



Bank of Jiujiang Co., Ltd.*
九江银行股份有限公司*

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 6190)

BANK OF JIUJIANG CO., LTD.

ARTICLES OF ASSOCIATION

(Amended in February 2021)

Articles of Association of Bank of Jiujiang Co., Ltd.

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CHAPTER 1 GENERAL PROVISIONS

Article 1 To protect the legitimate rights and interests of Bank of Jiujiang Co., Ltd(hereinafter referred to as “the Bank”), shareholders and creditors and regulate the organization and acts of the Bank, the Articles of Association are formulated in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as “Company Law”), Securities Law of the People’s Republic of China (hereinafter referred to as “Securities Law”), Commercial Banking Law of the People’s Republic of China (hereinafter referred to as “Commercial Banking Law”), Banking Supervision and Regulatory Law of the People’s Republic of China, Special Regulations of the State Council on the Overseas Offering and the Listing of Shares by Joint Stock Limited Companies (hereinafter referred to as “Special Regulations”), Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas, Reply of the State Council on the Adjustments of the Provisions Applicable to the Notice Period of Convening General Meetings of Shareholders and Other Matters Applicable to the Companies Listed Abroad, Regulations on the Work of Basic Organizations of the State-owned Enterprises of the Communist Party of China (Trial) (《中國共產黨國有企業基層組織工作條例(試行)》), Guidelines on Corporate Governance of Commercial Banks, Interim Measures for the Equity Management of Commercial Banks and Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“Listing Rules”), and other laws and regulations and relevant provisions.

Article 2 The Bank is a joint stock limited company established by means of promotion in accordance with the Company Law, the Commercial Banking Law and other relevant laws and regulations and as approved by the People’s Bank of China in the Reply on Organizing Establishment of Urban Cooperative Bank in Jiujiang (Yin Fu [1997] No. 41) and Wuhan Branch of the People’s Bank of China in the Reply on Approving the Establishment of Jiujiang City Commercial Bank (Wu Yin Fu [1999] No. 300) and the Reply on Approving the Opening of Jiujiang City Commercial Bank (Wu Yin Fu [2000] No. 184). It was registered with Jiujiang City Administration for Industry & Commerce on 17 November 2000 and obtained its business license (unified social credibility code: 9136040070552834XQ).

Article 3 The registered name of the Bank:

Full name in Chinese: 九江銀行股份有限公司, abbreviated name in Chinese: 九江銀行;

Full name in English: BANK OF JIUJIANG CO., LTD., abbreviated name in English: BANK OF JIUJIANG;

Article 4 Domicile of the Bank: No. 619 Changhong Street, Jiujiang, postcode: 332000, Tel.: +86-792-8219403, Telex: +86-792-8325019.

Article 5 The registered capital of the Bank is RMB2,407,367,200.

Article 6 The Bank is a joint stock limited company in perpetual existence.

Article 7 The Bank implements national laws and regulations and financial policies, submits to the supervision and management of the banking regulatory authorities of the State Council according to law, and performs various obligations as financial legal person.

Article 8 The chairman of the Board of Directors (the Board) is the legal representative of the Bank.

Article 9 All of the assets of the Bank are divided into shares of equal par value. The shareholders are responsible for the Bank to the limit of the shares they have subscribed for. The Bank is responsible for its debts to the limit of all of its assets.

Article 10 From the date on which the Articles of Association become effective, the Articles of Association shall constitute a legally binding document that regulates the organization and acts of the Bank and the rights and obligations between the Bank and its shareholders and between shareholders inter se.

Article 11 The Articles of Association are legally binding on the Bank, shareholders, Directors, Supervisors and senior management. All the above persons may make claims and propositions related to company affairs in accordance with the Articles of Association.

Pursuant to the Articles of Association, shareholders may sue shareholders; shareholders may sue Directors, Supervisors and senior management of the Bank; shareholders may sue the Bank, and the Bank may sue shareholders, Directors, Supervisors and senior management.

The term “sue”, as referred to in the preceding paragraph, shall include the instituting of legal proceedings to a court or the submission of application to an arbitration institution for arbitration.

Article 12 For the purpose of the Articles of Association, the term “senior management” refers to president and vice president of the Bank and other persons holding important positions as specified by the banking regulatory authorities of the State Council or as confirmed by a Board resolution.

Article 13 The Bank implements the management system of operation authorized by first-grade legal person; branches do not have the status of legal person and carry out business according to law within the scope authorized by the head office, and their civil liabilities shall be borne by the head office.

The Bank applies the financial system of uniform accounting, uniform allocation of funds and multi-level management to branches across the Bank.

Article 14 Based on management needs, the Bank may set up and adjust several special committees and internal management bodies.

Article 15 The Bank may invest in other limited liability companies, joint stock limited companies and other corporate bodies according to law and shall be held responsible for the invested corporate bodies to the extent of the capital contribution or share subscription by the Bank.

CHAPTER 2 BUSINESS OBJECTIVE AND SCOPE

Article 16 The Bank's business objective is to operate in a legal and market-oriented manner, provide quality financial services, seek maximum economic benefits for shareholders and boost economic development and social advancement.

Article 17 The legally registered business scope of the Bank is:

- (I) taking of deposits from the general public;
- (II) extension of short-, medium- and long-term loans;
- (III) domestic and foreign settlement;
- (IV) bills acceptance and discounting;
- (V) issuance of financial bonds;
- (VI) agency issuance, cashing and undertaking of government bonds;
- (VII) trading of government bonds and financial bonds;
- (VIII) inter-bank borrowing and lending;
- (IX) trading or agency trading of foreign exchange;
- (X) bank card business;
- (XI) provision of L/C services and guarantee;
- (XII) agency collection and payment and bancassurance;
- (XIII) provision of safe-box service;
- (XIV) sale of securities investment funds;
- (XV) other businesses approved by the banking regulatory authorities of the State Council.

CHAPTER 3 SHARES

Section 1 Issuance of Shares

Article 18 The shares of the Bank shall take the form of share certificates. The Bank shall have ordinary shares at any time. All shares issued by the Bank are ordinary shares.

If necessary, the Bank may issue preference shares and other classes of shares according to applicable laws and regulations as considered and approved by the shareholders' general meeting of the Bank and approved by the approval authority authorized by the State Council.

Article 19 The Bank shall issue shares in an open, fair and just manner, and each share of the same category shall have the same right.

Article 20 All shares of the same category issued at the same time shall be issued under the same conditions and at the same price; any entity or individual shall pay the same price for each share subscribed for.

Article 21 Shares issued by the Bank have a par value of RMB1 each.

Article 22 As approved by the banking regulatory authorities of the State Council, the securities regulatory authorities of the State Council and other relevant regulatory authorities, the Bank may offer its shares to both domestic and foreign investors.

Foreign investors referred to in the preceding paragraph shall mean those investors who subscribe for the shares of the Bank and who are located in foreign countries, the Hong Kong Special Administrative Region (hereinafter referred to as "Hong Kong") of the People's Republic of China (hereinafter referred to as "PRC"), the Macau Special Administrative Region or the Taiwan region. Domestic investors shall mean those investors who subscribe for the shares of the Bank and who are located within the territory of the PRC (excluding the aforementioned regions).

Article 23 Shares issued by the Bank to domestic investors for subscription in RMB shall be referred to as domestic shares. Shares issued by the Bank to overseas investors for subscription in foreign currencies shall be referred to as foreign shares. The foreign shares that are listed overseas shall be referred to as overseas listed foreign shares. Both holders of domestic shares and holders of overseas listed foreign shares are shareholders of ordinary shares.

Foreign currency mentioned in the preceding paragraph refers to the statutory currency, other than RMB, of another country or region, which is recognized by the foreign exchange authority of the PRC and can be used to pay the Bank for the shares.

The overseas listed foreign shares issued by the Bank that are listed on the Stock Exchange of Hong Kong Limited (hereinafter referred to as "Hong Kong Stock Exchange") shall be referred to as H shares.

Domestic shares issued by the Bank are centrally deposited with China Securities Depository and Clearing Corporation Limited; H shares issued by the Bank are deposited with a nominee company in accordance with the laws and requirements of securities registration and depository of the place where the shares of the Bank are listed, or may also be held by shareholders in their own name.

As permitted by relevant laws, administrative regulations and departmental rules and approved by the securities regulatory authorities of the State Council, holders of domestic shares of the Bank may trade their shares in an overseas stock exchange. The said shares listed on or traded in an overseas stock exchange shall also comply with the regulatory procedures, regulations and requirements of the relevant overseas securities market. Listing of the said shares on an overseas stock exchange does not need resolution through voting at a class shareholders' general meeting.

Article 24 As approved by the approval authority authorized by the State Council, the Bank may issue 100,570,000 ordinary shares (accounting for 100% of the total ordinary shares issuable by the Bank at the time) to its promoters at the time of establishment.

Article 25 As approved by the approval authority authorized by the State Council and other securities regulatory authorities, the Bank may issue a total of 2,407,367,200 ordinary shares.

The shareholding structure of shares of the Bank is: 2,407,367,200 ordinary shares, including 2,000,000,000 domestic shares, accounting for approximately 83.08% of the total shares of the Bank; and 407,367,200 H shares, accounting for approximately 16.92% of the total shares of the Bank.

Article 26 Upon approval by the securities regulatory authorities of the State Council in respect of the plan of the Bank to issue overseas listed foreign shares and domestic shares, the Board of the Bank may make implementation arrangements for such plan by means of separate issuance.

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

Article 27 In the event that the Bank separately issues overseas listed foreign shares and domestic shares within the total number of shares specified in the issuance plan of the Bank, such shares shall be fully subscribed for at one time, or if the shares cannot be fully subscribed for at one time due to special circumstances, such shares may be issued in separate tranches, subject to the approval of the securities regulatory authorities of the State Council.

Section 2 Increase, Decrease and Repurchase of Shares

Article 28 Based on its operation and development needs and in accordance with laws, administrative regulations and rules governing securities of the place where the shares of the Bank are listed, the Bank may increase its capital by any of the following methods, subject to the consideration and approval by the shareholders' general meeting and the approval by the banking regulatory authorities of the State Council:

- (I) offering of new shares to non-given investors;
- (II) placing of new shares to existing shareholders;
- (III) distribution of new shares to existing shareholders;
- (IV) conversion of funds in the capital reserve to share capital; or
- (V) any other means stipulated by laws and administrative regulations.

If the Bank is to increase its capital by an offering of new shares, it shall do so by the procedure provided in relevant national laws, administrative regulations and rules governing securities of the place where the shares of the Bank are listed after such increase has been approved in accordance with the Articles of Association.

Article 29 The Bank may decrease its registered capital. The Bank shall reduce its registered capital pursuant to the Company Law, the Commercial Banking Law and other relevant regulations, and the Articles of Association.

Article 30 The Bank may, pursuant to laws, administrative regulations, regulations, rules governing securities of the place where the shares of the Bank are listed and the Articles of Association and subject to necessary approvals of the relevant regulatory authority of the PRC, repurchase its issued shares under the following circumstances in accordance with statutory procedures:

- (I) for the reduction of its registered capital;
- (II) when merging with another company that holds shares in the Bank;
- (III) when offering for an employee shareholding ownership plan or equity incentive;
- (IV) when the shareholder disagrees with the resolution of the shareholders' general meeting regarding the merger or division of the Bank and requires the Bank to repurchase his shares;
- (V) when using the shares for the conversion of the convertible corporate bonds issued by the Bank;
- (VI) when it is necessary to maintain the value of the Bank and its shareholders' rights and interests;

(VII) under other circumstances permitted by relevant requirements including laws, administrative regulations, regulations and rules governing securities of the place where the shares of the Bank are listed.

The Bank shall not trade its shares unless in the aforesaid circumstances.

Article 31 The Bank may, with the approval of the relevant regulatory authority of the PRC, repurchase its issued shares in any of the following ways:

- (I) making a pro rata offer of repurchase to all of its shareholders;
- (II) repurchasing shares through public transaction on a stock exchange;
- (III) repurchasing shares by a negotiated agreement outside of any stock exchange;
- (IV) other forms stipulated by laws and administrative regulations and approved by the relevant regulatory authority.

Article 32 Approval shall be obtained at a shareholders' general meeting when the Bank is to repurchase its own shares because of the stipulated circumstances set out in items (I) to (II) of Article 30 hereof. Approval shall be obtained at a Board meeting attended by more than two-thirds of the Directors when the Bank is to repurchase its own shares because of the stipulated circumstances set out in items (III), (V) and (VI) of Article 30 hereof.

After the Bank has repurchased its own shares in accordance with the provisions of Articles 30, the shares so repurchased shall be cancelled within 10 days from the date of repurchase under the circumstance set out in item (I), or shall be transferred or cancelled within six months after the date of repurchase under the circumstances set out in items (II) and (IV); the aggregate number of shares held by the Bank shall not exceed 10% of the aggregate amount of shares issued by the Bank, and shall be transferred or cancelled within three years under the circumstances set out in items (III), (V) and (VI).

Article 33 Where the Bank repurchases its shares by a negotiated agreement outside of any stock exchange, prior approval shall be obtained from the shareholders at a shareholders' general meeting in accordance with the Articles of Association. As approved by the shareholders at a shareholders' general meeting in the same manner in advance, the Bank may rescind or alter contracts concluded in the aforementioned manner or waive any of its rights under such contracts.

For the purpose of the preceding paragraph, contracts for the repurchase of shares shall include but are not limited to agreements whereby repurchase obligations are undertaken and repurchase rights are acquired.

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

In respect of the redeemable shares that the Bank has the right to repurchase, if the repurchase is to be made in a manner other than through the market or by tender, the repurchase price shall not exceed a specified maximum amount; if the repurchase is to be made by tender, such tender offer shall be made available to all shareholders equally on the same terms.

Article 34 The Bank shall apply to the original company registration authority for registration of the change of its registered capital in the event that the shares repurchased by the Bank according to law are cancelled by the Bank.

The total par value of the shares so cancelled shall be deducted from the registered capital of the Bank.

Article 35 Unless the Bank is undergoing liquidation, the Bank shall comply with the following provisions in relation to the repurchase of its issued shares:

- (I) where the Bank repurchases its shares at par value, payment shall be made out of the book balance of the distributable profits of the Bank or out of the proceeds of a fresh issue of shares made for that purpose;
- (II) where the Bank repurchases its shares at a premium to the par value, payment equivalent to the par value shall be made out of the book balance of the distributable profits of the Bank or out of the proceeds of a fresh issue of shares made for that purpose. Payment of the portion in excess of the par value shall be effected as follows:
 - 1. if the shares repurchased were issued at par value, payment shall be made out of the book balance of the distributable profits of the Bank; or
 - 2. if the shares repurchased were issued at a premium to the par value, payment shall be made out of the book balance of the distributable profits of the Bank or out of the proceeds of a fresh issue of shares made for that purpose, provided that the amount paid out of the proceeds of the fresh issue shall exceed neither the aggregate of the premiums received by the Bank on the issue of the shares repurchased nor the amount (including the premiums on the fresh issue) of the Bank's premium account (or capital reserve account) at the time of such repurchase.
- (III) the payment made by the Bank for the purposes set forth below shall be made out of the Bank's distributable profits:
 - 1. acquisition of rights to repurchase its shares;
 - 2. amendments of any contract to repurchase its shares; and
 - 3. release of any of its obligations under any contract to repurchase its shares.

(IV) after the total par value of the cancelled shares has been deducted from the Bank's registered capital in accordance with the relevant provisions, the amount deducted from the distributable profits for repurchasing shares at the par value shall be credited to the Bank's premium account (or capital reserve account).

Where relevant requirements including the laws, administrative regulations and rules governing securities of the place where the shares of the Bank are listed have any other provisions in respect of the financial arrangement relating to the aforesaid share repurchase, such provisions shall prevail.

Section 3 Transfer of Shares

Article 36 Save as otherwise specified by laws, administrative regulations, and requirements of the securities regulatory authorities at the place where the shares of the Bank are listed, shares of the Bank may be transferred freely according to law and shall not be subject to any lien.

Transfer of shares of the Bank shall be registered with the share registry designated by the Bank. Transfer of shares of the Bank shall comply with relevant requirements of the banking regulatory authorities of the State Council and other relevant regulatory authorities.

Article 37 The Bank shall not accept its own shares as pledge object.

Article 38 Shares that have been issued before public offering of the Bank shall not be transferred within one year from the date on which the shares of the Bank are listed on and traded in a stock exchange.

Substantial shareholders shall not transfer the shares they hold in the Bank within five years from the date on which the shares of the Bank are obtained.

The Directors, Supervisors and senior management of the Bank shall report to the Bank their shareholdings in the Bank and changes thereof and shall not transfer more than 25% of their shares per annum during their terms of office; the shares they hold in the Bank shall not be transferred within one year after the shares of the Bank are listed on and traded in a stock exchange. The aforesaid persons shall not transfer their shares in the Bank within half a year after they terminate service with the Bank.

Where the securities regulatory authorities at the place where the shares of the Bank are listed have other provisions in respect of restrictions on transfer of overseas listed foreign shares, such provisions shall be observed.

Article 39 If the Bank's Directors, Supervisors, senior management, and shareholders holding more than 5% shares of the Bank sell their shares within six months after buying the same or buy shares within six months after selling the same, the earnings arising therefrom shall belong to the Bank and the Board of the Bank will recover such earnings.

If the Board of the Bank does not observe the provision in the preceding paragraph, the shareholders have the right to require the Board to execute the provision within 30 days. If the Board of the Bank fails to execute the provision within the aforesaid period, the shareholders have the right to directly institute legal proceedings to the people's court in their own names for the interest of the Bank.

If the Board of the Bank fails to observe the provision in the first paragraph, the responsible Directors shall assume joint and several liability according to law.

Article 40 All H shares for which the share capital has been paid in full may be transferred freely in accordance with the Articles of Association; however, the Board may refuse to recognize any instrument of transfer without stating any reason unless the following conditions are satisfied:

- (I) the instrument of transfer and other documents relating to or likely affecting the ownership of any registered securities shall be registered, and the payment for registration shall be made to the Bank according to the amount specified by the Hong Kong Stock Exchange in the Listing Rules to register the instrument of transfer of the shares and other documents relating to or likely affecting the ownership of the shares;
- (II) the instrument of transfer only involves H shares;
- (III) the stamp duty required by the laws of Hong Kong for the instrument of transfer has been paid;
- (IV) the relevant share certificates and evidence reasonably required by the Board showing that the transferor has the right to transfer such shares have been provided;
- (V) if the shares are to be transferred to joint holders, the number of joint shareholders shall not exceed four; and
- (VI) the relevant shares are free from any liens of the Bank.

Where the Board refuses to register the transfer of shares, the Bank shall deliver a notice to the transferor and transferee, informing them of such refusal of the registration of share transfer, within two months from the date on which the application for the transfer of shares is officially filed.

Article 41 All transfers of H shares shall be effected by instruments of transfer in writing in a general or ordinary form or in any other form acceptable to the Board (including the standard transfer format or form of transfer that Hong Kong Stock Exchange may provide from time to time); the written instruments of transfer may be signed by hand or (where the transferor or transferee is a company) by the valid corporate seal. Where the transferor or transferee is a recognized clearing house (hereinafter referred to as the “**Recognized Clearing House**”) as defined by relevant regulations in the laws of Hong Kong effective from time to time, or any of its agents, the written instruments of transfer may be signed by hand or print.

All instruments of transfer shall be maintained at the statutory address of the Bank, the address of share registrar or such places as the Board may designate from time to time.

Article 42 Shareholders shall also comply with relevant laws, administrative regulations and provisions of regulatory authorities in transferring the shares of the Bank.

Section 4 Financial Assistance for Purchase of Shares of the Bank

Article 43 The Bank or its branches and subsidiary companies shall not at any time or in any form provide any financial assistance to purchasers or prospective purchasers of the Bank's shares. The aforesaid purchasers include persons directly or indirectly undertaking obligations as a result of the purchase of the Bank's shares.

The Bank or its branches and subsidiary companies shall not at any time or in any form provide any financial assistance to the aforesaid obligors for the purpose of reducing or releasing their obligations.

The provisions of this Article shall not apply to the circumstances described in Article 45 hereof.

Article 44 The term "financial assistance" mentioned in Article 43 hereof includes (but is not limited to) the financial assistance provided in the forms set out below:

- (I) gift;
- (II) guarantee (including the undertaking of liability or provisions of property by the guarantor in order to secure the performance of the obligation by the obligator), indemnity (not including, however, indemnity arising from the Bank's own fault) and release or waiver of rights;
- (III) provision of a loan or conclusion of a contract under which the obligations of the Bank are to be fulfilled prior to the obligations of the other party to the contract, or a change in the party to such loan or contract as well as the assignment of rights under such loan or contract;
- (IV) financial assistance provided in any other form when the Bank is insolvent or has no net assets or when such assistance will lead to a significant reduction in the Bank's net assets.

For the purposes of the Articles of Association, the term "undertake obligations" shall include the undertaking of an obligation by the obligor by concluding a contract or making an arrangement (regardless of whether the contract or arrangement is enforceable and such obligation is assumed by the obligor individually or jointly with any other person), or by changing its financial position in any other way.

Article 45 The acts listed below shall not be regarded as the acts prohibited under Article 43 hereof, save for those prohibited by relevant laws, administrative regulations, regulations or rules governing securities of the place where the shares of the Bank are listed:

- (I) relevant financial assistance is given genuinely in the interest of the Bank, and the main purpose of the financial assistance is not the purchase of shares of the Bank, or the financial assistance is an incidental part of some overall plan of the Bank;
- (II) the Bank distributes its property in form of dividends in accordance with law;
- (III) the Bank distributes its dividends in the form of shares;
- (IV) the Bank reduces its registered capital, repurchases its issued shares, or adjusts its shareholding structure in accordance with the Articles of Association;
- (V) the Bank provides loan within its business scope and in the ordinary course of its business (provided that the provision does not lead to a reduction in the net assets of the Bank or even if it constitutes a reduction, the financial assistance would be paid out of the distributable profits of the Bank);
- (VI) the Bank provides money to its employee shareholding scheme (provided that the provision does not lead to a reduction in the net assets of the Bank or even if it constitutes a reduction, the financial assistance would be paid out of the distributable profits of the Bank).

CHAPTER 4 SHAREHOLDERS AND SHAREHOLDERS' GENERAL MEETINGS

Section 1 Share Certificates and Register of Shareholders

Article 46 The share certificates of the Bank shall be in registered form. Share certificates of the Bank shall state the following major items:

- (I) name of the Bank;
- (II) date of establishment of the Bank;
- (III) class, par value and number of shares represented by the share certificate;
- (IV) serial number of the share certificate;
- (V) other items that should be stated as required by the securities regulatory authorities at the place where the shares of the Bank are listed;

(VI) other items that should be stated pursuant to the Company Law, other laws, administrative regulations and rules governing securities of the place where the shares of the Bank are listed.

Article 47 The overseas listed foreign shares issued by the Bank may take the form of certificate of deposit or other derivative forms of share certificates pursuant to the laws or securities registration and depository practices of the place where the shares of the Bank are listed.

