall be sent by mail to holders of overseas listed foreign shares.

Article 273 The merger of the Bank may take the form of either merger by absorption or merger by establishment of a new company.

Matters relating to the division and merger of the Bank shall comply with the stipulations of the Company Law and Commercial Banking Law.

In the event of a merger, the parties to the merger shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Bank shall notify its creditors within ten days from the date of passing of the resolution on merger and publish an announcement in a newspaper at least three times within thirty days.

After the merger, the creditors' rights and debts of the parties involved in the merger shall be assumed by the company surviving the merger or the new company established after the merger.

Article 274 Where there is a division of the Bank, its assets shall be divided accordingly.

In the event of a division, the parties to the division shall execute a division agreement and prepare a balance sheet and an inventory of assets. The Bank shall notify its creditors within ten days from the date of passing of the resolution on division and publish an announcement in a newspaper at least three times within thirty days.

The companies after the division shall be jointly liable for the debts of the Bank incurred prior to the division unless otherwise agreed in writing between the Bank and the creditors in relation to the settlement of debts prior to the division.

Article 275 The creditors shall have the right to demand the Bank to settle the debts or provide the relevant guarantees within 30 days from the date of receiving the notice or within 45 days from the date of announcement for those who have not received the notice. If the Bank fails to settle the debts or provide the relevant guarantees, merger or division shall not be conducted.

Article 276 The Bank shall, in accordance with law, apply for registration of the change with the company registration authorities where a change in any item in its registration arises as a result of any merger or division. Where the Bank is dissolved, the Bank shall apply for cancelling its registration in accordance with law. Where a new company is established, the Bank shall apply for registration thereof in accordance with law.

CHAPTER 18 DISSOLUTION AND LIQUIDATION

Article 277 The Bank shall be dissolved and liquidated according to law upon any of the following circumstances:

- (1) A resolution for dissolution is passed by shareholders at a shareholders' general meeting;
- (2) Dissolution is necessary as a result of merger or division;
- (3) The Bank is declared insolvent on grounds of its failure to repay its debts as they become due;
- (4) The business licence is revoked according to law or the Bank is ordered to close down as a result of its contravention of laws or regulations; and
- (5) The Bank is ordered to be dissolved by the people's court according to the provisions of Article 182 of the Company Law.

Matters relating to the liquidation and dissolution of the Bank shall comply with the provisions of the Company Law and Commercial Banking Law.

Article 278 Where the Bank is dissolved pursuant to (1) or (5) above, a liquidation committee shall be established within fifteen days. Members of the liquidation committee shall be determined by an ordinary resolution at a shareholders' general meeting. When a liquidation committee is not set up within the specified period, creditors may apply to the People's Court for the establishment of a liquidation committee by the relevant persons.

Where the Bank is dissolved pursuant to (2) above, an application shall be submitted to the banking regulatory authority of the State Council, and the liquidation work shall be conducted by the parties involved in the merger or division according to the contracts entered into at the time of merger or division.

Where the Bank is dissolved pursuant to (3) above, the people's court shall, in accordance with the provisions of the relevant laws, coordinate with the shareholders, the relevant authorities and professionals to establish a liquidation committee to conduct the liquidation.

Where the Bank is dissolved pursuant to (4) above, the relevant regulatory authorities shall coordinate with the shareholders, the relevant authorities and professionals to establish a liquidation committee to conduct the liquidation.

Article 279 Where the Board of Directors has decided to liquidate the Bank (for any reason other than the Bank's declaration of its insolvency), the Board of Directors shall state in the notice convening a shareholders' general meeting that it has made full inquiry into the affairs of the Bank and is of the opinion that the Bank shall be able to settle its debts in full within twelve months from the commencement of the liquidation.

Upon passing of the resolution on liquidation at a shareholders' general meeting, all functions and powers of the Board of Directors shall cease immediately.

The liquidation committee shall act in accordance with the instructions from the shareholders' general meeting and report on the liquidation committee's income and expenses, the Bank's business and the progress of the liquidation at least once every year to the meeting; and to submit a final report to the shareholders' general meeting upon completion of the liquidation.

Article 280 The liquidation committee shall, within ten days of its establishment, notify the creditors, and within sixty days of its establishment, publish an announcement at least three times in newspapers specified by the relevant provisions.