During the listing of H shares in Hong Kong, the Bank shall ensure that the following statements are enclosed in all its H share listing documents and shall instruct and procure its share registrar to reject the registration of the subscription, purchase or transfer of shares in the name of any individual holder unless and until the individual holder submits the properly signed form relating to such shares to the share registrar and the form shall include the following statements:

- (I) the share purchaser and the Bank and each of its shareholders, and the Bank and each of the shareholders agree to observe and comply with the requirements of the Company Law, the Special Regulations and other relevant laws, administrative regulations and the Articles of Association.
- (II) the share purchaser agrees with the Bank and each of the shareholders, Directors, Supervisors and senior management of the Bank, and the Bank, acting on behalf of itself and each of the Directors, Supervisors and senior management of the Bank, agrees with each of the shareholders that, all disputes and claims arising from the Articles of Association or all disputes and claims in connection with the Bank's affairs arising from any rights or obligations specified in the Company Law or other relevant laws or administrative regulations shall be settled through arbitration according to the Articles of Association, and any submission for arbitration shall be deemed as an authorization to the arbitral tribunal for public hearing and announcement of its award. The arbitration award shall be final and conclusive.
- (III) the share purchaser agrees with the Bank and each of the shareholders of the Bank that the shares of the Bank may be freely transferred by the holders.
- (IV) the share purchaser authorizes the Bank to enter into a contract with each of the Directors and senior management on his behalf, pursuant to which the Directors and senior management undertake to observe and perform their obligations to shareholders as specified in the Articles of Association.

Article 48 The share certificates of the Bank shall be signed by the chairman of the Board. Where the signatures of senior management of the Bank are required by the securities regulatory authorities at the place where the shares of the Bank are listed, the share certificates shall also be signed by the senior management. The share certificates of the Bank shall come into force after the Bank's seal is affixed thereto or imprinted thereon. Affixing of the Bank's seal on the share certificates shall be authorized by the Board. The signature of the chairman or relevant senior management on the share certificates may also be in printed form.

Provisions of the securities regulatory authorities at the place where the shares of the Bank are listed shall apply where the shares of the Bank are issued and transacted in a paperless manner.

Article 49 The Bank shall establish a register of shareholders, which shall be sufficient evidence of a shareholder's shareholding in the Bank, unless there is evidence to the contrary.

The register of shareholders shall record the following items, or shareholder registration shall be carried out in accordance with laws, administrative regulations and rules governing securities of the place where the shares of the Bank are listed:

- (I) the name, address, occupation or nature of each shareholder;
- (II) the class and number of shares held by each shareholder;
- (III) the amount paid or payable for the shares held by each shareholder;
- (IV) the serial number of share certificate held by each shareholder;
- (V) the date on which each shareholder is registered as a shareholder;
- (VI) the date on which each shareholder ceases to be a shareholder.

Article 50 The Bank may, pursuant to any understanding or agreement reached between the securities regulatory authorities of the State Council and a foreign country, keep its register of holders of overseas listed foreign shares outside of the PRC, and authorize a foreign agency to manage the same. The original of the register of holders of overseas listed foreign shares listed in Hong Kong shall be kept in Hong Kong.

The Bank shall keep the duplicate of the register of holders of overseas listed foreign shares at the domicile of the Bank, and the foreign agency as authorized by the Bank shall ensure the consistency between the original and the duplicate of the register of holders of overseas listed foreign shares at all times.

If there is any inconsistency between the original and the duplicate of the register of holders of overseas listed foreign shares, the original shall prevail.

Article 51 The Bank shall have a complete register of shareholders.

The register of shareholders shall include the following parts:

- (I) the register of shareholders kept at the Bank's domicile, other than that specified in items (II) and (III) of this paragraph;

- (II) the register of holders of overseas listed foreign shares of the Bank, kept in the place of the overseas stock exchange where the shares are listed;
- (III) the register of shareholders kept at such other places as the Board may deem necessary for listing of the Bank's shares.

Article 52 The various parts of the register of shareholders shall not overlap with each other. The transfer of any shares registered in a certain part of the register of shareholders shall not, during the continuance of the registration of such shares, be registered in any other part of the register of shareholders.

Changes to and corrections of each part of the register of shareholders shall be carried out in accordance with laws of the place where the said part is kept.

Article 53 Registration of change in the register of shareholders due to transfer of shares shall not be allowed within 30 days before a shareholders' general meeting is convened or within 5 days prior to the date of record on which the Bank decides to distribute dividends.

If registration of changes in the register of shareholders is otherwise prescribed by the securities regulatory authorities at the place where the shares of the Bank are listed, relevant provisions shall be observed.

Article 54 If the Bank intends to convene a shareholders' general meeting, distribute dividends or conduct liquidation or other activities, requiring the identification of shareholders, the Board or the convener of a shareholders' general meeting shall decide the equity registration date. The shareholders whose names appear on the register of shareholders at the end of the equity registration date are shareholders entitled to relevant rights and interests.

Article 55 Any person that challenges the register of shareholders and requests that his name should be entered into or removed from the register of shareholders may apply to a court with jurisdiction for rectification of the register of shareholders.

Article 56 Any person that is a registered shareholder in, or any person who requests that his name should be entered into the register of shareholders may, if his share certificate (i.e. "original share certificate") is lost, apply to the Bank for reissuing a new certificate in respect of the shares (i.e. "relevant shares") represented by the original certificate of such shares.

Applications for reissuing new share certificates from holders of domestic shares whose share certificates are lost shall be handled in accordance with the relevant provisions of the Company Law.

Applications for reissuing new share certificates from holders of overseas listed foreign shares whose share certificates are lost shall be handled in accordance with laws of place where the original register of holders of overseas listed foreign shares is kept, the rules of the stock exchange, or other relevant provisions.

Where a holder of H shares applies to the Bank to reissue a share certificate that has been lost, the reissuance thereof shall comply with the following requirements:

- (I) the applicant shall submit to the Bank an application in a standard form specified by the Bank, together with a notarial certificate or statutory declaration. The notarial certificate or statutory declaration shall state the reason for the application, the circumstances and evidence of how the share certificate is lost and the declaration that no one else may request registration as a shareholder of the relevant shares.
- (II) the Bank shall ensure it has not received any declaration requiring registration as the shareholder of the relevant shares except from the applicant before it decides to reissue a new share certificate.
- (III) if the Bank decides to reissue a new share certificate, it shall publish an announcement on its intention to reissue such share certificate on the newspaper designated by the Board. The period of announcement shall be 90 days and the announcement shall be republished at least once every 30 days.
- (IV) before the Bank publishes the announcement on its intention to reissue the new share certificate, it shall deliver a duplicate of the announcement to be published to the stock exchange where its shares are listed. After the stock exchange gives its reply confirming that such announcement has been displayed in the stock exchange, the announcement may be published. The display period of the announcement in the stock exchange is 90 days.

If the application for reissuing the new share certificate has not been consented by the registered shareholders of relevant shares, the Bank shall mail to such shareholder a copy of the announcement to be published.

- (V) if the 90-day period for the announcement and display as defined in items (III) and (IV) of this Article lapses and the Bank has not received any objection to such reissuance of the new share certificate from any person, the Bank may reissue a new share certificate in accordance with the application of the applicant.
- (VI) when the Bank reissues the new share certificate pursuant to this Article, it shall immediately cancel the original share certificate and record such cancellation and reissuance in the register of shareholders.
- (VII) all costs and expenses incurred by the Bank's cancellation of the original share certificate and reissuance of the new share certificate 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 for payment.

In case the Bank is granted the right to issue warrants to unregistered holders, no new warrants may be issued in place of the lost ones unless the Bank confirms, beyond all reasonable doubts, the original warrants have been destroyed.

Article 57 After the Bank reissues the new share certificate pursuant to the Articles of Association, the names of the bona fide purchasers who obtain the aforesaid new share certificates, or the shareholders who are subsequently registered as the owners of such shares (if they are bona fide purchasers) shall not be removed from the register of shareholders.

Article 58 The Bank shall assume no obligation to compensate any person who suffers loss due to the Bank's cancellation of the original share certificate or reissuance of the new share certificate, unless such person can prove fraud on the part of the Bank.

Section 2 Shareholders and Shareholders' Rights

Article 59 Shareholders of the Bank are persons lawfully holding shares of the Bank, with names recorded in the register of shareholders.

Shareholders of the Bank shall meet the conditions for buying shares specified by the banking regulatory authorities of the State Council and other relevant regulatory authorities.

A shareholder shall enjoy rights and bear obligations according to the class and quantity of his shares. Holders of the same class shall enjoy the same rights and bear the same obligations.

Article 60 Where two or more persons are registered as joint shareholders of any shares, they shall be deemed as co-owners of such shares, and shall be subject to the following restrictions:

- (I) the Bank shall not register more than four persons as joint shareholders of any shares;
- (II) all joint shareholders of any shares shall be jointly and severally liable for the payment of all amounts payable for the relevant shares;
- (III) if one of the joint shareholders is deceased, only the other surviving persons among the joint shareholders shall be deemed by the Bank as the owners of the relevant shares. However, the Board shall have the right to require provision of a certificate of death deemed appropriate by the Board for the purpose of amending the register of shareholders;
- (IV) in relation to the joint shareholders of any shares, only the joint shareholder who ranks first in the register of shareholders shall have the right to receive the share certificate of the relevant shares from the Bank and receive any notice of the Bank; any notice served on the aforesaid person shall be deemed to have been served on all the joint shareholders of the relevant shares. Any joint shareholder may sign the form of proxy. If there are more than one joint shareholder present in person or by proxy, the vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint

shareholder(s) For this purpose, seniority of the shareholders will be determined by the order in which the names of the joint shareholders of the relevant shares stand in the register of shareholders.

In relation to the joint shareholders of any shares, if the Bank pays any of the joint shareholders for the allocation or distribution of any dividend, bonus or capital return payable to such joint shareholders, such payment shall be deemed that the Bank has paid all of the joint shareholders for the foregoing allocation or distribution.

Article 61 The ordinary shareholders of the Bank shall enjoy the following rights:

- (I) to receive dividends and other distributions in proportion to the shares they hold;
- (II) to attend shareholders' general meetings either in person or by proxy and exercise the voting right;
- (III) to supervise, present suggestions on or make inquiries about the operations of the Bank;
- (IV) to transfer, gift or pledge their shares in accordance with laws, administrative regulations, rules governing securities of the place where the shares of the Bank are listed and the Articles of Association;
- (V) to obtain relevant information in accordance with laws, administrative regulations, regulations, regulatory documents, relevant requirements of the securities regulatory authorities at the place where the shares of the Bank are listed and the Articles of Association, including:
 - 1. receiving a copy of the Articles of Association after payment of a charge to cover costs;
 - 2. consulting for free and after payment of reasonable charges, photographing the following:
 - (1) all the parts of the register of shareholders;
 - (2) personal information of Directors, Supervisors and senior management of the Bank, including:
 - (a) present and former names and aliases;
 - (b) principal addresses;
 - (c) nationalities;
 - (d) full-time and all part-time occupations and positions;
 - (e) identity certificates and numbers thereof.

- (3) report of the Bank's issued share capital;
- (4) report showing the total par value, quantity, the highest and lowest prices of each class of shares repurchased by the Bank since the end of last fiscal year, and all the expenses paid by the Bank for such repurchase;
- (5) minutes of shareholders' general meetings;
- (6) special resolutions of the Bank;
- (7) the latest audited financial statements of the Bank, and the reports of the Board, auditors, and the Board of Supervisors.

The Bank shall keep at its Hong Kong address the abovementioned documents other than item (2) as per the requirements of the Listing Rules for free reference by the public and holders of H shares, except item (5) for reference by shareholders only.

If any shareholder asks the Bank for copies of relevant documents, the Bank shall send out the said copies within 7 days after receipt of reasonable expenses.

The Bank may refuse to provide any contents if the contents so consulted or photocopied involve business secrets and share price sensitive information of the Bank.

- (VI) upon termination or liquidation of the Bank, to participate in the distribution of the remaining property of the Bank in proportion to the quantity of shares held by them;
- (VII) to require the Bank to repurchase their shares in the event of objection to resolutions of the shareholders' general meetings concerning merger or division of the Bank;
- (VIII) to enjoy other rights stipulated by laws, administrative regulations, regulations, rules governing securities of the place where the shares of the Bank are listed or the Articles of Association.

The Bank shall not exercise any power to freeze or otherwise impair any of the rights attached to any shares by reason only that the person or persons who are interested directly or indirectly therein have failed to disclose their interests to the Bank.

Article 62 The shareholder who asks to review the relevant information mentioned in the proceeding article or make a request for such information, shall submit to the Bank written documents proving the class and quantity of the shares that he holds in the Bank. The Bank shall provide the information as requested by the shareholder after authenticating his identity.

In exercising the aforesaid right to know, a shareholder shall keep confidential the Bank's business secrets and reasonably use the Bank's information. Any shareholder shall be liable for compensating the Bank for any damage arising from his violation of the confidentiality obligation.

Article 63 Any resolution of the shareholders' general meeting or the Board violating any law or administrative regulation shall be void and null (where holders of overseas listed foreign shares are involved, the provisions of the Articles of Association concerning settlement of disputes shall apply).

If the convening procedure or voting method of shareholders' general meetings and Board meetings violates any law, administrative regulation or the Articles of Association, or the contents of a resolution breaches the Articles of Association, the shareholders shall have the right to petition a people's court to revoke such resolution within 60 days from the date on which the resolution is approved (where holders of overseas listed foreign shares are involved, the provisions of the Articles of Association concerning settlement of disputes shall apply).

Article 64 If any Director or any member of the senior management violates any law, administrative regulation or the Articles of Association in performing his duties, causing losses to the Bank, shareholders that hold 1% or more of the shares in the Bank, either individually or collectively, for 180 or more consecutive days shall have the right to request the Board of Supervisors in writing to institute legal proceedings to a people's court; if any supervisor violates any law, administrative regulation or the Articles of Association in performing his duties, causing losses to the Bank, the aforesaid shareholders may request the Board in writing to institute legal proceedings to a people's court (where holders of overseas listed foreign shares are involved, the provisions of the Articles of Association concerning settlement of disputes shall apply).

If the Board of Supervisors or the Board refuses to institute legal proceedings upon receipt of the written request from the shareholders mentioned in the preceding paragraph or fails to do so within 30 days from the date of receipt of the written request, or if the circumstances are urgent and failure to promptly institute legal proceedings would cause irreparable harm to the interests of the Bank, the shareholders mentioned in the preceding paragraph shall have the right to institute legal proceedings to a people's court in their own names for the interest of the Bank (where holders of overseas listed foreign shares are involved, the provisions of the Articles of Association concerning settlement of disputes shall apply).

In the event that a third party infringes upon the legitimate rights and interests of the Bank, thereby causing the Bank to sustain a loss, the shareholders specified in the first paragraph of this Article may institute legal proceedings to a people's court pursuant to the preceding two paragraphs (where holders of overseas listed foreign shares are involved, the provisions of the Articles of Association concerning settlement of disputes shall apply).

Article 65 If any Director, Supervisor or member of the senior management violates laws, administrative regulations or the Articles of Association, thereby damaging the interests of the shareholders, the shareholders may institute legal proceedings to the people's court (where holders of overseas listed foreign shares are involved, the provisions of the Articles of Association concerning settlement of disputes shall apply).

Article 66 The ordinary shareholders of the Bank shall have the following obligations:

- (I) to observe laws, administrative regulations, regulatory requirements and the Articles of Association;
- (II) to pay capital contribution with their own legal funds as per the shares subscribed for and the method of subscription, shareholders of the Bank shall not entrust others or accept the entrustment of others to hold shares of the Bank. Substantial shareholders shall not hold the shares of the Bank by issuing, managing or controlling financial products through other means;
- (III) not to make divestment unless in the circumstances stipulated by laws and administrative regulations;
- (IV) to perform the fiduciary duty to the Bank according to law and ensure shareholders' qualification data provided are true, complete and valid. Substantial shareholders shall report to the Board the information on their related parties, their related party relationship with other shareholders and their shareholdings in other banking financial institutions in a complete, timely and accurate manner and undertake that they will report to the Board any change of the related party relationship in a timely manner;
- (V) for shareholders, especially substantial shareholders, to exercise contributors' rights and perform contributors' obligations in strict accordance with laws, administrative regulations, regulations, regulatory requirements and the Articles of Association, and not to seek illegal gains, abuse their shareholders' rights or utilize their influence to interfere with decision-making and management rights vested by the Articles of Association to the Board and the senior management, directly intervene or utilize their influence to intervene in the business management of the Bank beyond the Board or the senior management, transfer interests for its own benefit, or damage the interests of the Bank and the legitimate rights and interests of other stakeholders in any other forms;
- (VI) to have any application for changing shareholders holding more than 5% of the total issued shares of the Bank be considered by the Board of the Bank in advance and then be submitted to the banking regulatory authorities of the State Council for approval;
- (VII) for shareholders, especially substantial shareholders, to support the Board of the Bank in developing a rational capital plan to ensure that the capital of the Bank continuously meets the regulatory requirements. When the capital adequacy of the Bank fails to meet the regulatory requirements, a capital supplement plan shall be developed to cause its capital adequacy ratio to meet the regulatory requirements during a certain period of time, and if the regulatory requirements fail to be met during the given period, dividend distribution shall be suspended or the amount of dividend to be distributed shall be reduced, and its capital shall be supplemented by means such as increasing its core capital. Substantial shareholders shall not impede other shareholders contributing additional capital to the Bank or introduction of eligible new shareholders into the Bank;

- (VIII) for substantial shareholders, to make long-term commitments in writing on contribution of additional capital and liquidity support to the Bank, contribute additional capital to the Bank when necessary as a part of the capital plan of the Bank;
- (IX) for shareholders who should have sought approval of but failed to seek approval of or failed to report to relevant regulatory authorities in accordance with laws, administrative regulations, regulations and regulatory requirements, not to exercise rights to request to convene a shareholders' general meeting, to vote, to nominate, to propose, to dispose, etc. at a shareholders' general meeting;
- (X) for shareholders who have made false statements, abused their rights of shareholders or acted to damage the interests of the Bank, related party transactions between the Bank and such shareholders to be restricted or prohibited, their shareholding limit in the Bank and their amount of mortgaged equities, etc., and their rights to request to convene a shareholders' general meeting, to vote, to nominate, to propose, to dispose, etc. at a shareholders' general meeting to be restricted by the banking regulatory authorities of the State Council;
- (XI) for shareholders, especially substantial shareholders, who owe overdue loans to the Bank, to be suspended from exercising voting rights at the shareholders' general meeting. The Directors nominated by such shareholders shall be suspended from exercising such rights at Board meeting;
- (XII) to fulfil other obligations stipulated by laws, administrative regulations and the Articles of Association.

Shareholders do not have the obligation to increase any share capital unless under the conditions accepted by the share subscribers at the time of subscription.

If any shareholder of the Bank abuses his shareholder's right, thereby causing any loss to the Bank or other shareholders, the said shareholder shall be liable for compensation according to law. Where shareholders of the Bank abuse the Bank's position as an independent legal person and the limited liabilities of shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Bank, the said shareholders shall be jointly and severally liable for the debts owed by the Bank.

Article 67 Where a shareholder pledges any of his shares of the Bank as guarantee for himself or others, he shall strictly observe laws and regulations and requirements of regulatory authorities, and inform the Board of the Bank in advance. If the balance of loans from the Bank to a shareholder is more than the audited net value of equity held by him in the previous year, such shareholder shall not pledge the Bank's shares.

Where a shareholder, who has representative(s) on the Board or the Board of Supervisors, or directly, indirectly or jointly holds or controls more than 2% of the shares or voting rights in the Bank pledges his shares in the Bank, such shareholder shall apply for filing with the Board of the Bank prior to the

pledge. The filing shall state the basic information of the pledge, including the reasons for pledge, the number of equity involved, the term of pledge and the particulars of the pledgee(s). Where the Board considers the pledge to be materially adverse to the stability of the Bank's equity, governance as well as the control of risk and related party transactions, the filing shall be rejected. The Director(s) nominated by a shareholder proposing to pledge the shares shall abstain from voting at the Board meeting at which such proposal is considered.

If a shareholder pledges 50% or more of his shares in the Bank, such shareholder shall be restricted from exercising voting rights at the shareholders' general meeting; and the Directors recommended by such shareholder shall be restricted from exercising such rights at Board meeting.

Upon completion of the equity pledge registration, the shareholder shall provide the Bank with relevant information about the pledged equity in time in accordance with the Bank's risk management and information disclosure requirements.

The Board office or other departments designated by the Board shall be responsible for such routine work as collection, sort-out and submission of equity pledge information mentioned in the preceding paragraphs.

Article 68 The credit extension conditions that the Bank offers to the shareholders include loans (including trade finances), bill acceptances and discounting, overdrafts, bond investments, special purpose vehicle investments, opening letters of credit, factoring, guarantees, loan commitments and other businesses whose credit risks are actually to be borne by commercial banks or wealth management products issued by commercial banks and shall not be more favorable than those of the same type of credits that the Bank offers to other borrowers.

The credit balance extended by the Bank to a single entity such as a substantial shareholder or its controlling shareholder, de facto controller, related party, party acting-in-concert or ultimate beneficial owner shall not exceed 10% of the net value of the Bank's capital, the total credit balance extended by the Bank to a single substantial shareholder and its controlling shareholder, de facto controller, related party, party acting-in-concert, ultimate beneficial owner in aggregate shall not exceed 15% of the net value of the Bank's capital, and the credit balance extended by the Bank to all related parties shall not exceed 50% of the net value of the Bank's capital.

Article 69 During the period when borrowings by the shareholders from the Bank fall due and remain unpaid, such shareholders shall not exercise their voting rights and will not be counted in the statutory quorum of the shareholders' general meeting. During the period when borrowings by the shareholders from the Bank fall due and remain unpaid, the Bank shall have the right to preferentially use the dividends due to such shareholders to repay their borrowings from the Bank, and the assets to be distributed to such shareholders in the Bank's liquidation process shall be preferentially used to repay their borrowings from the Bank.

Article 70 Any entity or individual and their respective related parties or acting-in-concert parties intending to hold initially or increase cumulatively more than 5% of the total capital or total shares of the Bank individually or in aggregate for the first time shall be subject to prior approval of the banking regulatory authorities of the State Council.

If the initial holding or the cumulative increase of the total capital or total shares of the Bank by a shareholder exceeding 5% for the first time has not been approved by the banking regulatory authorities of the State Council, the shareholder shall transfer the aforementioned shares exceeding 5% within the term specified by the banking regulatory authorities of the State Council.

Any entity or individual and its related parties and acting-in-concert parties who hold more than 1% but less than 5% of total capital or total shares of the Bank individually or in aggregate shall report to the banking regulatory authorities of the State Council through the Bank within ten working days after obtaining the corresponding shares.

Article 71 Neither the controlling shareholder nor the de facto controller of the Bank shall use their related party relationship to the detriment of the interests of the Bank, and shall be liable for compensation if the aforementioned provisions are violated, thereby causing losses to the Bank.

The controlling shareholders and de facto controllers of the Bank shall perform the fiduciary duty to the Bank and general public shareholders of the Bank. The controlling shareholders shall exercise contributors' rights in strict accordance with law, shall not damage the legitimate rights and interests of the Bank and general public shareholders by such means as profit distribution, asset reorganization, external investment, fund appropriation and loan guarantee and shall not abuse its controlling status to damage the interests of the Bank and general public shareholders.

Article 72 Save for the obligations required by laws, administrative regulations or rules governing securities of the place where the shares of the Bank are listed, the controlling shareholders of the Bank shall not use their voting right to make any decisions that impair the interests of all or some of the shareholders concerning the following aspects when they exercise their rights as shareholders:

- (I) to exempt the responsibility of a Director or Supervisor to act in good faith for maximum interests of the Bank;
- (II) to approve a Director or Supervisor to deprive the property of the Bank for his own or other's benefit in any form, including but not limited to the opportunities favorable to the Bank;
- (III) to approve any Director or Supervisor to deprive individual rights and interests of other shareholders for his own or other's benefits, including but not limited to any distribution rights, voting rights, but excluding the restructuring of the Bank which is submitted to and approved by the shareholders' general meeting in accordance with the Articles of Association.

Article 73 Substantial shareholders of the Bank shall notify the Bank's equity management department in any of the following circumstances and report the circumstances to the Board for filing within five workdays:

- (I) occurrence of material matters including transfer of the Bank's shares, and change of the de facto controllers, name, legal representative, business scope, registered capital, domicile or contact means;
- (II) involvement in merger or division or regulatory measures including suspension of operation for recertification as ordered, designated custody, takeover or cancellation, or entry into dissolution, bankruptcy or liquidation procedure;
- (III) involvement in administrative penalty or investigation for criminal responsibility due to serious violations of laws and regulations; and
- (IV) occurrence of other circumstances that may lead to transfer of the Bank's shares they hold or affect the Bank's operations.

If any shareholder fails to perform the disclosure obligation in a prompt manner in any of the aforesaid circumstances and causes consequences, such shareholder shall be liable for corresponding liability.

Section 3 General Provisions for Shareholders' General Meetings

Article 74 The shareholders' general meeting is the authoritative body of the Bank and exercises the following functions and powers in accordance with law:

- (I) to decide on the Bank's business policies and investment plans;
- (II) to elect and replace Directors and Supervisors who are not employees representatives, and resolve on the remunerations of Directors and Supervisors;
- (III) to consider and approve the reports of the Board;
- (IV) to consider and approve the reports of the Board of Supervisors;
- (V) to consider and approve the annual financial budgets and the final accounts of the Bank;
- (VI) to consider and approve the profit distribution plans and loss recovery plans of the Bank;
- (VII) to resolve on increase or decrease of the registered capital of the Bank;
- (VIII) to resolve on the issue of bonds or other securities and listing of the Bank;

- (IX) to resolve on the merger, division, dissolution, liquidation or transformation of corporate form of the Bank;
- (X) to amend the Articles of Association;
- (XI) to resolve on the appointment, removal or non-reappointment of accounting firms by the Bank;
- (XII) to consider and approve the report of evaluation by the Board on the Directors and by the independent Directors on each other; to approve the report of evaluation by the Board of Supervisors on Supervisors and by the external Supervisors on each other;
- (XIII) to consider the purchase or disposal of major assets or provision of guarantee by the Bank within one year with the transaction amount exceeding 30% of the latest audited total assets of the Bank;
- (XIV) to consider and approve matters relating to the changes in the use of proceeds from share offerings;
- (XV) to consider the equity incentive plan;
- (XVI) to consider the profit distribution policy;
- (XVII) to consider proposals of shareholders representing more than 3% of the outstanding voting shares of the Bank;
- (XVIII) to decide on the issuance of preference shares; decide or authorize the Board of Directors to decide on matters related to the Bank's preference shares issuance, including but not limited to redemption, conversion, and dividend distribution;
- (XIX) to consider other matters which, in accordance with laws, administrative regulations, regulations, regulatory requirements, rules governing securities of the place where the shares of the Bank are listed or the Articles of Association, shall be decided by a shareholders' general meeting.

The aforesaid matters within the functions and powers of the shareholders' general meeting shall be considered and decided by the shareholders' general meeting. But, in necessary, reasonable and lawful circumstances, the shareholders' general meeting may authorize the Board to decide. The authorization shall be clear and specific in content. With regard to an authorization granted by a shareholders' general meeting to the Board, if the matter should be approved by the shareholders' general meeting via an ordinary resolution according to the Articles of Association, it shall be passed by votes representing a majority of the voting rights held by the shareholders (including their proxies) present at the meeting; and if the matter should be approved by the shareholders' general meeting via a special resolution according to the Articles of Association, it shall be passed by votes representing more than two-thirds of the voting rights held by the shareholders (including their proxies) present at the meeting.

Article 75 Shareholders' general meetings are divided into annual shareholders' general meetings and extraordinary shareholders' general meetings. Annual shareholders' general meetings shall be convened once a year within six months after the end of the previous fiscal year. If the meeting is deferred under special circumstances, the Bank shall promptly report to the banking regulatory authorities of the State Council and explain the reason for adjournment.

Article 76 Under any of the following circumstances, the Bank shall convene an extraordinary shareholders' general meeting within two months of the occurrence of any of the following:

- (I) when the number of Directors is less than two-thirds of the number of Directors as required by the Company Law or specified in the Articles of Association;
- (II) when the unrecovered losses of the Bank amount to one-third of the total amount of its paid-up share capital;
- (III) when such meeting is requested in writing by shareholder(s) holding individually or in aggregate 10% or more of the Bank's voting shares;
- (IV) when the Board deems it necessary;
- (V) when such meeting is proposed by the Board of Supervisors;
- (VI) when such meeting is requested by more than half of the independent Directors (if there are only two independent Directors, both of them request such meeting);
- (VII) when such meeting is requested by more than half of the external Supervisors (if there are only two external Supervisors, both of them request such meeting); or
- (VIII) in other situations as prescribed by laws, administrative requirements, regulations and rules governing securities of the place where the shares of the Bank are listed or the Articles of Association.

Regarding the circumstance in (II) above, the time limit for convening an extraordinary shareholders' general meeting shall start from the date when the Bank knows about the occurrence of the circumstance. The number of shares held as mentioned in (III) above shall be the number of shares held on the day when the shareholder(s) make(s) the request(s) in writing or at the closing time on the previous trading day (if the day when the request(s) is (are) made in writing is not a trading day).

Article 77 The venue of the shareholders' general meeting of the Bank is the domicile of the Bank or other places specified in the notice of the shareholders' general meeting.

Shareholders' general meetings shall be held onsite at the venue. The Bank may hold a shareholders' general meeting through the Internet or other ways if permitted by the securities regulatory authorities or the stock exchange of the place where the shares of the Bank are listed. Shareholders participating in the shareholders' general meetings by any of the aforesaid means shall be deemed as having attended the meetings.

After the notice of convening a shareholders' general meeting is issued, the location of on-site general meetings shall not be changed without a proper reason. Where the change is necessary, the convener shall issue an announcement in advance and state the reasons therefor in accordance with the requirements of securities regulatory authorities or the stock exchange on which the shares of the Bank is listed.

Article 78 The Bank shall engage a lawyer to witness the shareholders' general meeting and provide legal opinions on the following issues:

- (I) whether the procedures for convening and holding the meeting comply with relevant laws, administrative regulations and the Articles of Association;
- (II) whether the qualifications of the attendees and the convener are lawful and valid;
- (III) whether the voting procedures and results of the meeting are lawful and valid;
- (IV) other issues specified by laws and administrative regulations and required by the Bank.

Section 4 Convening of Shareholders' General Meetings

Article 79 Shareholders' general meetings shall be convened by the Board. The Board of Supervisors or the shareholders may convene a shareholders' general meeting by itself/themselves provided that it/they complies/comply with the Articles of Association.

Article 80 More than half of the independent Directors may propose to the Board to convene an extraordinary shareholders' general meeting. Regarding the proposal of the independent Directors to convene an extraordinary shareholders' general meeting, the Board shall, pursuant to relevant laws, administrative regulations and the Articles of Association, give a written reply on whether or not to convene the extraordinary shareholders' general meeting within 10 days after receipt of the proposal.

If the Board agrees to convene the extraordinary shareholders' general meeting, it shall serve a notice of such meeting within five days after the resolution of the Board is made. If the Board does not agree to hold the extraordinary shareholders' general meeting, it shall give the reasons and make an announcement in respect thereof.

Article 81 The Board of Supervisors or more than half of external Supervisors shall be entitled to propose to the Board to convene an extraordinary shareholders' general meeting, and shall put forward its proposal to the Board in writing. The Board shall, pursuant to relevant laws, administrative regulations and the Articles of Association, give a written reply on whether or not to convene the extraordinary shareholders' general meeting within 10 days after receipt of the proposal.

If the Board agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within five days after the resolution of the Board is made. In the event of any change to the original proposal set forth in the notice, the consent of the Board of Supervisors is required.

If the Board does not agree to hold the extraordinary shareholders' general meeting or fails to give a written reply within 10 days after receipt of the proposal, it shall be deemed as unable to perform or failing to perform the duty of convening the shareholders' general meeting, and the Board of Supervisors may convene and preside over the meeting by itself.

Article 82 Shareholders severally or jointly holding more than 10% of the total voting shares of the Bank shall have the right to propose to the Board to convene an extraordinary shareholders' general meeting or a class shareholders' general meeting in accordance with the following procedures:

- (I) Two or more shareholders jointly holding more than 10% (inclusive) of voting shares at the shareholders' general meeting to be convened may sign one or several written requests with the same format and content to propose to the Board to convene an extraordinary shareholders' general meeting or a class shareholders' general meeting, and specify the topics of the meeting. The Board shall convene an extraordinary shareholders' general meeting or a class shareholders' general meeting responsively after receipt of the aforesaid written request. The number of shares held as mentioned above shall be the number of shares held at the closing time on the day when the shareholder(s) make(s) the request(s) in writing or on the previous trading day (if the day when the request(s) is (are) made in writing is not a trading day).
- (II) If the Board fails to issue a notice of meeting within 30 days after receipt of the aforesaid written request, the shareholders tendering the said request may by themselves convene a meeting within four months after the Board receives the said request, and the convening procedures shall to the extent possible be the same as the procedures by which the Board convenes shareholders' general meetings.

Article 83 Where the Board of Supervisors or shareholders decide to convene a shareholders' general meeting by itself/themselves, it/they shall notify the Board in writing.

Prior to the announcement of the resolution of the shareholders' general meeting, the shareholding of shareholders who convene the meeting shall not be less than 10%.

Article 84 With regard to the shareholders' general meeting convened by the Board of Supervisors or shareholders on its/their own initiative, the Board and its secretary shall offer cooperation. The Board shall provide a register of shareholders as of the equity registration date.

Where the Board fails to provide the register of shareholders, the convener may apply to the securities registration and clearing authority to obtain it upon presentation of the announcement relating to the notice of the shareholders' general meeting. The register of shareholders obtained by the convener shall not be used for other purposes except for the shareholders' general meeting.

Article 85 Where the Board of Supervisors or shareholders convene a shareholders' general meeting because the Board fails to convene the meeting pursuant to the aforesaid request, the reasonable expenses incurred shall be borne by the Bank and shall be deducted from the monies payable by the Bank to the defaulting Directors.

Section 5 Proposals and Notice of Shareholders' General Meetings

Article 86 The content of a proposal shall fall within the functions and powers of the shareholders' general meeting, shall have definite topics and specific issues for resolution, and shall comply with the relevant provisions of the laws, administrative regulations, rules governing securities of the place where the shares of the Bank are listed and the Articles of Association.

Article 87 Where the Bank convenes a shareholders' general meeting, the Board, Board of Supervisors, and shareholder(s) severally or jointly holding more than 3% of the total voting shares of the Bank may make proposals to the Bank. The Bank shall place the proposals on the agenda for the said meeting if the said proposals fall within the functions and powers of the shareholders' general meetings.

Shareholder(s) severally or jointly holding more than 3% of the total voting shares of the Bank may submit written provisional proposals to the convener 10 days before a shareholders' general meeting is convened. The convener shall serve a supplementary notice of the shareholders' general meeting within two days after receipt of the proposals and announce the contents of the provisional proposals.

Save as specified in the preceding paragraph, the convener shall not change the proposals set out in the notice of the shareholders' general meeting or add any new proposal after the said notice is served.

Proposals not set out in the notice of the shareholders' general meeting or not complying with Article 86 of the Articles of Association shall not be voted on or resolved on at the shareholders' general meeting.

Article 88 The convener shall send a written notice 20 clear business days prior to annual general meetings and 10 clear business days or 15 days (whichever is longer) prior to extraordinary general meetings to notify all the shareholders recorded in the register of shareholders of the matters to be considered at the meeting, and the date and venue of the meeting.

Article 89 A shareholders' general meeting shall not resolve on matters not specified in the notice.

Article 90 The notice of a shareholders' general meeting shall meet the following requirements:

- (I) Is in written form;
- (II) Specifies the venue, date and time of the meeting;
- (III) Explain the matters to be considered at the meeting and specific contents of all proposals;
- (IV) Provides the shareholders with such information and explanation as necessary for them to make informed decisions in connection with the matters to be discussed; this principle includes (but is not limited to) where a proposal is made to merge the Bank, to repurchase shares of the Bank, to reorganize its share capital or to make any other reorganization of the Bank, detailed conditions of the proposed transaction shall be provided together with contracts (if any) and the cause and effect of any such proposal shall also be properly explained;
- (V) Contains a disclosure of the nature and extent of the material interests of any Director, Supervisor or senior management officer in the matters to be discussed and the effect which the matters to be discussed will have on them in their capacity as shareholders insofar as it is different from the effect on interests of other shareholders of the same class;
- (VI) Contains the full text of any special resolution to be proposed at the meeting;
- (VII) Contains a clear statement that a shareholder entitled to attend and vote at such meeting is entitled to appoint one or more proxies to attend and vote at such meeting on his behalf and that such proxy need not be a shareholder of the Bank;
- (VIII) Specifies the equity registration date of shareholders entitled to attend the shareholders' general meeting;
- (IX) Specifies the time and venue for delivering power of attorneys for the meeting;
- (X) Specifies the name and telephone number of the coordinator of the meeting;
- (XI) Other requirements stipulated by laws, administrative regulations, rules, rules governing securities of the place where the shares of the Bank are listed and the Articles of Association.

Article 91 If the election of Directors or Supervisors is proposed to be discussed at a shareholders' general meeting, the notice of such meeting shall, pursuant to laws, regulations, rules governing securities of the place where the shares of the Bank are listed and the Articles of Association, adequately disclose the detailed information of the Director or Supervisor candidates, which information shall at least include:

- (I) Personal particulars, including educational background, work experience, and concurrent positions;
- (II) Whether one has any connected relations with the Bank, its controlling shareholders and de facto controllers;
- (III) The number of their shares in the Bank;
- (IV) Whether one has been punished by CSRC or any other relevant authority or reprimanded by the stock exchange;
- (V) Information of Directors or Supervisors newly appointed or transferred required to be disclosed by the rules governing securities of the place where the shares of the Bank are listed.

Straight voting system shall be adopted for selection of Directors or Supervisors of the Bank and each Director or Supervisor candidate shall be proposed via a single proposal.

Article 92 The notice of a shareholders' general meeting shall be sent to shareholders (whether or not they are entitled to vote at the shareholders' general meeting) by personal delivery or by pre-paid mail to their addresses as recorded in the register of shareholders. If the Bank has obtained the prior written consent or implied consent of the shareholders according to relevant laws, administrative regulations, rules and rules governing securities of the place where the shares of the Bank are listed, the notice of a shareholders' general meeting may also be sent in the form of announcement (including announcement on the website of the Bank). Announcement referred to in the preceding paragraph shall be published in newspaper(s) or website(s) designated by the State Council's securities regulatory authority. Once the announcement has been published, all holders of domestic shares shall be deemed to have received the notice of relevant shareholders' general meeting.

The notice, information or written statement of the shareholders' general meeting sent to the holders of overseas listed foreign shares shall be served by any of the following means 20 clear business days prior to annual general meetings and 10 clear business days or 15 days (whichever is longer) prior to extraordinary general meetings:

- (I) To be sent to each holder of overseas listed foreign shares by personal delivery or by mail to the registered address of each holder of overseas listed foreign shares;

- (II) To be published on the websites designated by the securities regulatory authority or stock exchange of the place where the securities of the Bank are listed in accordance with the applicable laws, administrative regulations and relevant listing rules;
- (III) To be sent as per other requirements of the stock exchange of the place where the securities of the Bank are listed and the Listing Rules.

Article 93 After the notice of the shareholders' general meeting is issued, such meeting shall not be postponed or cancelled and the proposals set out in the notice shall not be cancelled without proper reasons. In the case of any postponement or cancellation of the meeting, the convener shall make an announcement and give the reasons therefor at least two workdays prior to the date on which the meeting is originally scheduled.

Section 6 Holding of Shareholders' General Meetings

Article 94 The Board of the Bank or any other convener shall take necessary measures to ensure the proper order of the shareholders' general meeting. The Board or any other convener shall take measures to stop any act disturbing the shareholders' general meeting, seeking trouble or infringing upon the legitimate rights and interests of shareholders, and shall report such act to the relevant authority for investigation and treatment.

Article 95 All the shareholders in the register of shareholders or their proxies shall be entitled to attend the shareholders' general meeting and exercise their voting rights according to relevant laws, administrative regulations, rules governing securities of the place where the shares of the Bank are listed and the Articles of Association.

A shareholder may attend the shareholders' general meetings in person or appoint one or more persons (who need not be a shareholder or shareholders) as his or her proxy/proxies to attend and vote on his or her behalf. The said proxy/proxies may exercise the following rights as granted by the said shareholder:

- (I) To exercise the said shareholder's right to speak at the shareholders' general meeting;
- (II) To severally or jointly request to vote by ballot;
- (III) To exercise the right to vote by a show of hand or ballot. Where there are more than one proxy, the said proxies shall only vote by ballot.

Article 96 An individual shareholder attending a shareholders' general meeting in person shall present his/her identity card or any other valid identity certificate or original of share certificate; a proxy attending a shareholders' general meeting on behalf of an individual shareholder shall present his/her valid identity certificate and power of attorney of the shareholder.

For a corporate shareholder, its legal representative or a proxy appointed thereby shall attend the meeting. The legal representative attending the meeting shall present his/her identity card or valid certificate bearing evidence of his/her qualifications as legal representative; a proxy attending the meeting on behalf of the legal representative shall present his/her identity card and power of attorney issued by the legal representative of the corporate shareholder according to laws.

Article 97 The power of attorney issued by a shareholder to appoint a proxy to attend a shareholders' general meeting shall specify:

- (I) The name of the proxy;
- (II) Whether or not the proxy has any voting right;
- (III) Directive to vote for or against or abstain from voting on each and every issue included in the agenda of the shareholders' general meeting;
- (IV) The date of issue and validity period of the power of attorney;
- (V) Signature (or seal) of the principal or signature of the proxy authorized by the principal in writing, or corporate seal of the principal if it is a corporate shareholder;
- (VI) The number of shares held by the principal represented by the shareholder's proxy.

Article 98 The power of attorney for voting shall be deposited at the domicile of the Bank or such other place as specified in the notice of meeting at least 24 hours prior to the meeting at which the proxy is authorized to vote or 24 hours before the scheduled voting time. Where such a power of attorney is signed by a person authorized by the principal, the power of attorney authorizing signature or other authorization documents shall be notarized. The notarized power of attorney or other authorization documents shall, together with the power of attorney for voting, be deposited at the domicile of the Bank or such other place as specified in the notice of meeting.

Where the principal is a legal person, its legal representative or a person authorized by the Board or any other decision making body shall attend the shareholders' general meeting of the Bank. Where a corporate shareholder appoints its proxy to attend a shareholders' general meeting, the Bank has the right to require the said proxy to present his/her identity certificate and a notarised copy of resolutions or power of attorney used by the Board or other organs of power of the said corporate shareholder for appointing the said proxy (other than the Recognised Clearing House or proxy thereof).

If the shareholder is a Recognized Clearing House (or proxy thereof) as defined in *Securities and Futures Ordinance of Hong Kong* (Cap. 571), the said shareholder may authorize more than one persons as he deems appropriate to act on his behalf at any shareholders' general meeting or class shareholders' general meeting; however, where two or more persons are thus authorized, the power of attorney shall specify the numbers and classes of shares each of the said persons is authorized to

represent by such power of attorney. The power of attorney shall be signed by a person authorized by the Recognized Clearing House. The persons thus authorized may attend the meeting and exercise rights (without needing to present shareholding certificate, notarized power of attorney and/or further evidence of due authorization) on behalf of the Recognized Clearing House (or proxy thereof) as if the said persons were the individual shareholders of the Bank.

Article 99 Any form of blank power of attorney issued to the shareholder by the Board or convener of a shareholders' general meeting for appointing a proxy shall provide the shareholder with the flexibility to instruct the proxy to vote for or against or abstain from voting on relevant issues at the meeting, and shall give directives on each of the resolutions to be decided at the meeting. Such a power of attorney form shall contain a statement that, in default of directives, the proxy may vote in his discretion.

Article 100 A vote given in accordance with the terms of the power of attorney shall be valid notwithstanding the death, loss of capacity, revocation of the power of attorney, revocation of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, provided that no written notice of such death, loss of capacity, revocation or transfer has been received by the Bank before the commencement of the meeting.

Article 101 Attendees' register shall be prepared by the Bank.

The register shall state the names (or names of the corporations), identity card number and address of the attendees, the number of voting shares held or represented, names of the principals (or names of the corporations) and so on.

Article 102 The convener and the lawyer appointed by the Bank shall jointly verify the validity of the shareholders' qualifications based on the register of shareholders provided by the securities registration and clearing authority, and shall register the names of the attending shareholders as well as the number of their voting shares. The registration for a meeting shall be completed before the presider announces the number of the attending shareholders and proxies and the total number of their voting shares.

Article 103 If the shareholders' general meeting requires Directors, Supervisors and senior management to attend the meeting, the Directors, Supervisors and senior management shall attend the meeting and answer questions of the shareholders.

Article 104 Shareholders' general meetings convened by the Board shall be presided over by the chairman of the Board. Where the chairman cannot or fails to fulfill the duty thereof, the vice chairman shall preside; where even the vice chairman cannot or fails to fulfill the duty thereof, more than half of the Directors shall jointly elect a Director to preside. If no person is designated to preside over the meeting, a person may be elected at the shareholders' general meeting to act as the presider, subject to the approval of more than half of the attending shareholders with voting rights. If for any

reason the shareholders cannot elect a person to preside over the meeting, the shareholder (including proxy thereof and excluding Hong Kong Securities Clearing Company Ltd.) holding the most voting shares among the attending shareholders shall preside over the meeting.

A shareholders' general meeting convened by the Board of Supervisors itself shall be presided over by the chairman of the Board of Supervisors. If the chairman of the Board of Supervisors cannot or does not fulfill the duty thereof, more than half of the Supervisors may jointly elect a Supervisor to preside over the meeting.

A shareholders' general meeting convened by the shareholders themselves shall be presided over by a representative elected by the convener.

When a shareholders' general meeting is held and the presider of the meeting violates the rules of procedure which makes it difficult for the shareholders' general meeting to continue, a person may be elected at the shareholders' general meeting to act as the presider to continue the meeting, subject to the approval of more than half of the attending shareholders with voting rights.

Article 105 The Bank shall formulate rules of procedure for shareholders' general meetings defining in details the convening and voting procedures of general meetings, covering notification, mode of convening, preparation of documents, voting form, mechanism of proposal, registration, consideration of proposal, abstention of related shareholders, voting, counting of ballots, announcement of voting result, formation of meeting resolutions, meeting minutes and signing thereof and announcement, and the principle and specific contents of authorization granted by the shareholders' general meetings to the Board. The rules of procedure for shareholders' general meetings shall be formulated by the Board and approved at the shareholders' general meetings.

Article 106 The Board and the Board of Supervisors shall report their work in the preceding year at the annual shareholders' general meeting. Every independent Director shall also make his work reports.