Article 281 Creditors shall, within thirty days of receipt of the notice, or for creditors who have not received such notice, shall within forty-five days of the date of the first announcement, claim their rights to the liquidation committee. In claiming their rights, the creditors shall provide a statement and evidence with respect thereof. The liquidation committee shall register creditor's rights. In claiming their rights, the liquidation committee may not reimburse any such creditor.

Article 282 During liquidation, the liquidation committee shall exercise the following functions and powers:

- (1) to dispose of the Bank's assets and prepare a balance sheet and an inventory of assets;
- (2) to give notice or make announcement to the creditors;
- (3) to deal with and liquidate the uncompleted businesses of the Bank;

- (4) to effect payment of all outstanding taxes and the taxes arising during the process of liquidation;
- (5) to settle creditors' rights and debts;
- (6) to deal with the remaining assets after settlement of the Bank's debts; and
- (7) to represent the Bank in any civil proceedings.

Article 283 Following the disposal of the Bank's assets and the preparation of a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation proposal and present it to the shareholders' general meeting or to the relevant governing authorities for confirmation.

The Bank's assets shall be distributed according to the following order:

- (1) to pay the liquidation costs;
- (2) to pay the wages of staff and workers, social insurance premiums and statutory compensation monies;
- (3) to pay all outstanding taxes;
- (4) to settle the Bank's debts; and
- (5) to make allocation according to the class and ratio of shares held by shareholders.

Allocations shall not be made to the shareholders before the Bank's assets are settled according to the provisions stipulated in (1) to (4) above.

Any remaining assets of the Bank subsequent to the settlement of its debts in accordance with the foregoing provisions shall be distributed to the shareholders on the basis of the class of shares and in the proportion of shares being held.

Shareholders of preference shares are preferred in the distribution of remaining assets of the Bank over shareholders of ordinary shares, at a sum of principal and dividend that is resolved to be paid but not yet paid for the current period, and in the event that the remaining assets are not sufficient to satisfy these payments, such assets will be distributed among shareholders of domestic preference shares and shareholders of overseas preference shares on a pro rata basis.

During liquidation, after settlement of liquidation costs, outstanding staff wages and labour insurance premiums, the assets of the Bank shall be firstly used to pay the principals and interests of personal savings deposits.

After establishment of the liquidation committee, the duties and powers of the Board of Directors and president shall cease immediately. During liquidation, the Bank shall not commence any new business activities.

Article 284 The liquidation committee shall immediately apply to the people's court for a declaration of bankruptcy if it becomes aware, having liquidated the Bank's assets and prepared a balance sheet and an inventory of assets, that the Bank's assets are insufficient to repay its debts in full. Upon the Bank being declared bankrupt by a ruling of the people's court, the liquidation committee shall transfer to the people's court all matters arising out of the liquidation.

Article 285 Following completion of liquidation, the liquidation committee shall prepare a liquidation report, a statement of income and expenses and financial accounts for the liquidation, which shall be verified by a PRC registered accountant and submitted to the shareholders' general meeting or the relevant competent authorities for confirmation.

The liquidation committee shall, within thirty days from the date of the shareholders' general meeting or confirmation of the liquidation report by the relevant competent authorities, submit the aforementioned documents to the company registration authorities for application for cancellation of registration and publish an announcement in respect of the termination of the Bank. The relevant announcement shall be published in newspapers complying with the relevant provisions.

Article 286 Members of the liquidation committee shall discharge their duties loyally and perform the liquidation obligations according to law and shall not use their powers to accept any bribes or other illegal income and shall not infringe the property of the Bank.

Members of the liquidation committee shall assume compensation liability if the Bank or creditors incur losses as a result of the deliberate or gross default of the members of the liquidation committee.

CHAPTER 19 PROCEDURES FOR AMENDING THESE ARTICLES

Article 287 The Bank may amend these Articles in accordance with the requirements of law, administrative regulations and these Articles of the Bank.

Article 288 The Bank shall amend the articles of association when any of the following occurs:

- (1) After amendments to the Company Law, Commercial Banking Law or the relevant laws and administrative regulations, the matters stipulated in these Articles are in conflict with the provisions of the amended laws or administrative regulations;
- (2) There are changes in the conditions of the Bank thereby making them inconsistent with the matters set out in these Articles; and
- (3) A decision is made at the shareholders' general meeting to amend these Articles.