Article 107 Directors, Supervisors and senior management shall make explanations in relation to inquiries and suggestions made by shareholders at the shareholders' general meeting except that the business secrets of the Bank involved cannot be disclosed at the shareholders' general meeting.

Article 108 The presider shall, prior to voting, declare the number of attending shareholders and proxies as well as the total number of their voting shares, and the number of the attending shareholders and proxies and the total number of their voting shares shall be as recorded in the meeting's register.

Article 109 A shareholders' general meeting shall have minutes, which shall be kept by the secretary to the Board. The meeting minutes shall specify:

(I) the date, venue and agenda of the meeting, and the name of the convener;

- (II) the names of the presider, and the Directors, Supervisors and senior management attending or observing the meeting;
- (III) the number of the attending shareholders and proxies, the total number of their voting shares and the proportion of these shares to the total number of shares of the Bank;
- (IV) process of discussion, highlights of speeches and the voting result in respect of each proposal;
- (V) inquiries or suggestions of the shareholders, and the corresponding answers or explanations;
- (VI) names of the lawyer, counting officer and monitoring officer;
- (VII) other contents that shall be recorded in the meeting minutes in accordance with laws, administrative regulations and other regulatory documents.

Article 110 The convener shall ensure the meeting minutes are true, accurate and complete. The attending Directors, Supervisors, secretary to the Board, convener or representative thereof, and presider shall sign the meeting minutes. The meeting minutes, the signed attendance record of those shareholders on the spot and the power of attorney for attendance by proxy, and the valid information relating to the voting shall be kept at the domicile of the Bank for at least 10 years.

Article 111 The convener shall ensure that the shareholders' general meeting is held continuously until final resolutions have been reached. If the shareholders' general meeting is terminated or fails to reach any resolution due to force majeure or for other special reasons, immediate action shall be taken to resume the shareholders' general meeting as soon as possible or directly terminate the shareholders' general meeting and a responsive announcement shall be made according to laws, administrative regulations and rules governing securities of the place where the shares of the Bank are listed.

Section 7 Voting and Resolutions of Shareholders' General Meetings

Article 112 The resolutions of a shareholders' general meeting shall be classified as ordinary resolutions and special resolutions.

Ordinary resolutions shall be passed by votes representing more than half of the voting rights held by shareholders (including proxies thereof) attending the shareholders' general meeting.

Special resolutions shall be passed by votes representing more than two thirds of the voting rights held by shareholders (including proxies thereof) attending the shareholders' general meeting.

Article 113 The following matters shall be approved by ordinary resolutions at a shareholders' general meeting:

- (I) work reports of the Board and the Board of Supervisors;

- (II) profit distribution plans and loss recovery plans formulated by the Board;
- (III) appointment and removal of the members of the Board and the Board of Supervisors, their remunerations and the method of payment thereof;
- (IV) annual budgets, final accounts, balance sheets, income statements and other financial statements of the Bank;
- (V) annual reports of the Bank;
- (VI) appointment, dismissal or non-reappointment of an accounting firm;
- (VII) other matters than those that should be passed by special resolutions pursuant to relevant laws, administrative regulations, rules governing securities of the place where the shares of the Bank are listed or the Articles of Association.

Article 114 The following matters shall be approved by special resolutions at a shareholders' general meeting:

- (I) increase or reduction in the registered capital of the Bank and the issue of shares of any class, warrants and other similar securities;
- (II) issue of bonds of the Bank;
- (III) division, merger, dissolution, liquidation or transformation of the Bank;
- (IV) amendment to the Articles of Association;
- (V) the Bank's purchase or sale of major assets or provision of guarantee within one year with the transaction amount exceeding 30% of the latest audited total assets of the Bank;
- (VI) equity incentive schemes;
- (VII) under circumstances other than those set out in items (III), (V) and (VI) of Article 30 hereof, repurchase of the shares of the Bank;
- (VIII) profit distribution policy;
- (IX) any other matters specified in the laws, administrative regulations, rules governing securities of the place where the share of the Bank are listed or the Articles of Association and confirmed by an ordinary resolution at a shareholders' general meeting that it may have a material impact on the Bank and accordingly shall be approved by special resolutions.

Article 115 Shareholders (including proxies thereof) shall exercise their voting rights as per the voting shares they represent. Each share carries the right to one vote.

The Bank has no voting right for the shares it holds, and such part of shares shall be excluded from the total number of voting shares represented by the shareholders attending the shareholders' general meeting.

If, pursuant to laws, administrative regulations and rules governing securities of the place where the shares of the Bank are listed, any shareholder cannot exercise voting right, or is obliged to abstain from voting on a proposal, or is restricted to vote for or against a proposal, any vote of such shareholder or its proxy which violates the aforesaid requirement or restriction shall not be counted in the voting result.

Article 116 When a related transaction is considered at a shareholders' general meeting, the related shareholders shall not vote, and the voting shares held by them shall not be counted in the total number of shares with voting rights; the announcement of any resolution made at the shareholders' general meeting shall adequately disclose information relating to voting by non-related shareholders.

The related shareholders may abstain from voting by themselves or upon request by other shareholders or proxies thereof attending the shareholders' general meeting. If other shareholders or proxies thereof attending the shareholders' general meeting request the related shareholders to abstain from voting, but the related shareholders do not think they are obliged to abstain, the related shareholders shall give reasons. If the shareholders or proxies thereof that have made the request are still not convinced after the reasons are given, the shareholders' general meeting may record the results of voting or waiver of voting on relevant proposals by the shareholders or proxies thereof whose capacity as related shareholders are in dispute. After the shareholders' general meeting, the Board office shall request relevant department to make a ruling on the related party relationship to determine the final voting result and notify all the shareholders.

Article 117 The Bank shall provide convenience for shareholders to attend shareholders' general meetings by whatever means including the use of modern IT means such as online voting platform, provided that the shareholders' general meetings are held legally and validly.

Article 118 Unless the Bank is in a crisis or any other special circumstance, the Bank shall not enter into any contract with anyone other than a Director, a Supervisor or any other senior management officer to have all or significant part of the Bank's business in the care of such person, unless otherwise approved at a shareholders' general meeting by way of a special resolution.

Article 119 List of Director or Supervisor candidates shall be submitted by way of proposal at shareholders' general meetings for voting.

Article 120 The methods and procedures for nominating and selecting Directors and Supervisors are:

- (I) A list of Director candidates or Supervisor candidates who are not employee representatives may be proposed by the nomination and remuneration committee of the Board and the nomination committee of the Board of Supervisors as per the number of members of the Board and Board of Supervisors specified in the Articles of Association and the number of the Directors or Supervisors to be elected; shareholders severally or jointly holding more than 3% of the issued voting shares of the Bank may propose Director candidates to the Board or Supervisor candidates to the Board of Supervisors;

The same shareholder and related person thereof shall not propose a Director candidate and a Supervisor candidate to the shareholders' general meeting at the same time; a shareholder shall not nominate any Director (Supervisor) candidate before expiry of the term of office of the incumbent Director (Supervisor) previously nominated by the said shareholder.

The number of Directors (Supervisors) nominated by the same shareholder and related person thereof shall basically not exceed one third of the total number of members of the Board (the Board of Supervisors). The same shareholder and related person thereof shall only nominate either one independent Director candidate or one external Supervisor candidate, and shall not nominate one independent Director candidate and one external Supervisor candidate at the same time.

- (II) The nomination and remuneration committee of the Board and the nomination committee of the Board of Supervisors conduct a preliminary examination on the qualifications and conditions of the Director and Supervisor candidates and submit the list of qualified candidates to the Board and Board of Supervisors for consideration; after consideration and approval by the Board and Board of Supervisors, the list of Director and Supervisor candidates shall be submitted as a written proposal to the shareholders' general meeting;
- (III) The Director or Supervisor candidates shall prior to the shareholders' general meeting provide written undertakings that they accept the nominations, that the information announced about them is true and adequate, and that they will diligently fulfill the duties as Directors or Supervisors if elected;
- (IV) The Board shall announce detailed information relating to the Director candidates in accordance with laws, administrative regulations and the Articles of Association prior to the shareholders' general meeting to ensure that the shareholders are adequately informed of the candidates at the time of voting;
- (V) The Director or Supervisor candidates shall be voted on separately at the shareholders' general meeting;

(VI) In the event of temporary increase of Directors and Supervisors, the nomination and remuneration committee of the Board, the nomination committee of the Board of Supervisors or shareholders qualified for nomination shall propose a list of candidates and submit it to the Board and Board of Supervisors for consideration, and to the shareholders' general meeting for election or replacement.

Article 121 The procedures for nominating and selecting independent Directors shall also be subject to the following principles:

- (I) The nomination and remuneration committee of the Board and shareholders severally or jointly holding more than 1% of the issued voting shares of the Bank may nominate independent Director candidates to the Board and the shareholders that have nominated Directors shall not nominate independent Directors;
- (II) The nomination and remuneration committee of the Board shall conduct qualification examination on the nominated independent Directors, with examination focused on independence, professional knowledge, experience and ability. If the relevant regulatory authorities have objection to the nomination or qualifications of the nominees, the said nominees shall not serve as independent Director candidates;
- (III) Selection of independent Directors shall be market-oriented and comply with relevant qualification requirements of the rules governing securities of the place where the shares of the Bank are listed;
- (IV) The nominator of an independent Director candidate shall seek the consent of the nominee before nomination, and shall be fully aware of such particulars of the nominee in terms of his occupation, academic qualification, professional title, detailed work experience and all information regarding his positions held concurrently and provide opinions on the nominee's qualification as an independent Director and independence. The nominee shall make a statement that there exists no relationship between the Bank and him that affects his independent and objective judgment. Before assuming office, an independent Director shall also make a statement to the Board to undertake that he has sufficient time and effort to perform duties with due diligence. Before the shareholders' general meeting is convened for election of independent Directors, the Board of the Bank shall disclose the above information to the shareholders.

Article 122 The shareholders' general meeting shall resolve on all the proposals separately; in the event of several proposals for the same issue, such proposals shall be voted on in the order of time at which they are submitted. Unless the shareholders' general meeting is adjourned or no resolution can be made for special reasons such as force majeure, voting of such proposals shall neither be shelved nor refused at the shareholders' general meeting.

Article 123 No amendment shall be made to the key contents of a proposal when it is considered at a shareholders' general meeting, otherwise, the relevant amendment shall be deemed as a new proposal and shall not be voted on at the current shareholders' general meeting.

Article 124 Voting at a shareholders' general meeting may be conducted by a show of hands or by open ballot.

Voting at a shareholders' general meeting shall be conducted by open ballot, save for proposals on procedures for shareholders' general meeting or administrative matters which, as determined by the presider of the meeting based on the principle of honesty, can be voted on by a show of hands.

Article 125 The same voting right can only be exercised in only one form: onsite, over the network, or otherwise. Where the same voting right is exercised more than once, the voting result of the first time shall prevail.

Article 126 If the issue required to be voted on by ballot relates to election of presider of the meeting or termination of meeting, voting by ballot shall be conducted immediately; in respect of other issues required to be voted on by ballot, the presider of the meeting may determine the time of voting by ballot, and the meeting may proceed to consider other issues, and the voting results shall still be deemed as resolutions passed at the said meeting.

Article 127 When proposals are voted on at the shareholders' general meeting, two shareholders' representatives shall be appointed to count and monitor ballots. Where any shareholder has interests in any issue considered, the said shareholder or proxy thereof shall not participate in counting and monitoring of ballots.

Article 128 When proposals are voted on at the shareholders' general meeting, the lawyer, shareholders' representatives, supervisors' representatives and qualified persons appointed in accordance with the rules governing securities of the place where the shares of the Bank are listed shall be jointly responsible for the counting and monitoring of the ballots and shall announce the voting results on the spot, which voting results shall be recorded in the meeting minutes.

Article 129 A shareholder attending a shareholders' general meeting shall express one of the following opinions on any proposal to be voted on: pro, con or abstention.

Blank, wrong, illegible or uncast votes shall be deemed as the voters' waiver of their voting rights, and the voting results representing the shares held by such voters shall be counted as "abstentions".

Article 130 In voting, shareholders (including proxies thereof) entitled to two or more votes need not cast all his votes in the same way of pros, cons or abstention.

Article 131 The presider of the meeting shall be responsible for determining whether a resolution of the shareholders' general meeting has been passed pursuant to voting result. His decision, which shall be final and conclusive, shall be announced at the meeting and recorded in the meeting minutes.

Before the voting result is formally announced, the relevant parties including the company, counting officer, monitoring officer, substantial shareholders and network service provider involved at the venue or in other voting modes of the shareholders' general meeting shall have the confidentiality obligation for the voting result.

Article 132 If the presider has any doubt as to the result of a resolution which has been put to vote at the shareholders' general meeting, he may have the ballots counted. If the presider has not counted the ballots, any shareholder who is present in person or by proxy and who objects to the result announced by the presider may, immediately after the announcement of the result, demand that the ballots be counted and the presider shall have the ballots counted immediately.

If ballots are counted at a shareholders' general meeting, the counting result shall be recorded in the meeting minutes.

Article 133 Resolutions of the shareholders' general meeting shall be announced in due time pursuant to the requirements of relevant regulatory authorities, laws, administrative regulations and rules governing securities of the place where the shares of the Bank are listed. The announcement shall specify the number of the attending shareholders and proxies, the total number of their voting shares and the proportion of these shares to the total number of the voting shares of the Bank, the voting mode, the voting result for every proposal and the details of each of the resolutions passed.

Article 134 Where a proposal has not been passed or the resolutions of the preceding shareholders' general meeting have been changed at the current shareholders' general meeting, special mention shall be made in the announcement of the resolutions of the shareholders' general meeting.

Article 135 Where a proposal on election of relevant Directors or Supervisors is passed at the shareholders' general meeting, the Directors elected or Supervisors elected shall take office on the date when the resolution is passed at the shareholders' general meeting. If the qualifications of the Directors or Supervisors are subject to approval by regulatory authorities, they shall take office on the date when the regulatory authorities give approval.

Section 8 Special Voting Procedures for Class Shareholders

Article 136 Holders of different classes of shares are class shareholders.

Class shareholders shall enjoy rights and assume obligations according to the laws, administrative regulations and the Articles of Association.

Class shareholders of the Bank shall have the same right in any distribution of dividend or other forms.

If the share capital of the Bank includes shares without voting rights, then the said shares shall be marked with “Without Voting Right”. If the share capital includes shares with different voting rights, then each class of shares (except those with most preferential voting right) shall be marked with “Restricted Voting Right” or “Limited Voting Right”.

Article 137 Any proposed change or annulment by the Bank to the rights of class shareholders shall not come into effect unless approved by special resolutions at a shareholders’ general meeting and a separate shareholders’ general meeting convened by the class shareholders so affected in accordance with Articles 138 to 143.

Article 138 The following circumstances shall be deemed as change or annulment of the rights of a certain class shareholder:

- (I) To increase or decrease the number of shares of such class, or to increase or decrease the number of shares of a class having voting rights, distribution rights or other privileges equal to or superior to those of the shares of such class;
- (II) To change all or part of the shares of such class into shares of another class or to change all or part of the shares of another class into shares of that class or to grant relevant conversion rights;
- (III) To cancel or reduce rights to accrued dividends or cumulative dividends attached to shares of such class;
- (IV) To reduce or cancel rights attached to the shares of such class to preferentially receive dividends or to preferentially receive distributions of assets in a liquidation of the Bank;
- (V) To add, cancel or reduce share conversion rights, options, voting rights, transfer rights, pre-emptive placing rights, or rights to acquire securities of the Bank attached to the shares of such class;
- (VI) To cancel or reduce rights to receive payments made by the Bank in a particular currency attached to the shares of such class;
- (VII) To create a new class of shares with voting rights, distribution rights or other privileges equal or superior to those of the shares of such class;
- (VIII) To restrict the transfer or ownership of the shares of such class or to impose additional restrictions;
- (IX) To issue rights to subscribe for, or to convert into, shares of such class or another class;
- (X) To increase the rights and privileges of the shares of another class;

- (XI) To restructure the Bank in such a way as to cause shareholders of different classes to bear liabilities disproportionately during the restructuring;
- (XII) To amend or annul provisions of this section.

Article 139 Where issues specified in (II) to (VIII), (XI) to (XII) of the preceding article are involved, the affected class shareholders, whether or not they are entitled to vote at the shareholders' general meetings originally, shall have the right to vote at class shareholders' general meetings. However, interested shareholders shall not be entitled to vote at such class shareholders' general meetings.

Interested shareholders as specified in the preceding paragraph refer to:

- (I) in the event of a repurchase of shares by the Bank by way of a general offer to all shareholders of the Bank in the same proportion or by way of public transactions on a stock exchange pursuant to Article 31 of the Articles of Association, an "interested shareholder" is a controlling shareholder as defined in Article 341 of the Articles of Association;
- (II) in the event of a repurchase of shares by the Bank by a negotiated agreement outside of any stock exchange pursuant to Article 31 of the Articles of Association, an "interested shareholder" is a shareholder related to the agreement;
- (III) in the event of a reorganization of the Bank, an "interested shareholder" is a shareholder who assumes a relatively less proportion of obligation than that of any other shareholder of that class or who has an interest different from that of any other shareholder of that class.

Article 140 Resolutions of a class shareholders' general meeting shall be approved by votes representing more than two thirds of voting rights of shareholders of that class present at the meeting who, in accordance with the preceding article, are entitled to vote at the meeting.

Article 141 Where the Bank convenes a class shareholders' general meeting, a written notice shall be given 20 clear business days (should it fall on the same date as an annual general meeting) or 10 clear business days or 15 days (whichever is longer) (should it fall on the same date as an extraordinary general meeting) prior to the date of the meeting to notify all the shareholders of the said class in the register of shareholders of the matters to be considered at the meeting, and the date and venue of the meeting.

Article 142 Notice of class shareholders' general meetings need only be served to shareholders entitled to vote at the said meetings.

Save as otherwise specified in the Articles of Association, class shareholders' general meetings shall follow a procedure most similar to that for shareholders' general meetings, and the provisions in the Articles of Association concerning the procedures for shareholders' general meetings shall apply to class shareholders' general meetings.

Article 143 Apart from holders of other classes of shares, holders of domestic shares and overseas listed foreign shares are deemed as shareholders of different classes.

The special voting procedures for class shareholders shall not apply for the following cases:

- (I) with the approval by special resolutions at a shareholders' general meeting, the Bank issues and plans to issue, at one or more occasions, a total number of shares not exceeding 20% of each of its existing issued and outstanding domestic shares and overseas listed foreign shares in every 12 months;
- (II) the Bank's plan to issue domestic shares and overseas listed foreign shares at the time of its establishment is completed within 15 months from the date of approval of the securities regulatory authorities;
- (III) with approval of the banking regulatory authorities and securities regulatory authorities of the State Council, the shareholders of the Bank list overseas the unlisted shares they hold.

CHAPTER 5 BOARD

Section 1 Directors

Article 144 Directors of the Bank are natural persons and shall comply with the qualification requirements of the banking regulatory authorities of the State Council and relevant requirements under the rules governing securities of the place where the shares of the Bank are listed. The qualifications of Directors shall be subject to approval by the banking regulatory authorities of the State Council.

The Directors shall not be required to hold any shares of the Bank.

Article 145 Any person involved in any of the following circumstances shall not serve as Director of the Bank:

- (I) having records of willful or gross negligence;
- (II) having bad acts in violation of social morals with bad impacts;
- (III) having liability or direct leadership responsibility for illegal operation activities or material losses of the entities where he once worked, if the case is serious;
- (IV) serving or having served as director or senior management officer of the entities which have been taken over, revoked, declared bankrupt or subject to cancellation of business license, save for those who can prove that they are not liable for the takeover, revocation, declaration of bankruptcy or cancellation of business license of the entities in which they have held positions;

- (V) having caused material losses or bad impacts due to his violation of professional ethics, personal integrity or serious dereliction of duties;
- (VI) inciting or participating in the Bank's refusal to provide cooperation for lawful supervision or case investigation;
- (VII) having his/her qualification as director or senior management officer revoked for lifetime, or having been punished by the banking regulatory authorities of the State Council or other financial management departments for two consecutive times;
- (VIII) not having the qualifications required by the banking regulatory authorities of the State Council, or obtaining approval for qualifications by illegal means;
- (IX) other contents stipulated by laws, administrative regulations, rules, rules governing securities of the place where the shares of the Bank are listed or the Articles of Association.

Any election, appointment or employment of Directors in violation of this article shall be invalid.

Where any Director gets involved in any of the circumstances herein during his term of office, the Board of Supervisors shall propose to the shareholders' general meeting in due time to dismiss him.

Article 146 Directors shall be elected or replaced at the shareholders' general meeting, and may be removed by the shareholders' general meeting prior to the expiry of their term of office, and serve a term of three years.

A written notice showing the intention to nominate Director candidates and the candidates' willingness to accept such nomination shall be given to the Bank not earlier than the next day after the notice of shareholders' general meeting is sent and seven days before the date of the shareholders' general meeting.

A shareholders' general meeting may dismiss a Director within his term of office by an ordinary resolution provided that the relevant laws and administrative regulations are observed (however, the claim available to the said Director for compensation under any contract shall not be affected).

The term of office of a Director shall start from the date on which the said Director assumes office to the expiry of the current Board. If the term of office of a Director expires but re-election is not made responsively, the said Director shall continue fulfilling the duties as Director pursuant to relevant laws, administrative regulations, rules, rules governing securities of the place where the shares of the Bank are listed and the Articles of Association until a new Director is elected.

Article 147 A Director may serve concurrently as senior management officer, but the aggregate member of Directors serving concurrently as president or senior management officers and Directors who are employee representatives shall not be more than half of the Directors of the Bank.

Article 148 No Director shall serve concurrently as director of any other financial institution which may have conflicts of interests with the Bank. If any Director holds a position in any other financial institution, he shall inform the Bank in advance and undertake that there is no conflict of interests between the aforesaid positions and the said Director holds relevant position in accordance with the laws, regulations and provisions of regulatory authorities.

Article 149 Directors shall observe laws, administrative regulations and the Articles of Association, and fulfill the following obligations of honesty to the Bank:

- (I) not to abuse his official powers to accept bribes or other unlawful income, and not to expropriate the Bank's property;
- (II) not to appropriate monies of the Bank;
- (III) not to open in their own names or in others' names any bank account for the purpose of depositing any of the Bank's assets or monies;
- (IV) not to lend monies of the Bank to other persons or provide guarantee for other persons with the property of the Bank counter to the Articles of Association or without the consent of the shareholders' general meeting or the Board;
- (V) not to conclude any contract or conduct any transaction with the Bank counter to the Articles of Association or without the consent of the shareholders' general meeting;
- (VI) without the consent of the shareholders' general meeting, not to take advantage of their positions to seek for themselves or others any business opportunities that are due to the Bank, or conduct for themselves or others any businesses similar to those of the Bank;
- (VII) not to take as their own any commission for any transaction with the Bank;
- (VIII) not to disclose any secret of the Bank without authorization;
- (IX) not to use their related party relationships to damage the interests of the Bank;
- (X) to exercise their rights within the range of their duties;
- (XI) if any Director has any direct or indirect related party relationship in any contract, transaction or arrangement already concluded or under planning with the Bank, he shall responsively disclose the nature and extent of the said related party relationship to the related party transactions control committee of the Board and abstain when relevant matters are considered;
- (XII) other obligations of honesty stipulated by laws, administrative regulations, rules, rules governing securities of the place where the shares of the Bank are listed and the Articles of Association.

Earnings obtained by Directors counter to the provisions herein shall belong to the Bank, and the said Directors shall be liable for compensation for any loss so caused to the Bank.

Article 150 Directors shall observe the laws, administrative regulations, rules, rules governing securities of the place where the shares of the Bank are listed and the Articles of Association and shall fulfill the following obligations of diligence to the Bank:

- (I) to exercise the rights conferred by the Bank with due discretion, care and diligence to ensure the business operations of the Bank comply with state laws, administrative regulations and economic policies, not beyond the business scope specified in the business license of the Bank;
- (II) to treat all shareholders impartially;
- (III) to keep informed of the business operations and management of the Bank;
- (IV) to sign written confirmations of the regular reports issued by the Bank and to ensure the information disclosed by the Bank is true, accurate and complete;
- (V) to honestly provide the Board of Supervisors with relevant information, and not prevent the Board of Supervisors or Supervisors from exercising their functions and powers;
- (VI) to exercise personally the discretion vested in them and not to allow themselves to be controlled by others and, save as permitted by laws or with the informed consent of shareholders given at a shareholders' general meeting, not to transfer the exercise of their discretion to others;
- (VII) other obligations of diligence stipulated by laws, administrative regulations, rules, rules governing securities of the place where the shares of the Bank are listed and the Articles of Association.

Article 151 Directors shall devote sufficient time to performing their duties. A Director shall attend at least two thirds of the Board meetings in person every year. Where a Director is unable to attend a Board meeting for any reason, he may appoint another Director of the same class in writing to attend the meeting on his behalf.

If any Director fails to attend Board meetings in person or by proxy for two consecutive times or fails to attend at least two thirds of the Board meetings in a year, the said Director shall be deemed incapable of performing his duties, and the Board shall suggest that the shareholders' general meeting remove the said Director.

Article 152 A Director may resign before his term of office expires. In resigning his duties, a Director shall tender a written resignation to the Board.

If any Director resigns so that the membership of the Board falls short of the quorum, the said Director shall continue fulfilling the duties as Director pursuant to relevant laws, administrative regulations, rules and the Articles of Association until a new Director is elected.

Save as provided in the preceding paragraph, a Director's resignation shall be effective when his resignation is served to the Board.

Article 153 If resignation of a Director takes effect or if his term of office expires, the said Director shall go through all handover formalities with the Board. His obligations of honesty to the Bank and shareholders thereof shall not terminate automatically at the end of his term of office. His confidentiality obligations in respect of trade secrets of the Bank survive the termination of his term of office until such trade secrets become publicly known. Other duties may continue for such period as the principle of fairness may require depending on the amount of time which has lapsed between the termination and the act concerned and the specific circumstances under which the relationship between the Director and the Bank was terminated.

Article 154 Save as specified in the Articles of Association or properly authorized by the Board, no Director shall act on behalf of the Bank or the Board in his personal name. If a Director acts in his own name but a third party may reasonably think the said Director is acting on behalf of the Bank or the Board, the said Director shall make a prior statement of his standpoint and capacity.

Article 155 If any Director violates the laws, administrative regulations, rules, rules governing securities of the place where the shares of the Bank are listed or the Articles of Association in fulfilling his duties, thereby causing any loss to the Bank, the said Director shall be liable for compensation.

Article 156 Directors shall participate in trainings as required, learn about the rights and obligations of Directors, be familiar with relevant laws and regulations and master relevant knowledge.

Section 2 Independent Directors

Article 157 Independent Directors are Directors who do not hold any positions in the Bank other than as Director and do not maintain with the Bank and its substantial shareholders a connection which may possibly affect their independent and objective judgments.

The Bank shall have independent Directors and the number of independent Directors shall be at least one third of the total number of Directors. In particular, at least one independent Director shall be a professional accountant (the professional accountant refers to a person with a senior title or qualification as a certified public accountant).

Save as otherwise specified in this section, the provisions on Directors in the Articles of Association shall apply to independent Directors.

Article 158 An independent Director shall meet the following requirements:

- (I) being qualified as Director of the Bank pursuant to applicable laws, administrative regulations, rules, rules governing securities of the place where the shares of the Bank are listed or the Articles of Association;
- (II) having independence as stipulated by the rules governing securities of the place where the shares of the Bank are listed, performing duties independently, not holding any positions in the Bank other than as Director, not maintaining with the Bank and its substantial shareholders, de facto controllers or other units or individuals having interests with the Bank a connection which may possibly hamper his independent and objective judgments;
- (III) being familiar with laws and regulations relating to operation management of commercial banks;
- (IV) having a bachelor's degree or above, or intermediate professional title or above in relevant specialty;
- (V) having more than five years' experience in legal, economic, financial or other work required for fulfilling duties as independent Director;
- (VI) being able to read, understand and analyze the credit statistics statements and financial statements of commercial banks;
- (VII) having sufficient time and effort to effectively fulfill duties with due diligence.

Article 159 The following persons shall not serve as independent Director of the Bank:

- (I) shareholders which directly or indirectly hold 1% or more of the Bank's shares or persons who hold positions in such shareholder entities or natural person shareholders among the top 10 shareholders of the Bank;
- (II) persons involved in the circumstances set out in the preceding paragraph within the preceding year;
- (III) persons or their close relatives who hold positions in the Bank or in enterprises under the control or de facto control of the Bank, or persons or their close relatives who take office in enterprises which fail to repay the loans to the Bank in due time;
- (IV) persons who have held positions in the Bank or in enterprises under the control or de facto control of the Bank in the three years before they take office;
- (V) persons who hold positions in enterprises which fail to repay the overdue loans to the Bank;

(VI) persons who hold positions in entities which have business connections or interest relationship with the Bank in such aspects as legal business, accounting, auditing and management consulting, or persons aforementioned or their close relatives who may be controlled or materially influenced by the Bank's substantial shareholders or senior management, thereby affecting the independence of their performance of duties;

(VII) close relatives of the aforesaid persons. Close relatives as referred to in the Articles of Association shall mean spouse, parents, children, grandparents, maternal grandparents, siblings, grandchildren and maternal grandchildren;

Apart from the close relatives of the aforesaid persons who hold positions in the Bank, their parents-in-law, sons/daughters-in-law, spouses of siblings, siblings of spouse shall also be included.

(VIII) staff of state organs shall not serve concurrently as independent Directors of the Bank;

(IX) other circumstances stipulated by relevant laws, administrative regulations, rules, rules governing securities of the place where the shares of the Bank are listed or relevant regulatory authorities.

Article 160 A person shall not serve as independent Director of the Bank if he:

(I) was sentenced due to taking graft or committing bribery, offences against property, disrupting market economic order, or is deprived of political rights due to offence;

(II) was once the director, factory director or manager of any company or enterprise which was bankrupted due to bad operation and was responsible for the bankruptcy of the said company or enterprise;

(III) was once the legal representative of any company or enterprise whose business license was revoked due to illegal activities and was responsible for such illegal activities;

(IV) has large outstanding personal debts that are due and outstanding;

(V) was dismissed by a former employer due to failure to fulfill the obligation of diligence;

(VI) was the person in charge of high-risk financial institutions and cannot prove that he is not responsible for the cancellation or loss of assets of the said financial institutions;

(VII) is otherwise banned from serving as independent Director by the banking regulatory authorities of the State Council, securities regulatory authorities at the place where the shares of the Bank are listed, and other relevant regulatory authorities.

Article 161 The term of office of independent Directors is the same as other Directors, and the term is renewable upon re-election when it expires, but the cumulative term of office for independent Directors shall not exceed six years. An independent Director shall not hold positions in more than two commercial banks at the same time.

Article 162 Independent Directors owe the Bank and all the shareholders thereof the obligation of honesty and diligence. Independent Directors shall, according to relevant laws, administrative regulations, rules, rules governing securities of the place where the shares of the Bank are listed and the Articles of Association, independently perform their duties and protect the interests of the Bank as a whole, in particular the legitimate rights and interests of depositors and minority shareholders.

Article 163 Before taking office, independent Directors shall promise the Board that they have enough time and energy to perform their duties and will diligently perform their duties.

An independent Director shall work in the Bank for at least 15 workdays each year. A director who concurrently serves as the head of the audit committee, related party transactions control committee or risk management committee shall work in the Bank for at least 25 workdays each year.

Article 164 An independent Director may appoint another independent Director to attend Board meetings on his behalf but shall attend at least two thirds of the Board meetings in person each year.

Article 165 The reports of the Board on the evaluation of independent Directors shall be submitted to the shareholders' general meeting for deliberation. The independent Director evaluation report submitted to the shareholders' general meeting shall at least include the number of times the independent Director attends the Board meetings in person, information about the previous Board meetings attended by the independent Director, the objections raised by the independent Director, and the responses of the Board, etc.

Article 166 An independent Director shall have the following special powers in addition to the powers granted to Directors of the Bank:

- (I) to approve of significant related party transactions (determined in accordance with the standards promulgated from time to time by the securities regulatory authorities at the place where the shares of the Bank are listed and the standards stipulated in the Articles of Association) and then submit them to the Board for consideration. Before making a judgment on significant related party transaction, an independent Director may appoint an intermediary to provide independent financial advisor's reports as a basis for his judgment;
- (II) to propose to the Board for appointment or dismissal of accounting firm;
- (III) to independently appoint external audit and consulting institutions;
- (IV) to request the Board to convene an extraordinary shareholders' general meeting;

- (V) to propose to convene a Board meeting;
- (VI) to openly collect voting rights free of charge from shareholders before a shareholders' general meeting is held:

In addition to the above-mentioned powers, an independent Director should also pay attention to the following matters:

- (I) legitimacy and fairness of significant related party transactions;
- (II) profit distribution plan;
- (III) appointment and dismissal of senior management officers of the Bank;
- (IV) matters that may incur serious losses to the Bank;
- (V) matters that may infringe on the legitimate rights and interests of depositors, minority shareholders and other interested parties;
- (VI) appointment of external auditor.

Independent directors shall seek the consent of more than half of all the independent Directors before exercising the above functions and powers. Where the aforementioned proposals fail to be accepted or such functions and powers cannot be exercised normally, the Bank shall disclose the relevant details.

Article 167 In the course of performing his duties, if an independent Director finds that the Board, Directors, senior management officers or the institutions and employees of the Bank has/have violated laws, administrative regulations, rules and the Articles of Association, he shall require immediate corrections and shall report to relevant regulatory authorities.

Article 168 Independent Directors shall provide the Board or the shareholders' general meeting with independent opinions on the following matters:

- (I) nomination, appointment and dismissal of Directors;
- (II) appointment or dismissal of senior management officers;
- (III) remuneration of Directors and senior management officers of the Bank;
- (IV) legitimacy and fairness of significant related party transactions of the Bank;
- (V) profit distribution plan;

(VI) matters that the independent Directors believe may incur serious losses to the Bank or may infringe on the legitimate rights and interests of depositors, minority shareholders and other interested parties;

(VII) appointment of external auditor;

(VIII) other matters specified by laws, administrative regulations, rules, rules governing securities of the place where the shares of the Bank are listed and the Articles of Association.

Independent Directors shall express one of the following types of opinions on the aforesaid issues: agreement; qualified opinion and reason therefor; objection and reason therefor; inability to express opinion and reason therefor.

Article 169 To ensure that the independent Directors can perform their duties effectively, the Bank shall provide the following necessary conditions for them to carry out their work:

(I) The Bank shall ensure that independent Directors enjoy the same right to know as other directors. For any matters that should be decided on by the Board, the Bank must notify the independent Directors prior to the specified time and provide sufficient information. If the independent Directors consider the provided information insufficient, they may require supplementary information. Where two or more independent Directors are of the opinion that the information provided is insufficient or unclear, they may make a joint written proposal to the Board to postpone the convening of the Board meeting or postpone consideration of the issues, and the Board shall adopt such a proposal;

The information provided by the Bank to independent Directors shall be kept by the Bank and the independent Directors themselves for at least five years.

(II) The Bank shall provide the conditions necessary for the independent Directors to perform their duties. The secretary to the Board shall actively assist the independent Directors in performing their duties, such as briefing them on relevant situation and providing relevant material;

(III) When the independent Directors are exercising their functions and powers, relevant personnel of the Bank shall actively cooperate with them and shall not refuse their reasonable requests, hinder them from performing relevant duties, conceal relevant information, or interfere with the independent exercise of their powers;

(IV) The expenses incurred by an independent Director in hiring an intermediary agency and other reasonable expenses incurred in the exercise of his powers and duties shall be borne by the Bank;

- (V) The Bank should provide appropriate allowances to independent Directors. The standard of allowances shall be formulated by the Board, considered and approved by the shareholders' general meeting, and disclosed in the annual report of the Bank. Other than that, independent Directors shall not obtain any other additional interests which are not disclosed from the Bank and its substantial shareholders or other interested institutions and persons.

Article 170 An independent Director may resign before his term of office expires.

In resigning his duties, an independent Director shall tender a resignation to the Board in writing and submit a written statement at the latest shareholders' general meeting specifying any matter which is related to his resignation or which he considers necessary to bring to the attention of the shareholders and creditors.

If an independent Director resigns so that the number of independent Directors in the Board falls short of the quorum specified by laws, administrative regulations or rules, such resignation shall not become effective until the vacancy resulting from such resignation is filled up by a succeeding independent Director.

Article 171 An independent Director shall be deemed as having seriously neglected his duty if he:

- (I) discloses the business secrets of the Bank and infringe on the legitimate interests of the Bank;
- (II) accepts illegitimate benefits during performance of duty, or uses the position of independent Director to seek personal gains;
- (III) fails to raise objections to those Board resolutions that he knows are in violation of laws, administrative regulations, rules or the Articles of Association;
- (IV) fails to veto those related party transactions that have incurred serious losses to the Bank;
- (V) commits other acts defined as a serious dereliction of duty by relevant regulatory authorities.

Article 172 The Board or the Board of Supervisors has the right to propose to the shareholders' general meeting to replace or dismiss an independent Director if he:

- (I) has seriously neglected his duty as listed in Article 171 of the Articles of Association;
- (II) is disqualified as independent Director and does not voluntarily submit resignation;
- (III) fails to attend Board meetings in person for three consecutive times, or fails to attend Board meetings in person or by proxy for two consecutive times, or attends less than two thirds of the Board meetings in person in a year;

(IV) is prohibited from serving as or is disqualified as independent Director according to laws, administrative regulations, rules, rules governing securities of the place where the shares of the Bank are listed or the Articles of Association.

Article 173 A proposal made by the Board or the Board of Supervisors for dismissal and replacement of an independent Director shall be approved by more than two-thirds of all the Directors or Supervisors by voting before it is submitted to shareholders' general meeting for consideration. If either the Board or the Board of Supervisors has passed the proposal for dismissal and replacement of an independent Director, the other party may jointly submit the same proposal after adoption of the said proposal.

Before the above proposal is submitted to the shareholders' general meeting, the independent Director to be dismissed or replaced may give a statement or explanation to the Board or the Board of Supervisors, which shall convene an interim meeting to hear such statement and explanation before convening of the shareholders' general meeting.

Article 174 Where the Board or the Board of Supervisors makes a proposal for dismissal and replacement of an independent Director, they shall report to the banking regulatory authorities of the State Council and other relevant regulatory authorities one month before convening of shareholders' general meeting and give a notice to the independent Director to be dismissed or replaced. The said notice shall contain all the contents of the proposal. The independent Director to be dismissed or replaced has the right to state his opinions orally or in writing before voting at the shareholders' general meeting, and has the right to submit the opinions to the banking regulatory authorities of the State Council five days before convening of the shareholders' general meeting. The shareholders' general meeting shall vote after deliberating the opinions of the independent Director according to law.

Article 175 An independent Director who has been disqualified from office by relevant regulatory authorities due to serious dereliction of duty shall no longer serve as independent Director of the Bank and he shall be deemed as dismissed on the very day of disqualification.

If any independent Director is disqualified or dismissed or if any independent Director does not meet the condition of independence or there are any other circumstances disqualifying him as independent Director, so that the number of independent Directors of the Board falls short of the quorum as specified in laws, administrative regulations, rules or the Articles of Association, the Bank shall convene a shareholders' general meeting as soon as possible to elect a director to fill the vacancy.

Section 3 The Board

Article 176 The Bank shall have a Board, which shall be accountable to the shareholders' general meeting. The Board shall comprise executive Directors and non-executive Directors (including independent Directors), and shall have 5 to 19 members, including not less than 3 independent Directors, and the number of independent Directors shall not be less than one-third of the total number of Directors.

Executive Directors are Directors who hold other senior management positions in addition to duties as Director in the Bank. Non-executive Directors are Directors who do not hold management positions in the Bank.

Article 177 The Board shall have an office as its daily working organ to be responsible for the preparation of shareholders' general meetings, Board meetings and meetings of the special committees thereunder, and other matters assigned by the shareholders' general meeting, the Board and the special committees thereunder.

Article 178 The Board shall exercise the following functions and powers:

- (I) to be responsible for convening shareholders' general meeting and to report on its work to the shareholders' general meeting;
- (II) to implement resolutions passed at shareholders' general meetings;
- (III) to listen to and consider the work report of the president of the Bank;
- (IV) to resolve on the Bank's business plans and investment plans;
- (V) to formulate the Bank's annual budgets, final accounting schemes, profit distribution plans and loss recovery plans;
- (VI) to formulate the plan for the merger, division, dissolution, liquidation or transformation of the Bank;
- (VII) to formulate the proposals for increase or decrease of the Bank's registered capital, for issue of bonds or other securities, for listing and for use of funds raised, and to supervise the implementation thereof;
- (VIII) to determine the setup of internal management organizations of the Bank;
- (IX) to appoint or dismiss the president of the Bank and the secretary to the Board and determine their remunerations; and to appoint or dismiss the Bank's senior management officers such as the vice president and chief financial officer as nominated by the president and determine their remunerations, rewards and punishments;
- (X) to formulate the Bank's basic management system;
- (XI) to review the Bank's compliance policies and supervise the implementation thereof, and to bear ultimate responsibility for compliance of the Bank's operating activities;
- (XII) when the bank's capital adequacy ratio is below statutory standard, to take measures to increase capital adequacy ratio;

- (XIII) to decide on the investment, purchase and disposal of assets, asset mortgage, external guarantee, consigned financial management, related party transactions, etc. of the Bank within the authority granted by the shareholders' general meeting;
- (XIV) to be responsible for the Bank's information disclosure and bear the ultimate responsibility for the integrity and accuracy of the Bank's accounting and financial reporting system; and to formulate relevant procedures and systems to ensure that the Bank's statistical information meets regulatory requirements;
- (XV) to propose to the shareholders' general meeting the engagement or replacement of an accounting firm for the audit of the Bank's accounts, and to make explanations to the shareholders' general meeting in relation to the nonstandard audit opinions produced by certified public accountants on the financial reports of the Bank;
- (XVI) to exercise other functions and powers specified by laws, administrative regulations, rules, rules governing securities of the place where the shares of the Bank are listed and the Articles of Association and conferred by the shareholders' general meeting.

In addition to the above-mentioned functions and powers, the Board should also pay attention to the following:

- (I) to formulate the Bank's business development strategies and supervise the implementation thereof;
- (II) to build risk culture, formulate risk management policies, set risk appetite, risk tolerance, risk limits, etc., and to assume ultimate responsibility for overall risk management;
- (III) to formulate internal control policies and establish & implement a fully effective internal control system to ensure that the Bank operates prudently within the framework of laws and policies;
- (IV) to formulate capital plans and assume ultimate responsibility for capital management;
- (V) to regularly assess and improve the Bank's corporate governance structure, internal control system and risk management system;
- (VI) to be responsible for the Bank's information disclosure and bear ultimate responsibility for the integrity, accuracy, completeness and timeliness of the Bank's accounting and financial reports;
- (VII) to supervise and ensure that the senior management officers effectively fulfill their management responsibilities, in particular in compliance management, risk management and internal control management;
- (VIII) to protect the legitimate rights and interests of depositors and other interested parties;

- (IX) to establish a mechanism for identifying, reviewing and managing the conflicts of interest between the Bank and its shareholders, especially substantial shareholders;
- (X) to formulate the Bank's data strategy, approve or authorize the approval of major issues in relation to data governance, urge senior management to improve the effectiveness of data governance, and assume ultimate responsibility for data governance;
- (XI) to be responsible for considering and reviewing the Bank's anti-money laundering and counter terrorist financing policies, supervise the implementation of anti-money laundering and counter terrorist financing policies, and be ultimately responsible for the Bank's anti-money laundering and counter terrorist financing work;
- (XII) to take the ultimate responsibility for Internet loan risk management.

Article 179 The Board shall not dispose of or agree to dispose of any fixed assets without approval by the shareholders' general meeting if the sum of the expected value of the fixed assets to be disposed of and the value derived from the disposal of fixed assets within 4 months before such proposal to dispose of the fixed assets exceeds 33% of the value of the fixed assets as shown on the latest audited balance sheet considered and approved by the shareholders' general meeting. Disposals of the fixed assets mentioned herein include transfer of some asset interests, but do not include guarantee provided by pledge of fixed assets.

The effectiveness of the Bank's disposal of the fixed assets shall not be affected by any breach of the preceding paragraph.

Article 180 To ensure the implementation of resolutions of shareholders' general meeting, improve work efficiency and ensure scientific decision-making, the Board shall establish the rules of procedure for Board Meetings, which shall include procedures for notices, document preparation, methods of convening meetings, voting form, proposal mechanism, meeting minutes and signature thereof, authorization by the Board, etc., and shall be submitted to the shareholders' general meeting for consideration and approval.

Article 181 The Board shall determine the right relating to external investment, asset purchase and disposal, asset mortgage, external guarantees, consigned financial management and related party transactions, establish clear examination and decision making procedure, and organize relevant experts and professionals to make assessments on material investment projects and report to the shareholders' general meeting for consideration and approval.

"External investment and asset purchase and disposal of the Bank" referred to in the Articles of Association shall include external equity investment and disposal as well as fixed assets investment and disposal by the Bank.

If the single amount of external equity investment and disposal by the Bank is less than 10% of the Bank's latest audited net asset value, such investment and disposal shall be approved by the Board; if the single amount is more than 10% of the Bank's latest audited net asset value, the Board shall formulate a plan and submit it to the shareholders' general meeting for approval.

Fixed assets investment and disposal by the Bank with a single amount of less than 0.5% of the Bank's latest audited net asset value shall be approved by the president as authorized by the Board; fixed assets investment and disposal with a single amount of less than 1% of the Bank's latest audited net asset value shall be approved by the Board; and fixed assets investment and disposal with a single amount of more than 1% of the Bank's latest audited net asset value shall be approved by the shareholders' general meeting.

Article 182 Board meetings include regular meetings and interim meetings. Regular Board meetings shall be held at least once a quarter and at least four times every year, and shall be convened and presided over by the chairman, with the notice of meeting sent in writing to all Directors and Supervisors at least 14 days in advance.

Article 183 Interim Board meetings may be convened upon proposal by shareholders representing more than one tenth of the total voting rights, by the chairman, by the president, by more than a half of independent Directors, by more than one third of the Directors, or by the Board of Supervisors. The chairman shall convene and preside over a Board meeting within ten (10) days after receipt of the proposal.

Article 184 A notice of Board meeting shall be sent in writing, including by mail (including email), fax and/or personal delivery. A notice shall be sent to all Directors and Supervisors five days before an interim Board meeting is convened.

Where an interim Board meeting needs to be convened in emergency, the notice of meeting may be sent by telephone or by other verbal means, but the convener shall make explanations at the meeting.