The shareholders' general meeting may authorize the Board of Directors of the Bank to do the following by way of an ordinary resolution: (1) if the Bank increases its registered capital, the Board of Directors of the Bank shall have the right to amend the contents in relation to the registered capital of the Bank contained in these Articles according to the actual circumstances; (2) as regards these Articles approved at the shareholders' general meeting, if changes in relation to wording or order of the articles have to be made when these Articles are submitted to the relevant competent authorities for registration, verification or approval, the Board of Directors of the Bank shall have the right to make corresponding amendments according to the requirements of the competent authorities.

Article 289 If the amendments to these Articles approved at a shareholders' general meeting have to be examined and approved by the competent authorities, the same shall become effective after obtaining the approval of the original examination and approval competent authorities. If registration matters are involved, the Bank shall apply for registration of the changes according to law.

Article 290 The Board of Directors shall amend these Articles of the Bank according to the resolutions on amending these Articles passed at a shareholders' general meeting and the approval opinions of the relevant competent authorities.

Article 291 Where the amendments to these Articles involve matters requiring disclosure by law and regulations, the amendments shall be announced in accordance with the relevant provisions.

CHAPTER 20 NOTICE

Article 292 Notice of the Bank shall be issued in the following manner:

- (1) by hand;
- (2) by post;
- (3) by way of an announcement;
- (4) by electronic mails or publication on websites designated by the Bank and the local stock exchange(s), subject to laws, administrative regulations and relevant provisions of the securities regulatory authorities of the place(s) where the Bank's shares are listed; and
- (5) any other forms stipulated in these Articles.

Article 293 If a notice of the Bank is issued by way of an announcement, it shall be deemed to have been received by all the relevant personnel once announced.

Unless the context otherwise requires, for the purpose of the announcement issued to shareholders of domestic shares or the announcement issued in the PRC according to the relevant provisions and these Articles, "announcement" referred to in these Articles shall mean publication of an announcement in the PRC newspapers and on the websites designated by Shanghai Stock Exchange, and the relevant newspapers shall be those stipulated by PRC laws and regulations or designated by the securities regulatory organ of the State Council; for the purpose of the announcement issued to shareholders of overseas listed foreign shares or the announcement issued in Hong Kong according to the relevant provisions and these Articles, such announcement must be published on the websites of the Bank and the Hong Kong Stock Exchange and other websites or newspapers stipulated by the Listing Rules from time to time according to the requirements of the Listing Rules.

Article 294 Any notices, circulars, relevant documents or written statements issued to the holders of overseas listed foreign shares by the Bank shall be delivered by hand or prepaid post to shareholders at their registered addresses, or may be delivered by electronic mails or publication on the Bank's website and the website of the Hong Kong Stock Exchange, subject to compliance with laws, administrative regulations and listing rules of the place(s) where the Bank's shares are listed, and notices, information or written statements may be given to such shareholders in either their English versions or Chinese versions, subject to compliance with laws, administrative regulations and listing rules of the place(s) where the Bank's shares are listed.

Article 295 As regards a notice of convening a shareholders' general meeting, it shall be issued to holders of overseas listed foreign shares according to the provisions of Article 294 of these Articles and shall be issued to holders of domestic shares by way of announcement. The relevant announcement shall be published on newspapers complying with the relevant stipulations.

Article 296 The notice of convening of convening a board meeting shall be issued in writing, by telephone or fax.

Article 297 The notice of convening the Board of Supervisors' meeting shall be issued in writing, by telephone or fax.

Article 298 If a notice of the Bank is delivered by hand, the date that the recipient signs (or affixes a chop) to acknowledge receipt of the same shall be regarded as the date of delivery. If a notice of the Bank is delivered by post (the address should be clearly written and postage prepaid), such notice shall be deemed to have been received 48 hours after it is put in the post box. If a notice of the Bank is issued by way of an announcement, the date of the first publication of the announcement on a newspaper complying with the relevant stipulations shall be regarded as the date of delivery. If a notice of the Bank is issued by way of telephone or fax, the date on which the call is answered by an authorised recipient or a letter in writing has been effectively issued shall be regarded as the date of delivery. If a notice of the Bank is delivered by e-mail or website publication, save as otherwise provided in the Listing Rules, the date of sending or publication shall be regarded as the date of delivery, which shall be referred to the records of the despatch of the e-mail or uploading of the same on web servers. Accidental omission to serve a notice on, or non-receipt of any such notice by, such person who is entitled to receive the same shall not invalidate the meeting and the resolutions passed at the meeting.