Article 185 The notice of Board meeting shall specify:

- (I) date and venue of the meeting;
- (II) duration of the meeting;
- (III) reasons and topics for discussion; and
- (IV) date on which the notice is sent.

Article 186 A Board meeting shall be attended by more than half of the Directors. Board meetings may be held on site and in the form of written circular. Telephone meetings or video meetings shall also be deemed as on-site meetings as long as the parties can hear and fully communicate with each other. Any Director who attends a Board meeting via teleconferencing or videoconferencing shall be deemed as having attended the meeting.

Article 187 Resolutions made by the Board shall be approved by more than half of all the Directors.

Resolutions of the Board shall be voted on as per “one person, one vote” system.

Article 188 If any Director has connection with the enterprise involved in the resolution made at a Board meeting, the said Director shall not vote on the said resolution for himself or on behalf of other Directors. A Board meeting may be held when more than half of the non-connected Directors attend the meeting. The resolution made at the Board meeting shall be passed by more than half of the non-connected directors. If the number of non-connected Directors attending the meeting is less than three, the matter shall be submitted to the shareholders’ general meeting for consideration. A Director shall not vote on the contract, arrangement or any other proposals with which he or any associates of his has material interest, and such Director shall not be counted into the quorum of the meeting.

Article 189 Voting on Board meetings may be conducted by open ballot.

If a Board meeting is convened via telephone or video, it should be ensured that the participating Directors can hear other Directors and can communicate with one another. Board meetings convened via telephone or video should be recorded or videotaped. Where any Director cannot sign the minutes of the meeting on site, the said Director shall give a verbal vote and responsively affix the written signature thereof. The verbal vote by a Director shall have the same effect as the written signature, provided that there is no discrepancy between the opinions expressed by such Director in completing the written signature and the opinions orally expressed by him during the meeting. If there is a discrepancy between the two, the opinions orally expressed shall prevail.

If a Board meeting is held via circulation of written proposal, in which case the proposals are reviewed and resolved by delivery to respective person or pass-on, Directors or proxies entrusted by them shall write down their opinions of pros, cons or abstentions on the voting ballot. Once the number of Directors voting in favor of the proposal has reached the quorum necessary for resolving on the proposal, such proposal shall be passed as a resolution of the Board.

Major events, such as profit distribution plans, major investments, major asset disposal plans, appointment or dismissal of senior management officers, capital replenishment plans, major equity changes, and financial reorganization, shall be voted on at an on-site meeting and are subject to approval by more than two-thirds of Directors of the Board.

Article 190 For a Board meeting, a vote may be taken by voting at the meeting (including video conferencing) and by correspondence. In the case of voting by correspondence, the following conditions and procedures shall be met:

- (I) the issues to be voted on by such method are notified to all Directors three days in advance, and relevant background information of topics for discussion and other information and data are provided to facilitate the Directors' decision making;
- (II) relevant issues are voted on separately instead of collectively by Directors;
- (III) voting by such method is necessary, and the proposal for voting by such method shall specify the reason for voting by correspondence and that taking such form of voting complies with the Articles of Association or the Rules of Procedure for Board Meetings;
- (IV) an effective time limit shall be specified for voting by correspondence. Any Director who does not cast a vote within the specified effective time limit shall be deemed as absent from the meeting.

Article 191 Directors shall attend Board meetings in person. If any Director cannot attend the meeting for any reason, he may issue a written power of attorney to authorize another Director to attend on behalf thereof, which power of attorney shall specify the name of the proxy, the matters to be handled in proxy, range authorized and validity period, and shall bear the signature or seal of the principal. The Director attending the meeting on behalf of another Director shall exercise rights within the range authorized. If a Director fails to attend a Board meeting and does not appoint a proxy to act on his behalf, the said Director shall be deemed as having waived his right to vote at the meeting.

Article 192 The Board shall file resolutions of the meeting as minutes, which shall be signed by the attending Directors and the minutes recorder. The minutes of Board meetings shall be kept as archives of the Bank for at least 10 years.

The minutes of a Board meeting shall specify:

- (I) the date, venue and name of the convener of the meeting;
- (II) the names of the attending Directors and the Directors (proxies) attending the meeting on behalf of others;
- (III) the agenda of the meeting;
- (IV) summaries of the speeches of Directors; and
- (V) the voting method and result for each resolution (the voting result shall set out the numbers of pros, cons and abstentions).

Article 193 Any attending Director shall be entitled to have an explanatory note made in the minutes regarding his speech at the meeting. The Directors shall sign and be responsible for the resolutions passed at Board meetings. If any resolution of the Board runs counter to applicable laws, administrative regulations, the Articles of Association or resolutions of the shareholders' general meeting, thereby incurring any loss to the Bank, the Directors adopting the said resolution shall be liable for compensating the Bank. However, if a Director has been proved as having expressed dissenting opinions on the resolution during the voting and such opinions are recorded in the meeting minutes, he may be exempt from liability.

Section 4 Chairman

Article 194 The Board shall have one chairman and may have one vice chairman.

Article 195 Both the chairman and the vice chairman are nominated by the Board and elected by a majority of all members of the Board. The chairman and vice chairman shall be subject to resign audit by the audit department.

Article 196 The chairman and the president shall not be the same person. The legal representative or principal of the controlling shareholders shall not serve concurrently as chairman of the Bank, and in principle the chairman and the president shall not serve concurrently as chairman of the subsidiaries of the Bank. Where an exemption is needed in special circumstances, the Bank shall apply to the banking regulatory authorities of the State Council for approval and explain the reasons.

Article 197 The chairman shall exercise the following functions and powers:

- (I) to preside over shareholders' general meetings and to convene and preside over Board meetings;
- (II) to examine the implementation of resolutions of the Board and report to the Board;
- (III) to sign the shares, bonds, other marketable securities and other documents of the Bank that should be signed by the legal representative;
- (IV) to exercise other functions and powers conferred by the laws, administrative regulations, rules and the Board.

Article 198 The vice chairman shall assist the chairman in performing his duties. If the chairman is unable or fails to perform his duties, such duties shall be performed by the vice chairman. If the vice chairman is unable or fails to perform his duties, a director shall be elected jointly by more than half of the directors to perform such duties.

Section 5 Special Committees under the Board

Article 199 Based on the conditions of the Bank, the Board has set up a strategy committee, related party transactions control committee, risk management committee, audit committee, nomination and remuneration committee, consumer rights protection committee, and compliance management committee.

The special committees shall all consist of directors and shall each have at least 3 members. The respective committees shall each have a convener to be responsible for organizing relevant activities, and in principle the convener of a special committee shall not serve concurrently as convener of another special committee.

The majority of each of the audit committee, related party transactions control committee and nomination and remuneration committee members shall be independent Directors and conveners shall also be independent Directors. Directors nominated by controlling shareholders shall not be members of the related party transactions control committee and nomination and remuneration committee.

All members of the audit committee shall be non-executive Directors and at least one member of the audit committee is an independent Director who has the professional qualifications as required by the Listing Rules or has professional specialty in audit or related financial management.

Various special committees are accountable to the Board. They help the Board exercise its functions and powers, provide advice for the Board in decision making, and may propose a motion to the Board on the specific issues for which they are responsible. Before making a resolution on matters related to the responsibilities of the special committees, the Board shall listen to the opinions of the special committees.

Article 200 The Board shall formulate the rules of procedure, duties and working procedures of the special committees, and decide on the authorization granted by the Board. The setup, staff composition, terms of reference and information disclosure of respective special committees shall comply with the relevant provisions of laws, administrative regulations, departmental rules, relevant regulatory authorities, and the Articles of Association. The respective special committees shall formulate annual work plans and hold meetings regularly.

Article 201 The Bank shall have strict control over its related party transactions according to relevant provisions of the banking regulatory authorities of the State Council. Related party transactions refer to transfer of resources or obligations between the Bank and its related parties as set out below:

- (I) Credit extension;
- (II) Transfer of assets;
- (III) Provision of services;

(IV) Other related party transactions as defined by the banking regulatory authorities of the State Council.

Article 202 According to the Bank's net capital and operating conditions, the Bank's related party transactions are classified into general related party transactions and material related party transactions:

General related party transactions refer to transactions involving single transaction amount between the Bank and a related party accounting for less than 1% (inclusive) of the net capital of the Bank and after the transaction the transaction balance between the Bank and the said related party accounts for less than 5% (inclusive) of the net capital of the Bank. General related party transactions shall be approved by the Bank as per internal authorization procedure, and be submitted to the related party transactions control committee for filing. General related party transactions may also be examined and approved as per the procedure for material related party transactions.

Material related party transactions refer to transactions involving single transaction amount between the Bank and a related party accounting for more than 1% (exclusive) of the net capital of the Bank, or the transaction balance between the Bank and the said related party accounting for more than 5% (exclusive) of the net capital of the Bank after the transaction.

Material related party transactions shall be reviewed by the related party transactions control committee and submitted to the Board for approval.

Article 203 The special committees may appoint intermediaries to provide professional advice, with the costs to be borne by the Bank. The special committees shall be accountable to the Board, and proposals of the special committees shall be submitted to the Board for examination and decision.

Section 6 Secretary to the Board

Article 204 The Board shall have a secretary, who is a senior management officer of the Bank and shall be accountable to the Board.

Article 205 The secretary to the Board shall have a bachelor degree or above, and have at least four years' experience in finance or at least 8 years of experience in economics (including at least 2 years' experience in finance). The secretary to the Board shall possess adequate professional knowledge in accounting, taxation, law, finance and corporate governance, have good character and professional ethics, strictly observe relevant laws, administrative regulations and rules, diligently fulfill his duties, and be good at handling public affairs.

Article 206 The circumstances set out in the Articles of Association disqualifying a person as Director of the Bank shall also apply to the secretary to the Board.

Article 207 The main duties of the secretary to the Board are:

- (I) to prepare and submit to the relevant authorities of the state the reports and documents produced by the Board and the shareholders' general meetings, and ensure that the Bank legally prepares and submits reports and documents as required by the competent authorities;
- (II) to arrange for Board meetings and shareholders' general meetings, to be responsible for recording minutes of meetings and keeping the meeting documents and records, and ensure that the Bank has complete organization documents and records;
- (III) to be responsible for matters relating to information disclosure of the Bank, and ensure that the information disclosed by the Bank is responsive, accurate, lawful, true and complete;
- (IV) to be responsible for managing investor relations, receiving visitors, answering inquiries and contacting shareholders, and ensure that the persons who have the right of access to the relevant records and documents of the Bank obtain the same in due time;
- (V) to ensure the proper establishment of the Bank's register of shareholders, keep the register of shareholders, the seal of the Board and related material, handle affairs related to the Bank's equity management and custody registration, and ensure that the persons who have the right of access to the relevant records and documents of the Bank obtain the same in due time;
- (VI) to be responsible for the preparations for meetings of the special committees under the Board and other daily affairs of the Board and the special committees thereunder;
- (VII) to perform other duties stipulated by laws, administrative regulations, rules or the Articles of Association.

Article 208 A Director or senior management officer of the Bank may serve concurrently as secretary to the Board of directors, but a Supervisor of the Bank is not allowed to do so. A certified public accountant of the accounting firm or a lawyer of the law firm engaged by the Bank shall not serve concurrently as secretary to the Board.

Article 209 The secretary to the Board shall be nominated by the chairman and appointed or dismissed by the Board. In the event a Director also acts in the capacity of the secretary to the Board, where any act requires to be made by the Director and the secretary to the Board separately, such Director who also acts in the capacity of the secretary to the Board shall not make such actions in both capacities.

CHAPTER 6 PRESIDENT AND OTHER SENIOR MANAGEMENT OFFICERS

Article 210 The Bank practices a president accountability system led by the Board. The Bank shall have one president and several vice presidents. The positions of president and vice presidents may be held concurrently by the Directors, and after being submitted to the banking regulatory authorities of the State Council for qualification review, they shall be appointed by the Board.

The president and vice presidents shall be subject to resign audit by the audit department.

Article 211 The circumstances set out in Article 145 of the Articles of Association disqualifying a person as director of the Bank shall also apply to senior management officers of the Bank.

The provisions on Directors' obligations of honesty under Article 149 of the Articles of Association and the provisions on Directors' obligations of diligence under (IV) ~ (VII) of Article 150 shall also apply to the senior management officers.

Article 212 Members of staff of the controlling shareholders and de facto controllers of the Bank who serve positions other than Directors shall not serve as senior management officer of the Bank.

Article 213 The term of office of the president, vice presidents and other senior management officers shall be three years, and is renewable upon re-election when it expires.

Article 214 The president of the Bank is fully responsible for the operation and management of the Bank; the vice presidents shall assist the president in his work and act on behalf of the president in turn when the president cannot fulfil his functions and powers.

Article 215 The president shall be accountable to the Board and shall perform the following functions and powers:

- (I) to manage the business operations of the Bank, organize execution of the Board's resolutions, and report to the Board;
- (II) to submit business plans and investment proposals of the Bank to the Board and to organize the implementation thereof upon approval by the Board;
- (III) to draft schemes for setting up the Bank's internal management bodies, and, as authorized by the Board, to decide on the setup of internal management bodies and branches other than those to be decided by the shareholders' general meeting and the Board;
- (IV) to propose the annual financial budgets, final accounting schemes and profit distribution plans of the Bank;
- (V) to formulate the Bank's basic management system;

- (VI) to formulate the Bank's specific management system;
- (VII) to propose to convene an interim Board meeting;
- (VIII) to propose to the Board to appoint or dismiss the vice president, financial chief and other senior management officers of the Bank;
- (IX) to appoint or dismiss persons in charge of the functional departments and branches of the Bank other than those to be engaged or dismissed by the Board;
- (X) to undertake responsibility for comprehensive risk management implementation, implement relevant resolutions of the Board, establish an operational management structure suitable for comprehensive risk management, clarify the division of responsibilities among the functional departments, business departments and other departments in comprehensive risk management, and establish an operational mechanism which can ensure coordination among departments and effective check and balance;
- (XI) to formulate a systematic system, procedure and method according to the risk level acceptable by the Board, and adopt corresponding risk control measures; to be responsible for establishing and improving the internal organizational structure to ensure that various duties of internal control are effectively fulfilled; to be responsible for organizing test and assessment on the adequacy and effectiveness of the internal control system;
- (XII) to establish a clear implementation and accountability mechanism to ensure that risk management strategies, risk appetites and risk limits are fully conveyed and effectively implemented; to make risk management policies and procedures, conduct regular assessments, and report to the Board on management of comprehensive risks and various types of major risks; to keep an eye on events beyond risk appetites and risk limits and in violation of risk management policies and procedures, and deal with them as authorized by the Board;
- (XIII) to authorize other senior management officers, persons in charge of the Bank's functional departments and branches to engage in operating and management activities;
- (XIV) to adopt emergency measures when any material emergency (such as a run on the Bank) arises and promptly report them to the banking regulatory authorities of the State Council, the Board and the Board of Supervisors;
- (XV) to perform other functions and powers stipulated by laws, administrative regulations, rules and the Articles of Association or conferred by the Board.

The president and vice presidents of the Bank shall be present at Board meetings, and if he is not a Director, shall not have any voting right at the meetings.

Article 216 The operational and management activities conducted by the senior management officers within their functions and powers shall not be intervened. If the Directors or the chairman intervene(s) in the senior management officers' operation and management, the senior management officers shall have the right to request the Board of Supervisors to stop the said intervention and report to relevant regulatory authorities of the state.

Article 217 The president shall formulate Terms of Reference of the President, which shall come into effect upon approval by the Board. The Terms of Reference of the President shall include the following:

- (I) conditions and procedures for convening a presidential meeting and the participating personnel;
- (II) duties and division of labor of the president and other senior management officers;
- (III) use of the Bank's funds and assets, authority for entering into material contracts and the system of reporting to the Board and the Board of Supervisors;
- (IV) other matters which are deemed necessary by the Board.

Article 218 The president may resign before his term of office expires but shall receive resign audit before he leaves. The specific procedure and measures for resignation of the president shall be as specified in the employment contract signed between the president and the Bank.

Article 219 The senior management shall accept the supervision of the Board of Supervisors, timely inform the Board of Supervisors of the business performance, important contracts, financial status, risk status and business prospects of the Bank, and actively cooperate in the inspection, audit and other activities conducted by the Board of Supervisors within its terms of reference.

Article 220 When performing their duties, the Bank's senior management officers shall be honest and diligent, and abide by laws, administrative regulations, rules, rules governing securities of the place where the shares of the Bank are listed and the Articles of Association.

If any senior management officer violates the laws, administrative regulations, rules, rules governing securities of the place where the shares of the Bank are listed and the Articles of Association in fulfilling his duties, thereby incurring any loss of the Bank, the said senior executive shall be liable for compensation.

CHAPTER 7 BOARD OF SUPERVISORS

Section 1 Supervisors

Article 221 The Supervisors shall include shareholder Supervisors, employee representative Supervisors and external Supervisors, and the proportion of employee representative Supervisors and external Supervisors shall not be lower than one third of the total supervisors.

The circumstances set out in Article 145 of the Articles of Association disqualifying a person as Director of the Bank shall also apply to Supervisors of the Bank.

Article 222 Directors and senior management officers shall not serve as Supervisors concurrently. Shareholder Supervisors and external Supervisors shall be elected, dismissed or replaced by the shareholders' general meeting, and employee representative Supervisors shall be elected, dismissed or replaced through employee representative meeting or other democratic procedures of the Bank. A Supervisor shall serve a term of three years and may seek re-election upon expiry of the said term. The cumulative term of office for external Supervisors shall not exceed six years.

Article 223 A Supervisor may resign from his office prior to the expiry of his term of office.

A Supervisor who intends to resign from his office shall tender a written resignation to the Board of Supervisors. The resignation of the Supervisor shall become effective upon the delivery of resignation letter to the Board of Supervisors.

If the term of office of a Supervisor expires but re-election is not made responsively or if any Supervisor resigns during his term of office so that the membership of the Board of Supervisors falls short of the quorum, the said Supervisor shall continue fulfilling the duties as Supervisor pursuant to relevant laws, administrative regulations and the Articles of Association until a new Supervisor is elected.

If any Supervisor resigns or is dismissed so that the number or proportion of Supervisors of the Bank falls short of the minimum number or proportion as specified in laws, administrative regulations and the Articles of Association, the Bank shall convene a shareholders' general meeting or employee representative meeting as soon as possible to elect a new Supervisor to fill the vacancy.

Article 224 The Supervisors shall ensure the information disclosed by the Bank is true, accurate and complete.

Article 225 The Supervisors may attend Board meetings and make inquiries or suggestions in relation to the resolutions of Board meetings.

Article 226 Supervisors shall not jeopardize interests of the Bank by taking advantage of their related party relationship, and the Supervisors shall indemnify the Bank for any losses incurred to the Bank therefrom.

If a Supervisor violates the laws, administrative regulations, rules, rules governing securities of the place where the shares of the Bank are listed and the Articles of Association in fulfilling his duties, thereby incurring any loss of the Bank, the said Supervisor shall be liable for compensation.

Article 227 Employee representative supervisors shall have the right to participate in the formulation of rules and systems concerning their vital interests and should actively supervise the implementation of these systems.

Section 2 External Supervisors

Article 228 External Supervisors of the Bank refer to Supervisors who do not hold any position in the Bank other than as Supervisor and who do not have any relation with the Bank or its substantial shareholders that may affect their independent judgement. The appointment of an external Supervisor shall comply with the laws, administrative regulations, rules, rules governing securities of the place where the shares of the Bank are listed, and the Articles of Association.

Article 229 External Supervisors shall be entitled to the rights conferred to Supervisors, shall supervise the work of the Board and senior management officers, and carry out audit work within their terms of reference according to the resolutions of the Board of Supervisors. External Supervisors should pay attention to the overall interests of depositors and the Bank when performing their duties.

Article 230 A person who is a civil servant shall not concurrently serve as external Supervisor of the Bank. External Supervisors shall not hold positions in more than two commercial banks at the same time, or serve concurrently as external Supervisor in a financial institution which may have interest conflict with the Bank.

Article 231 The external Supervisors of the Bank shall be nominated by the nomination committee of the Board of Supervisors and the shareholders severally or jointly holding more than 1% of the voting shares of the Bank (the nomination and selection procedure shall be the same as that for independent Directors as stipulated in the Articles of Association) and shall be elected by the shareholders' general meeting.

Article 232 Before taking office, external Supervisors shall promise the Board of Supervisors that they have enough time and energy to perform their duties and will diligently perform their duties.

Article 233 An external Supervisor shall be deemed as having seriously neglected his duty if he:

- (I) discloses the business secrets of the Bank and infringe on the legitimate interests of the Bank;
- (II) accepts illicit benefits in the performance of his duties;
- (III) seeks private benefits by taking advantage of the capacity of an external Supervisor;
- (IV) fails to spot any abnormalities or to report any abnormalities during supervision inspection, thereby causing great losses to the Bank;
- (V) commits other acts defined as a serious dereliction of duty by relevant regulatory authorities.

Article 234 The Board of Supervisors has the right to propose to the shareholders' general meeting to dismiss an external Supervisor if he:

- (I) has seriously neglected his duty as stipulated above;

- (II) is disqualified as external Supervisor and does not voluntarily submit resignation;
- (III) is prohibited from serving as or is disqualified as external supervisor according to laws, administrative regulations, rules, rules governing securities of the place where the shares of the Bank are listed or the Articles of Association.

An external Supervisor who has been dismissed by the Bank due to serious dereliction of duty shall no longer serve as external Supervisor of the Bank.

Relevant provisions about independent Directors in the Articles of Association shall also apply to external Supervisors in terms of dismissal and resignation.

Article 235 External Supervisors shall be entitled to the rights conferred to Supervisors, shall supervise the work of the Board and senior management officers, and carry out audit work within their terms of reference according to the resolutions of the Board of Supervisors.

Article 236 The Bank shall pay remuneration and allowance to external Supervisors.

Article 237 The expenses incurred by an external Supervisor in performing his duties shall be borne by the Bank.

Article 238 The reports of the Board of Supervisors on the evaluation of external Supervisors shall be submitted to the shareholders' general meeting for deliberation. The reports on the evaluation of external Supervisors submitted to the shareholders' general meeting for deliberation shall at least include the number of times that the external Supervisor attends the meetings of the Board of Supervisors in person, details about the external Supervisor's organization or participation in the audit work of the Board of Supervisors, and the performance of his supervisory duties.

Section 3 Board of Supervisors

Article 239 The Bank shall have a Board of Supervisors, which is the supervisory body of the Bank and shall supervise the work of Directors and senior management officers. The Board of Supervisors shall comprise 5 to 9 Supervisors, and the proportion of employee representative Supervisors and external Supervisors shall not be less than one third.

The Board of Supervisors shall have one chairman. The chairman of the Board of Supervisors shall be elected by more than half of all the Supervisors.

Article 240 The Board of Supervisors shall exercise the following functions and powers:

- (I) to examine the regular reports of the Bank prepared by the Board and produce written opinions thereon;

- (II) to supervise the work of the Directors and senior management officers, and propose dismissal of Directors and senior management officers who have violated laws, administrative regulations, the Articles of Association or the resolutions of shareholders' general meetings;
- (III) to be responsible for supervision of comprehensive risk management, supervise the performance of duty by the Board and senior management officers in risk management and urge them to make corrections when necessary, and incorporate the results of supervision and inspection in the work report of the Board of Supervisors;
- (IV) to supervise internal control management, supervise the improvement of internal control system by the Board and senior management officers, and supervise the performance of internal control duties by the Board and senior management officers;
- (V) to require the Directors and senior management officers to restore damages they have caused to the interests of the Bank;
- (VI) to propose the convening of extraordinary shareholders' general meetings and, in case the Board does not perform the obligations to convene and preside over the shareholders' general meetings in accordance with the Company Law, to convene and preside over the shareholders' general meetings;
- (VII) to propose resolutions to the shareholders' general meetings;
- (VIII) to initiate legal proceedings against the Directors and senior management officers in accordance with Article 151 of the Company Law;
- (IX) to examine financial information such as financial reports, business reports and profit distribution plans as proposed by the Board to the shareholders' general meeting, and if there are any queries, to engage any certified public accountant or practicing auditor in the name of the Bank to assist in the examination;
- (X) to guide the internal audit department of the Bank in independently performing audit and supervisory functions, and to effectively implement business management and work assessment on internal audit department;
- (XI) to examine and supervise financial activities of the Bank;
- (XII) to inquire Directors, chairman of the Board and senior management officers when necessary;
- (XIII) to exercise other functions and powers as specified by laws, administrative regulations, rules, rules governing securities of the place where the shares of the Bank are listed and the Articles of Association.

In addition to the above-mentioned functions and powers, the Board of Supervisors should also pay attention to the following:

- (I) supervise the Board of Directors in establishing steady business philosophy and value criterion and formulating development strategies in line with the Bank's actual conditions;
- (II) regularly assess the scientificity, rationality and effectiveness of the development strategies formulated by the Board, and issue assessment reports;
- (III) supervise and examine the Bank's business decisions, risk management and internal control, and urge relevant rectifications when necessary;
- (IV) supervise the procedures for recruiting Directors;
- (V) appraise the duty performance of Directors, Supervisors and senior management officers from a comprehensive perspective;
- (VI) ensure the scientificity and rationality of the remuneration management systems and policies throughout the Bank and remuneration plans for senior management;
- (VII) regularly inform the banking regulatory authorities of the State Council of the latest developments of the Bank;
- (VIII) supervise and evaluate the performance of duty of the Board and senior management in data governance;
- (IX) supervise and evaluate the performance of duty of the Board and senior management in the money laundering risk management;
- (X) supervise the performance of duty of the Board and senior management in the consumer rights protection work.

Article 241 If there are any unusual circumstances in the Bank's operations, the Board of Supervisors may conduct investigation, and if necessary, engage an accounting firm, law firm or other professionals to assist in its work at the expenses of the Bank.

Article 242 The Board of Supervisors shall review the Bank's profit distribution plans and express opinions on the compliance and rationality of the profit distribution plans.

Article 243 The Board of Supervisors shall have independent budget for expenditure. The Board of Supervisors shall have the right to decide on budget costs according to work needs. Costs incurred by the Board of Supervisors in exercising its powers and functions shall be borne by the Bank.

Article 244 To ensure work efficiency and scientific decision-making, the Board of Supervisors shall establish the rules of procedure for meetings of the Board of Supervisors, which shall include procedures for notices, document preparation, methods of convening meetings, voting form, proposal mechanism, meeting minutes and signature thereof.

Article 245 The Board of Supervisors shall have an office as its daily working organ to be responsible for the preparation of the meetings of the Board of Supervisors and the special committees thereunder and other daily affairs. The office of the Board of Supervisors shall engage staff members to be responsible for the daily work in the office. The staff members engaged by the Board of Supervisors shall have relevant professional knowledge to assist the Board of Supervisors in fulfilling its supervisory duties.

Article 246 Meetings of the Board of Supervisors include regular meetings and interim meetings. Regular meetings of the Board of Supervisors shall be convened at least once a quarter, and an interim meeting of the Board of Supervisors may be convened upon proposal by the Supervisors.

Article 247 In any of the following circumstances, the chairman of the Board of Supervisors shall hold an interim meeting within 10 days:

- (I) proposed by the chairman of the Board of Supervisors;
- (II) proposed by more than one third of the Supervisors jointly;
- (III) proposed by all external Supervisors;
- (IV) other circumstances specified by laws, administrative regulations, rules, rules governing securities of the place where the shares of the Bank are listed and the Articles of Association.

Article 248 Meetings of the Board of Supervisors shall be convened and presided over by the chairman of the Board of Supervisors. Where the chairman of the Board of Supervisors cannot fulfill the duty thereof for any reason, more than half of the Supervisors may elect a Supervisor to convene and preside over the meetings of the Board of Supervisors.

Article 249 Regular meetings of the Board of Supervisors are held on site. Telephone meetings or video meetings shall also be deemed as on-site meetings as long as the parties can hear and fully communicate with one another. Any Supervisor who attends a meeting of the Board of Supervisors via teleconferencing or videoconferencing shall be deemed as having attended the meeting.

Article 250 Supervisors shall attend meetings of the Board of Supervisors in person. If any Supervisor cannot attend the meeting for any reason, he may appoint in writing another Supervisor of the same class to act on his behalf. However, one Supervisor shall not accept appointment by more than two Supervisors at a meeting of the Board of Supervisors.

The power of attorney shall specify the name of the proxy, the matters delegated, and the scope and term of authorization, and shall bear the signature or seal of the principal. The proxy Supervisor attending the meeting shall exercise rights as granted by the principal.

If a Supervisor fails to attend a meeting of the Board of Supervisors in person or by proxy, the said Supervisor shall be deemed as having waived his right to vote at the meeting. If any Supervisor fails to attend meetings of the Board of Supervisors in person or by proxy for two consecutive times, or attends less than two thirds of such meetings in person, the said Supervisor shall be deemed incapable of performing his duties. The Board of Supervisors shall propose to the shareholders' general meeting or employee representative meeting to remove such Supervisor.

Each shareholder Supervisor and external Supervisor shall work in the Bank for not less than 15 workdays each year.

The employee representative Supervisors shall accept the supervision by the employee representative meeting and employees' meeting or other democratic supervision and shall regularly report to the employee representative meeting.

Article 251 The notice of meeting of the Board of Supervisors shall specify:

- (I) the date, venue and duration of the meeting;
- (II) reasons and topics for discussion; and
- (III) date on which the notice is sent.

Article 252 A written notice of meeting of the Board of Supervisors and relevant meeting documents shall be served to all Supervisors 10 days in advance. The notice of an interim meeting of the Board of Supervisors and relevant meeting documents shall be served 5 day in advance.

Where an interim meeting of the Board of Supervisors needs to be convened in emergency, the notice of meeting may be sent by telephone or by other verbal means without prior notice, but the convener shall make explanations at the meeting.

Article 253 Whenever it is necessary, meetings of the Board of Supervisors may be convened through video, telephone, fax or email provided that the Supervisors can fully express their opinions. After voting by the said means, the voting results shall be mailed to the Board of Supervisors in written form within the time limit specified by the Board of Supervisors.

Article 254 Meetings of the Board of Supervisors shall be held only if more than a half of the Supervisors are present. Voting on meetings of the Board of Supervisors may be conducted by open ballot or by means of communications. Each Supervisor attending the meeting shall be entitled to one vote. The resolutions made at meetings of the Board of Supervisors should be approved by more than two thirds of all Supervisors.

Article 255 The Supervisors shall sign and be responsible for the resolutions passed at meetings of the Board of Supervisors. Where any resolution of the meeting of the Board of Supervisors runs counter to the laws, administrative regulations, rules or the Articles of Association, thereby incurring any losses to the Bank, the Supervisors adopting the said resolution shall be liable for compensating the Bank. However, if any Supervisor raises an objection to the resolution and the said objection is recorded in the minutes, the said Supervisor may be exempt from any liability.

Article 256 The Board of Supervisors shall file resolutions as minutes, which shall be signed by the attending Supervisors. Any Supervisor shall be entitled to have an explanatory note made in the minutes regarding his speech at the meeting. The minutes of meetings of the Board of Supervisors shall be kept as archives of the Bank for at least 10 years.

Article 257 The minutes of a meeting of the Board of Supervisors shall specify:

- (I) the date, venue and name of the convener of the meeting;
- (II) the names of the attending Supervisors and the Supervisors (proxies) attending the meeting on behalf of others;
- (III) the agenda of the meeting;
- (IV) summaries of the speeches of Supervisors; and
- (V) the voting method and result for each resolution (the voting result shall set out the numbers of pros, cons and abstentions).

Section 4 Chairman of the Board of Supervisors

Article 258 The chairman of the Board of Supervisors shall work full time, and shall possess professional knowledge and working experience in at least one of accounting, auditing, finance or law.

The chairman of the Board of Supervisors shall perform the following duties:

- (I) convene and preside over meetings of the Board of Supervisors and determine issues to be considered;
- (II) organize fulfillment of the duties of the Board of Supervisors;
- (III) execute the reports and other important documents of the Board of Supervisors;
- (IV) report the work to the shareholders' general meeting on behalf of the Board of Supervisors;

- (V) help Supervisors carry out their work effectively and lead the Board of Supervisors to play an effective role;
- (VI) ensure that Supervisors can get accurate, timely and clear information;
- (VII) formulate plans and reports that the Board of Supervisors should submit to the shareholders' general meeting;
- (VIII) exercise other functions and powers conferred by the laws, administrative regulations, rules and the Board of Supervisors.

Section 5 Special Committees under the Board of Supervisors

Article 259 Where necessary, the Board of Supervisors may establish a nomination committee and an Supervisory Committee. The nomination committee and Supervisory Committee shall be headed by external Supervisors.

Article 260 The principal duties of the nomination committee of the Board of Supervisors are:

- (I) studying out procedures and standards concerning election and appointment of Supervisors, conducting preliminary review on the qualifications of candidates for Supervisors, and putting forward proposals to the Board of Supervisors;
- (II) supervising the Directors/independent Directors recruiting procedures;
- (III) appraising the duty performance of Directors, Supervisors and senior management from a comprehensive perspective and reporting to the Board of Supervisors;
- (IV) supervising the scientificity and rationality of the remuneration management systems and policies throughout the Bank and remuneration plans for senior management; and
- (V) exercising other functions and powers conferred by the Board of Supervisors.

Article 261 The principal duties of the Supervisory Committee of the Board of Supervisors are:

- (I) formulating supervision programs of the Bank's financial activities and carrying out relevant examinations;
- (II) supervising the Board to establish steady business philosophy and criterion value and formulating development strategies in line with the Bank's actual conditions;
- (III) supervising and examining the Bank's business decisions, risk management and internal control; and

(IV) exercising other functions and powers conferred by the Board of Supervisors.

CHAPTER 8 QUALIFICATIONS AND OBLIGATIONS OF THE DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Article 262 The qualifications of the Directors, Supervisors and senior management of the Bank shall comply with the laws, administrative regulations, rules, rules governing securities of the place where the shares of the Bank are listed and provisions of relevant regulatory authorities and the Articles of Association. Directors and senior management's qualifications shall be subject to the review by the banking regulatory authorities of the State Council in accordance with the above provisions.

Article 263 Directors, Supervisors and senior management shall observe laws, administrative regulations and the Articles of Association, shall fulfill the obligation of honesty and diligence to the Bank, and shall not abuse their official powers to seek bribes or other unlawful gains or expropriate the Bank's property.

Article 264 The validity of an act carried out by Directors and senior management of the Bank on behalf of the Bank as against a bona fide third party shall not be affected by any incompliance in the appointment, election or qualification thereof.

Article 265 In addition to the obligations imposed by laws, administrative regulations, rules, rules governing securities of the place where the shares of the Bank are listed and obligations prescribed by relevant regulatory authorities and the Articles of Association, Directors, Supervisors and senior management of the Bank shall also fulfil the following obligations to all shareholders in the exercise of the powers entrusted to them by the Bank:

- (I) not to cause the Bank operate beyond the business scope specified in its business license;
- (II) to sincerely act in the best interest of the Bank;
- (III) not to seize from the Bank any asset in any form, including (but not limited to) opportunity favorable to the Bank; and
- (IV) not to seize from any shareholder any personal interests, including (but not limited to) right to profit distribution and right to vote, but excluding corporate reorganization submitted for adoption at the shareholders' general meeting pursuant to the Articles of Association.

Article 266 In exercising rights or fulfilling obligations, each of the Directors, Supervisors and senior management of the Bank have the duty to act with due discretion, diligence and skill as a reasonable discreet person should do in similar circumstances.

Article 267 Each of the Directors, Supervisors and senior management of the Bank shall abide by the fiduciary principles in the discharge of his duties, and not to place himself in a position where his own interests may conflict with his obligations. Such principles include (but are not limited to) performance of the following obligations:

- (I) to sincerely act in the best interest of the Bank;
- (II) to exercise their rights within the scope of their powers;
- (III) to exercise personally the discretion vested in them and not to allow themselves to be controlled by others and, save as permitted by laws or administrative regulations or with the informed consent of shareholders given at a shareholders' general meeting, not to transfer the exercise of their discretion to others;
- (IV) to be equitable towards shareholders of the same class and fair towards shareholders of different classes;
- (V) not to conclude any contract, conduct any transaction or make any arrangement with the Bank saved as specified in the Articles of Association or with the informed consent from the shareholders' general meeting;
- (VI) not to seek personal gains by using the property of the Bank in any form without the informed consent of shareholders given at a shareholders' general meeting;
- (VII) not to abuse official powers to accept bribes or other unlawful income, and not to expropriate the Bank's property in any form, including (but not limited to) opportunity favourable to the Bank;
- (VIII) not to accept commissions in connection with the Bank's transactions without the informed consent of shareholders given at a shareholders' general meeting;
- (IX) to comply with the Articles of Association, to perform his official duties faithfully, to protect the interests of the Bank and not to exploit his position and power in the Bank for his own interests;
- (X) not to compete with the Bank in any form without the informed consent of shareholders given at a shareholders' general meeting;
- (XI) not to appropriate the monies of the Bank or lend the same to others, not to deposit the Bank's assets in the accounts of their own or others, and not to use the Bank's assets as security for the personal debts of the shareholders of the Bank or others;

(XII) without the informed consent of the shareholders at a general meeting, not to disclose any confidential information related to the Bank acquired by them during the term of their office; not to use the said information save for the interest of the Bank; however, they may disclose such information to a court or other relevant regulatory authorities in the following circumstances:

1. required by law;
2. required for public interests; and
3. required for the interests of the said Directors, Supervisors and senior management.

Article 268 Directors, Supervisors and senior management of the Bank shall not direct the following persons or institutions (hereinafter referred to as “Connected Persons”) to do anything that the Directors, Supervisors and senior management cannot do:

- (I) the spouse or child under the age of 18 of any of the Directors, Supervisors and senior management of the Bank;
- (II) trustees of Directors, Supervisors and senior management of the Bank or persons set out in sub-paragraphs (I) herein;
- (III) partners of Directors, Supervisors and senior management of the Bank or persons set out in sub-paragraphs (I) and (II) herein;
- (IV) companies effectively independently controlled by Directors, Supervisors and senior management of the Bank or companies effectively jointly controlled with the persons set out in sub-paragraphs (I), (II) and (III) herein or other Directions, Supervisors and senior management of the Bank;
- (V) Directors, Supervisors, the manager and other senior management of the controlled companies as set out in (IV) herein;

Article 269 The fiduciary duties of the Directors, Supervisors and senior management of the Bank shall not end with the termination of their tenure. The duty of confidentiality in respect of trade secrets of the Bank shall continue after the termination of their tenure until such trade secrets become publicly known. Other duties may continue for such period as the principle of fairness may require depending on the amount of time which has lapsed between the termination of office and the act concerned and the circumstances and the terms under which the relationship between the Bank and them was terminated.

Article 270 Except as provided in Article 72 of the Articles of Association, a Director, Supervisor and senior management of the Bank may be relieved of liability for specific breaches of his duty with the informed consent from the shareholders’ general meeting.

Article 271 If Directors or any associates thereof (as defined in the Listing Rules), Supervisors and senior management of the Bank have any direct or indirect material interests in any contract, transaction or arrangement already concluded or under planning with the Bank (exclusive of the engagement contract between the Bank and Directors, Supervisors and senior management), they shall responsively disclose the nature and extent of the said interests to the Board regardless whether the relevant matters are subject to approval by the Board in normal circumstances.

Unless the Directors, Supervisors and senior management of the Bank having material interests have disclosed the said interests to the Board as per the preceding paragraph herein, and the Board has approve of the said matter at a meeting in which they are not counted in the quorum and don't vote, the Bank has the right to cancel the said contracts, transactions or arrangements, save for the circumstance in which the other parties are goodwill parties uninformed of the default of the said Directors, Supervisors and senior management.

If the associates (as defined in the Listing Rules) of the Directors, Supervisors and senior management of the Bank have any interests in a given contract, transaction or arrangement, the said Directors, Supervisors and senior management shall be deemed as having interests.

Article 272 If, before concluding relevant contract, transaction or arrangement with the Bank for the first time, the Director, Supervisor or senior management of the Bank has notified the Board and the Board of Supervisors that he will have interests in the contract, transaction or arrangement concluded in the future because of the reasons set out in the notice, then within the scope set out in the notice, he will be deemed as having executed disclosure as specified in preceding article of this Chapter.

Article 273 The Bank shall not pay taxes in any form for its Directors, Supervisors and senior management.

Article 274 The Bank shall not directly or indirectly provide loan or loan guarantee to the Directors, Supervisors and senior management of the Bank or its parent bank, or to the Connected Persons of the aforesaid persons.

The preceding paragraph shall not apply in the following circumstances:

- (I) The Bank provides loan or loan guarantee for its subsidiaries;
- (II) The Bank, in accordance with the engagement contracts approved at the shareholders' general meeting, provides loan, loan guarantee or other monies to its Directors, Supervisors and senior management so that they may pay the expenses incurred for the Bank or for fulfilling their duties;
- (III) The Bank may provide loan and loan guarantee to relevant Directors, Supervisors, senior management and their Connected Persons, but the conditions for providing loan or loan guarantee shall be normal business conditions.

Article 275 Any person who receives funds from a loan which has been made by the Bank acting in breach of the preceding article shall, irrespective of the terms of the loan, forthwith repay such funds.

The Bank shall not be forced to execute loan guarantee provided in violation of Paragraph 1 of the preceding article except in the following circumstances:

- (I) The loan provider does not know that it has provided loan to the Connected Persons of the Directors, Supervisors and senior management of the Bank;
- (II) The guarantee provided by the Bank has been sold by the loan provider lawfully to a goodwill buyer.

Article 276 The guarantee as referred to in the preceding articles shall include the act of the guarantor to undertake liability or provide property to ensure fulfilment of obligations by the obligor.

Article 277 In addition to any rights and remedial measures provided by the laws and administrative regulations, where Directors, Supervisors or senior management of the Bank breach their obligations to the Bank, the Bank has a right to:

- (I) Require relevant Directors, Supervisors and senior management to compensate the Bank for the losses arising from their neglect of duty;
- (II) Cancel the contracts or transactions concluded between the Bank and relevant Directors, Supervisors and senior management, and between the Bank and a third person (if the third person knows or is supposed to know that the Directors, Supervisors and senior management representing the Bank have breached their obligations to the Bank);
- (III) Require the relevant Directors, Supervisors and senior management to surrender gains arising from breach of obligations;
- (IV) Recover monies, including (but not limited to) commissions, received by the relevant Directors, Supervisors and senior management but receivable by the Bank;
- (V) Require the relevant Directors, Supervisors and senior management to surrender interests earned or likely to be earned from monies payable to the Bank;

Article 278 The Bank shall conclude written contracts with its Directors and Supervisors in relation to their remunerations, subject to prior approval at the shareholders' general meeting. The aforesaid remunerations shall include:

- (I) Remunerations as Directors, Supervisors or senior management of the Bank;

- (II) Remunerations as Directors, Supervisors or senior management of subsidiaries of the Bank;
- (III) Remunerations for providing other services for the Bank and subsidiaries thereof;
- (IV) Compensations for the said Directors or Supervisors for losing their positions or for retirement.

Save as specified in the aforesaid contracts, the Directors and Supervisors shall not file a lawsuit against the Bank for the aforesaid interests.

Article 279 The Bank shall specify in the contracts concluded with its Directors or Supervisors in relation to remunerations that if the Bank is acquired, the Directors or Supervisors shall, with the prior approval at the shareholders' general meeting, have the right to seek compensations or other monies for losing their positions or for retirement. The acquisition in the preceding paragraph refers to any of the following circumstances:

- (I) Tender offer of any person to all the shareholders;
- (II) Tender offer of any person to become a controlling shareholder of the Bank.

If the relevant Director or Supervisor does not comply with this Article, any monies so received by him shall go to those persons who have sold their shares as a result of such offer. The expenses incurred in distributing such monies on a pro rata basis amongst such persons shall be borne by the relevant Director or Supervisor and shall not be paid out of such monies.

CHAPTER 9 PARTY ORGANIZATION AND PARTY BUILDING WORK

Article 280 The Bank shall establish an organization of the CPC in accordance with the Constitution of Communist Party of China, establish a working organ for the party, assign necessary staff for the said organization, include the said staff under unified management of the Bank, and include the working funds of the party organization in the Bank's budget, which shall be stated as the Bank's administrative expenses.

Article 281 Institutional setup of the party committee of the Bank: the Bank shall establish a party committee, which shall perform duties in accordance with the Constitution of Communist Party of China and other rules and regulations within the party. The party committee shall consist of 5 to 9 members (including 1 secretary and 1 deputy secretary) and several other members. Qualified party committee members may enter the Board, Board of Supervisors or senior management of the Bank according to legal procedures, and qualified party members in the Board, Board of Supervisors and senior management may enter the party committee according to relevant regulations and procedures. Party committee members who take seat in the Board, the Board of Supervisors or senior management should strictly implement the decisions of the party committee.

Meanwhile, the Bank has established the Inspection and Supervision Team of the Bank of Jiujiang of the Jiujiang Municipal Supervisory Committee of the CPC, directly under the leadership of the Jiujiang Municipal Supervisory Committee.

Article 282 The party committee of the Bank shall perform duties in accordance with party regulations such as the Party Constitution and based on the principle of democratic centralism, discuss and determine matters of significance of the Bank, and act as the political nucleus. Major operating and management matters shall be studied and discussed by the party committee and then determined by the Board or management. The main responsibilities of the party committee of the Bank are as follows:

- (I) safeguard the implementation of the guidelines and policies of the CPC and the state in the Bank, implement the major strategic decisions of the CPC Central Committee and the State Council and carry out important work related to party organizations at higher levels;
- (II) adhere to the principle of the Party exercising leadership over officials, the selection of operating managers by the Board, and the exercise of power as regards the right of officials' appointment by the operating managers in accordance with laws. The party committee shall deliberate and give opinions on the candidates nominated by the Board or President , or recommend candidates to the Board or President; together with the Board, observe the proposed candidates and discuss jointly to provide opinions and suggestions thereon;
- (III) study and discuss stable reform and development as well as material operating and management issues or major issues related to the interests of our staff, support the Board, Board of Supervisors and senior management of the Bank in exercising their functions and powers in accordance with the law and support the employee representative meeting in carrying out works;
- (IV) undertake the entity responsibility for strengthening the CPC discipline, strengthen the party building, lead the Bank's ideological and political work, united front work, spiritual civilization building, work of mass organizations including labor union and the Communist Youth League; lead the construction of a clear and honest party and support the discipline inspection commission in earnestly performing its supervision responsibilities. To promote party building in respect of politics, ideology, organization, working style and discipline and run through it into system construction, fight against corruption and continuously improve the quality of party building. To lead and support the discipline inspection commission in fulfilling its responsibility of supervision in practice and promote the comprehensively strict Party self-governance into the grassroots level.