Article 299 China Securities Journal, Shanghai Securities News and Securities Times designated by the Bank, the website of Shanghai Stock Exchange, the website of the Hong Kong Stock Exchange and the website of the Bank shall be the media for publishing announcements of the Bank and other information required to be disclosed.

Article 300 Where relevant provisions of regulatory authorities of the place where the Bank's shares are listed require the Bank to deliver, mail, distribute, issue, publish or provide its relevant documents in English and Chinese versions, or in other ways, if the Bank has made appropriate arrangements on determining that its shareholders wish only to receive either the English version or the Chinese version, the Company may, in accordance with applicable laws and regulations, only deliver either the English or the Chinese version to relevant shareholders according to their wishes.

CHAPTER 21 DISPUTE RESOLUTIONS

Article 301 The Bank shall abide by the following rules for dispute resolution:

- (1) Any disputes or claims arising between holders of overseas listed foreign shares and the Bank, between holders of overseas listed foreign shares and the Bank's directors, supervisors, president or other senior management members, or between holders of overseas listed foreign shares and holders of domestic shares, with respect to any rights or obligations by virtue of these Articles, the Company Law and any rights or obligations stipulated by any other relevant laws and administrative regulations concerning the affairs of the Bank, shall be submitted to arbitration.

When the aforementioned dispute or claim of rights is submitted to arbitration, the entire claim or dispute shall be submitted for arbitration, and all persons whose causes of action were based on the same ground or the persons whose participation is necessary for the resolution of such dispute or claim, shall comply with the arbitration, where such person is the Bank, the Bank's shareholders, directors, supervisors, president or other senior management members.

Disputes with respect to the definition of shareholders and disputes concerning the register of shareholders need not be resolved by arbitration.

- (2) A claimant may select an arbitration to be carried out either by the China International Economic and Trade Arbitration Commission in accordance with its rules or the Hong Kong International Arbitration Centre in accordance with its securities arbitration rules. Once a claimant submits a dispute or claim of rights to arbitration, the other party must conduct the arbitration at the arbitration organ selected by the claimant. If a claimant selects Hong Kong International Arbitration Centre as the arbitration organ, either party may apply for the arbitration to be conducted in Shenzhen in accordance with the securities arbitration rules of Hong Kong International Arbitration Centre.
- (3) If any disputes or claims of rights as a result of (1) are resolved by arbitration, the laws of the PRC shall apply, except otherwise provided by laws and administrative regulations.
- (4) The award of the arbitration organ shall be final and conclusive and binding on all parties.

CHAPTER 22 SUPPLEMENT

- Article 302 The Board of Directors may formulate detailed rules of the articles according to the provisions of these Articles. Detailed rules of the articles shall not be in conflict with the provisions of these Articles. If matters are not dealt with in these Articles and detailed rules of the articles, the same shall be dealt with according to the relevant laws and regulations of the PRC and the actual circumstances of the Bank.
- Article 303 For the purpose of these Articles, references to “accounting firm” shall bear the same meaning as “auditors”.
- Article 304 These Articles shall be written in Chinese and English. The two versions shall have the same effect. If there is any discrepancy between the two versions, the latest Chinese version registered with the banking regulatory organ of the State Council shall prevail.
- Article 305 For the purpose of these Articles, references to “above”, “within” and “below” shall include the actual figures, while references to “less than”, “below”, “under”, “beyond” and “exceed” shall exclude such actual figures.
- Article 306 Unless otherwise specified by the Articles, only ordinary shares and preference shares with recovered voting rights shall be counted in the calculations herein for requesting to convene extraordinary shareholders’ general meeting, convening and chairing shareholders’ general meeting, submitting interim proposal to shareholders’ general meeting and determining the shareholding ratio of relevant shareholders.
- Article 307 The Board of Directors of the Bank shall be responsible for the interpretation of these Articles.