Article 283 The party committee of the Bank shall provide opinions & suggestions on major operational management issues of the Bank, e.g. development, reform and stability, and major issues concerning immediate interests of the employees. Meanwhile, in the principle of party administrating cadres and talents, the party committee of the Bank shall deliberate and propose opinions & suggestions on the senior management nominated by the Board or president of the Bank.

Article 284 Operating mechanism of the party committee of the Bank:

- (I) the secretary of the party committee shall preside over all works of the party committee, be responsible for convening and presiding over party committee meetings, organize party committee activities, and signing and issuing party committee documents;
- (II) the deputy secretary of the party committee shall assist the secretary of the party committee in his work and perform relevant duties as assigned by the secretary of the party committee;
- (III) when the secretary of the party committee is vacant, the party organization at a higher level could designate the deputy secretary of the party committee or other party committee members to preside over the daily work of the party committee; the party committee members shall be responsible for relevant work and exercise related powers in accordance with the party committee's decision and authorization;
- (IV) the main content of the party committee meeting is to consider the matters that need to be collectively decided or passed in the exercise of powers of the party committee. The party meetings shall be presided over by the secretary of the party committee and attended by the party committee members. The attendees shall be determined by the presider based on the needs of the resolutions.

Article 285 The basic guarantee of the party organization: the establishment of work organization of the party organization and the CPC, incorporation of staffing into the Bank's management body and staffing, implementation of same-level and same treatment policies, arranging party building funds which shall be calculated on a basis of a certain percentage (1% in general) of the total wages of the employees in the previous year and included in the budget of the Bank and the administrative expenses before tax of the Bank and charged from the administrative expenses of the Bank.

CHAPTER 10 FINANCIAL ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

Section 1 Financial Accounting System

Article 286 The Bank shall establish its financial accounting systems in accordance with the laws, administrative regulations and PRC accounting standards formulated by relevant state departments.

Article 287 The Bank takes the Gregorian calendar year as the fiscal year, i.e. from 1 January to 31 December.

The Bank prepares annual financial reports within 4 months from the end of each fiscal year, and submits them to relevant regulatory authorities upon auditing according to laws.

The aforesaid financial accounting reports and annual reports are prepared in accordance with the relevant laws, administrative regulations, rules and regulations of the securities regulatory authorities at the place where the Bank's shares are listed.

Article 288 The Bank shall announce two financial reports each fiscal year, i.e. interim financial report announced within 60 days after the end of the first six months of the fiscal year and the annual financial report announced within 120 days after the end of the fiscal year.

If the securities regulatory authorities at the place where the Bank's shares are listed have special provisions, such provision shall apply.

Article 289 The Board shall make available at each annual general meeting the financial accounting reports prepared by the Bank in accordance with the relevant laws, administrative regulations, departmental rules, regulatory documents and the Listing Rules.

Article 290 The financial reports of the Bank shall be kept in the Bank and accessible to the shareholders at least 20 days before convening of the annual general meeting. Every shareholder of the Bank shall have the right to access the aforesaid financial reports.

Except as otherwise provided in the Articles of Association, the Bank shall, at least 21 days before convening of the annual general meeting, send the aforesaid reports or directors' report, balance sheet and income statement or statement of income and expenditure to each holders of overseas listed foreign shares by postage-paid mail at the addresses registered in the register of shareholders. If the laws, regulations or securities regulatory authorities at the place where the Bank's shares are listed have special provisions, such provisions shall apply.

Article 291 The financial statements of the Bank shall be prepared in accordance with the PRC accounting standards and regulations as well as the international accounting standards or the accounting standards of the overseas listing place. If there are any material differences between the financial statements prepared in accordance with the two accounting standards, such differences shall be stated in the notes to the financial statements. The Bank shall distribute the after-tax profit of the relevant fiscal year as per the less of the after-tax profits in the aforesaid two financial statements.

Article 292 The interim results or financial data announced or disclosed by the Bank shall be prepared in accordance with the PRC accounting standards and regulations as well as the international accounting standards or the accounting standards of the overseas listing place.

Article 293 The annual financial report and semi-annual financial report for distribution of interim profits of the Bank shall include the following:

- (I) balance sheet;
- (II) income statement;

(III) statement of profit distribution;

(IV) statement of changes in financial position (or cash flow statement);

(V) notes to financial statements.

If the Bank does not make interim profit distribution, the semi-annual financial report shall include the aforesaid financial statements and notes, excluding item (III), of the preceding paragraph.

If regulatory authorities in China and the laws, regulations or securities regulatory authorities at the place where the Bank's shares are listed have special provisions, such provisions shall apply.

Article 294 The Bank shall not establish account books other than the statutory account books. No assets of the Bank may be kept in any account opened in the name of any individual.

Article 295 The capital reserve of the Bank shall include:

(I) the premium resulting from issuance of shares at a price above par value;

(II) other revenues required by the financial authority under the State Council to be stated as capital reserve.

Article 296 The Bank shall withdraw 10% of the annual profits as the statutory surplus reserve of the Bank. Such withdrawal may be stopped when the statutory surplus reserve of the Bank has accumulated to at least 50% of the registered capital of the Bank.

If the statutory surplus reserve is insufficient to make up for the losses of the preceding year, the profits of the current year shall first be used to make up for the said losses before any statutory surplus reserve is withdrawn as per the preceding paragraph.

After statutory surplus reserve is withdrawn out of the after-tax profits, discretionary reserve may also be withdrawn out of the same as per a resolution made at a shareholders' general meeting.

The after-tax profits remaining after makeup of losses and withdrawal of capital reserves shall be distributed to the shareholders in proportion to their shareholding unless otherwise specified in the Articles of Association.

If the shareholders' general meeting, in violation of the provision in the preceding paragraph, distributes profits to shareholders before recovering losses and withdrawing statutory surplus reserve, or distributes profits to shareholders in violation of others laws, administrative regulations, rules and regulatory requirements, the shareholders shall return the profits thus distributed to them to the Bank.

The shares of the Bank held by the Bank shall not be subject to profit distribution.

Article 297 The reserve fund of the Bank shall be used for making up the losses, expanding the scale of operation or increasing capital of the Bank. However, the capital reserve shall not be used to recover the losses of the Bank.

When statutory surplus reserve is converted into registered capital, the amount of the said reserve left shall not be less than 25% of the registered capital of the Bank before such conversion.

Article 298 Monies paid for any shares before dunning shall have interests, but the shareholders are not entitled to dividends announced later for the said monies.

Article 299 The Bank shall appoint receiving agents for holders of overseas listed foreign shares. The receiving agents shall, on behalf of the related shareholders, collect dividends and other payables distributed by the Bank for the overseas listed foreign shares, and keep the said monies for payment to the said shareholders.

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

The receiving agents appointed by the Bank for holders of foreign shares listed on SEHK shall be trust companies registered pursuant to *Trustee Ordinance* of Hong Kong.

Article 300 Provided that the relevant PRC laws, regulations, rules and rules governing securities of the place where the shares of the Bank are listed are observed, the Bank may exercise the right to seize dividends not collected, but the said right shall only be exercised after expiry of the applicable validity period after announcement of the dividends.

The Bank's power to cease sending dividend coupons to holders of overseas listed foreign shares by post will not be exercised until such dividend coupons had been so left uncashed on two consecutive occasions. The Bank may also, however, exercise such power where such dividend coupons are sent back due to the initial failure of service to the address.

The Bank is entitled to sell the shares held by holders of overseas listed foreign shares who are untraceable in a manner the Board deems fit, where:

- (I) dividends have been distributed for the said shares for at least three times in 12 years, but are not claimed in the said period;
- (II) upon expiry of the 12-year period, the Bank publishes an announcement on one (1) newspaper or more newspapers at the place where the Bank's shares are listed, stating its intention to dispose of the shares, and notifies the stock exchange where such shares were listed. After the profit distribution plan is adopted at the shareholders' general meeting, the Board shall finish distributing dividends (or shares) within 2 months after conclusion of the shareholders' general meeting.

Article 301 The dividend distribution policy of the Bank shall focus on generating reasonable returns on investment made by investors. Continuity and stability shall be maintained with the profit distribution policy, which is conducive to the long-term development of the Bank. The Bank shall distribute dividends in the profit-making year. The Bank's profit distribution shall neither exceed the range of the accumulated distributable profits nor harm the sustainable operation capability of the Bank. The Board, the Board of Supervisors and the shareholders' general meeting of the Bank shall fully consider the opinions of independent Directors and public investors in the decision-making and demonstration process of the profit distribution policy.

- (I) the Bank distributes dividends in cash or stock, or cash-and-stock, but mainly in cash;
- (II) if the net cash flow from operating activities in the current year is negative, the Bank may pay no cash dividends;
- (III) generally, dividends are paid annually, and the Board of the Bank may also propose interim dividend distribution based on the company's demand for fund;
- (IV) if the Bank needs to adjust its profit distribution policy according to its production & operation conditions, investment plans and long-term development needs, it shall seek consent of more than two thirds of all independent Directors and submit such adjustment to the shareholders' general meeting for deliberation after consideration by the Board and the Board of Supervisors of the Bank;
- (V) the Bank shall formulate or adjust the plan of dividend returns to shareholders within the scope of the aforesaid profit distribution policy based on its own actual conditions;
- (VI) the profit distribution plan of the Bank shall be submitted to the shareholders' general meeting for deliberation and approval after deliberation by the Board and the Board of Supervisors; the Bank shall listen to the opinions of public investors when deliberating on the proposals for profit distribution policies and profit distribution plans at the shareholders' general meeting.

Section 2 Internal Audit

Article 302 The Bank shall practice an internal audit system featuring independent & vertical management and assign full-time auditors to conduct internal audit and supervision on its financial revenues/expenditures and business activities, and remain concerned about the soundness and effectiveness of its accounting and financial management systems.

Article 303 The internal audit system of the Bank and auditors' duties shall be subject to the approval of the Board. The person-in-charge of audit shall be accountable to the Board and report his work to the same, and shall be subject to the supervision by the Board of Supervisors at the same time. The person-in-charge of audit shall be appointed or dismissed by the Board.

Section 3 Appointment of Accounting Firm

Article 304 The Bank shall appoint a qualified independent accounting firm to audit the annual financial reports and other financial reports of the Bank.

The term of engagement of an accounting firm appointed by the Bank shall start from the closing of this annual general meeting and end at the closing of the next annual general meeting.

If there is a vacancy in the position of accounting firm, the Board may appoint an accounting firm to fill such vacancy before the convening of the shareholders' general meeting. During the said vacancy, if the Bank has any incumbent accounting firm, the said accounting firm may still fulfil its duties.

Article 305 The accounting firm appointed by the Bank shall have the following rights:

- (I) To access the financial statements, records and vouchers of the Bank, and to ask any Director or senior management to provide relevant documents and explanations;
- (II) To ask the Bank to take every action possible to obtain documents and explanations from its subsidiaries needed for the accounting firm to perform its duties;
- (III) To be present at shareholders' general meetings, get notice of shareholders' general meeting or other information relating to shareholders' general meetings, and deliver speeches at shareholders' general meeting in relation to the matters concerning it acting as accounting firm of the Bank.

Article 306 Regardless of the terms in the contract concluded between the accounting firm and the Bank, the shareholders' general meeting may, through an ordinary resolution, dismiss the said accounting firm before expiry of the term thereof. In the event of any rights claimed by the accounting firm for dismissal against the Bank, the said rights shall not be affected.

Article 307 The remuneration of the accounting firm or the manner in which such firm is to be remunerated shall be determined by the shareholders' general meeting. The remuneration of the accounting firm appointed by the Board shall be determined by the Board.

Article 308 The appointment, removal or non-reappointment of an accounting firm by the Bank shall be decided by the shareholders' general meeting and filed with the State Council's securities regulatory authority.

The shareholders' general meeting shall comply with the following provisions in passing a resolution to appoint a non-incumbent accounting firm to fill any vacancy, or to continue to appoint an accounting firm appointed by the Board to fill the vacancy, or to dismiss an incumbent accounting firm:

- (I) The proposal for appointment or dismissal shall, before the notice of a shareholders' general meeting is sent, be served to the accounting firm to be appointed or whose service is to be terminated or who has terminated its service in the relevant fiscal year.

Termination of service shall include dismissal, resignation or retirement.

- (II) If the accounting firms about to terminate service make a written statement and request the Bank to notify the shareholders of the said statement, the Bank shall take the following actions unless the statement is received too late:

1. Describe in the notice issued for the resolution that the accounting firms about to terminate service have made a statement; and
2. Send to the shareholders a copy of the statement as an attachment to the notice in the form specified in the Articles of Association.

- (III) If the Bank fails to send out the statement of the accounting firms as specified in (II) above, the relevant accounting firms may require that the said statement be read at the shareholders' general meeting and may lodge a complaint.

- (IV) Accounting firms about to terminate service have the right to attend the following meetings:

1. The shareholders' general meeting at which its term of appointment expires;
2. The shareholders' general meeting for filling vacancy because of their termination of service;
3. The shareholders' general meeting held because of their resignation.

Article 309 The accounting firm about to terminate service shall have the right to receive all notices of the aforesaid meetings or other information relating to the meetings, and to deliver speeches at the aforesaid meetings in relations to the matters concerning it acting as the former accounting firm of the Bank.

Article 310 The Bank shall undertake to provide the accounting firm with true and complete accounting vouchers, accounting books, financial reports and other accounting information, and shall not reject, conceal or misstate any information.

Article 311 Where the Bank dismisses or does not continue engaging an accounting firm, a prior notice shall be given to the accounting firm 15 days in advance, and the accounting firm shall have the right to state its opinions when the shareholders' general meeting is voting on dismissal or non-appointment thereof.

Article 312 Where the accounting firm tenders its resignation, it shall state to the shareholders' general meeting whether the Bank has improper matters.

The accounting firm may resign by placing a written notice of resignation at the legal address of the Bank. The said notice shall take effect as on the date of placement of the resignation notice at the legal address of the Bank, or on a later date specified in the notice. Such notice shall contain the following statements:

- (I) A statement that its resignation does not involve any information to be disclosed to the shareholders or creditors of the Bank; or
- (II) A statement that any information is to be disclosed.

The Bank shall send a copy of the written notice mentioned above to relevant regulatory authorities within 14 days after receipt of the said notice. If the notice contains the statement mentioned in (II) above, the Bank shall keep a copy of the said statement in the Bank for reference by the shareholders. Except as otherwise provided in the Articles of Association, the Bank shall also send the aforesaid copy by pre-paid mail to every holders of overseas listed foreign shares at the address registered in the register of shareholders; or by announcement on the website of the Bank or the stock exchange of the place where the securities of the Bank are listed in accordance with the laws, administrative regulations, rules, rules governing securities of the place where the shares of the Bank are listed and the Articles of Association.

Article 313 If the notice of resignation of the accounting firm contains a statement that any information is to be disclosed, the accounting firm may require the Board to convene an extraordinary shareholders' general meeting to listen to its explanation about the resignation.

CHAPTER 11 NOTICE

Article 314 The notice of the Bank may be served as follows:

- (I) by personal delivery;
- (II) by mail (including email), telex or fax;
- (III) By announcement on the newspaper or other media;

- (IV) By announcement on the website designated by the Bank and stock exchanges in accordance with the laws, regulations and rules governing securities of the place where the shares of the Bank are listed;
- (V) by other means agreed before between the Bank and the recipient or approved by the recipient upon receipt of notice; and
- (VI) by other means approved by the securities regulatory authorities at the place where the Bank's shares are listed or specified in the Articles of Association.

Notwithstanding the requirements otherwise provided in the Articles of Association with respect to the form of issuance or notification of any documents, notices and any other communications, and subject to the relevant provisions of securities regulatory authorities at the place where the Bank's shares are listed, the Bank may elect to issue its corporate communications in the form as provided in item (IV) of Paragraph 1 of this Article in lieu of delivering its corporate communications in written form to all of the holders of its overseas listed foreign shares by hand or prepaid post. The abovementioned corporate communications shall refer to any documents issued or to be issued by the Bank for the information or action of the shareholders, including but not limited to annual report (together with annual financial reports), interim report (together with interim financial reports), directors' report (together with balance sheet and income statement), notice of shareholders' general meeting, circular and other corporate communications.

Article 315 Where a notice of the Bank is served by announcement, the said notice shall be deemed as received by the relevant persons once the said notice is announced.

Article 316 Notice of shareholders' general meeting of the Bank shall be served by notice or announcement.

The notice of meetings of the Board and the Board of Supervisors shall be served by personal delivery, mail (including email) and fax.

Article 317 If the notice of the Bank is sent by personal delivery, the recipient shall affix signature (or seal) to the Return on Service and the signing date shall be the date of service; if the notice of the Bank is sent by post, the fifth workday after handover to the post office shall be the date of service; if the notice of the Bank is sent by email, the date when the email enters the recipient's computer system shall be the date of service; if the notice of the Bank is sent by announcement, the date of first announcement shall be the date of service; if the notice of the Bank is sent by telegraph, the third workday after the telegraph is sent shall be the date of service; if the notice of the Bank is sent by fax, the date when the fax is sent shall be the date of service.

If the securities regulatory authorities at the place where the Bank's shares are listed have special provisions, such provisions shall apply.

Article 318 The accidental omission to give notice of meeting to, or non-receipt of notice of meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions adopted at the meeting.

Article 319 If the securities regulatory authorities at the place where the Bank's shares are listed stipulate that the Bank shall send, post, distribute, announce or otherwise provide corporate communications of the Bank in English and Chinese, if the Bank has made appropriate arrangement to confirm whether the shareholders hope to receive only the English version or the Chinese version, the Bank may (as per the intent stated by the shareholders) send only the English version or the Chinese version to the related shareholders within the range allowed by the applicable laws and regulations and pursuant to the applicable laws and regulations.

CHAPTER 12 MERGER, DIVISION, INCREASE & DECREASE OF CAPITAL, DISSOLUTION AND LIQUIDATION

Section 1 Merger, Division, and Increase & Decrease of Capital

Article 320 Merger of the Bank may take the form of absorption or establishment of a new company.

One company absorbing another company is merger by absorption, and the company being absorbed shall be dissolved.

Merger of two or more companies through establishment of a new company is a consolidation, and the companies being consolidated shall be dissolved.

Article 321 In respect of the merger or division of the Bank, the Board shall propose a plan and have it adopted following the procedure specified in the Articles of Association, and go through relevant examination and approval formalities pursuant to laws. Any shareholder objecting to the merger or division of the Bank shall have the right to require the Bank or the shareholders approving the merger or division of the Bank to purchase his shares at a fair price. The resolution of merger or division of the Bank shall be made as a special document for inspection by shareholders.

Except as otherwise provided for by the securities regulatory authorities at the place where the Bank's shares are listed, the aforementioned documents shall be served to holders of overseas listed foreign shares by mail or other means permitted by relevant laws, administrative regulations, rules or rules governing securities of the place where the shares of the Bank are listed.

Article 322 If the Bank is involved in a merger, the parties to the merger shall enter into a merger agreement. The parties to the merger shall prepare a balance sheet and an inventory of assets. The Bank shall notify its creditors within 10 days after the adoption of the merger resolution and shall publish announcements in newspapers and on the Bank's website within 30 days. The creditors may require the Bank to repay debts or provide corresponding guarantees within 30 days after receipt of the notice or within 45 days after the announcement if the creditors haven't received the notice.

Article 323 The credits and debts of the Bank after merger shall be inherited by the company subsisting after merger or by the newly established company.

Article 324 Where there is a division of the Bank, its assets shall be divided accordingly.

In the event of a division of the Bank, the parties concerned shall enter into a division agreement and shall prepare a balance sheet and an inventory of assets. The Bank shall notify its creditors within 10 days of the date of the division resolution and shall publish a public announcement in newspapers and the Bank's website at least three times within 30 days of the date of the division resolution.

Article 325 The debts of the Bank prior to the division shall be undertaken by the companies after division, save as otherwise specified in the written agreement on debt repayment reached between the Bank and its creditors before division.

Article 326 Where the Bank needs to decrease the registered capital, it shall prepare a balance sheet and an inventory of assets.

The Bank shall notify its creditors within 10 days after adoption of the resolution to decrease the registered capital and approval by the statutory examination & approval authority, and shall publish a public announcement in newspapers and the Bank's website at least three times within 30 days. The creditors have the right to require the Bank to repay debts or provide corresponding guarantees within 30 days after receipt of the notice or within 45 days after the announcement if the creditors haven't received the notice.

The registered capital of the Bank after decrease of capital shall not be less than the statutory minimum amount.

Article 327 Change in registered particulars arising from a merger or division of the Bank shall be subject to the approval by the examination & approval authority and registered with the company registration authority according to law. If the Bank is dissolved, it shall be deregistered according to law. If a new company is established, such establishment shall be registered according to law.

Increase or decrease of the registered capital of the Bank shall be registered with the company registration authority according to law.

Section 2 Dissolution and Liquidation

Article 328 Where there is, or is likely to be, a credit crisis within the Bank, which may materially impact the legitimate interests of depositors and other customers, the banking regulatory authorities of the State Council may take over or procure the restructuring of the Bank, which shall be carried out in accordance with relevant laws and regulations of the State Council.

Article 329 The Bank dissolves for the following reasons:

- (I) The term of operation specified in the Articles of Association expires or any other circumstance for dissolution specified in the Articles of Association arises;
- (II) The shareholders' general meeting has resolved to dissolve the Bank;
- (III) Merger or division of the Bank entails dissolution;
- (IV) The business license is revoked according to law, or the Bank is ordered to close or is cancelled;
- (V) If the Bank gets into serious trouble in operations and management and continuation may incur material losses of the interests of the shareholders, and no solution can be found through any other channel, the shareholders holding more than 10% of the total voting rights of the Bank may request the people's court to dissolve the Bank;
- (VI) the Bank is legally declared insolvent due to its failure to repay debts as they become due.

Article 330 With regard to the occurrence of the situation described in sub-paragraph (I) of Article 327 in the Articles of Association, the Bank may continue to exist by amending the Articles of Association.

Amendment to the Articles of Association pursuant to the preceding paragraph shall be subject to approval by 2/3 of the voting rights held by the shareholders attending the general meeting.

Article 331 Where the Bank is required to be dissolved due to merger, division or other reasons stipulated by the Articles of Association, it shall apply to the banking regulatory authorities of the State Council with the reasons for dissolution, plans for repayment of principal and interest of deposits and other debt repayment plans, and shall be dissolved upon approval of the banking regulatory authorities of the State Council. A liquidation committee shall be set up according to law within 15 days of the Bank being dissolved pursuant to sub-paragraph (I), (II), (IV) and (V) of the preceding Article 327 of the Articles of Association. In the course of liquidation, which shall be subject to supervision by the banking regulatory authorities of the State Council, debts such as principal and interests of deposits shall be repaid in time in accordance with the repayment plan. The liquidation committee shall comprise members determined by the Directors or the shareholders' general meeting. If the Bank fails to set up the liquidation committee within the period, the creditors may apply to the people's court for appointment of relevant persons to form a liquidation committee and carry out liquidation.

Where the Board proposes to liquidate the Bank for any reason other than the declaration of its own insolvency, the Board shall include a statement in its notice convening a shareholders' general meeting to consider the proposal to the effect that, after making full inquiry into the affairs of the Bank, the Board is of the opinion that the Bank will be able to pay its debts in full within twelve months from the commencement of the liquidation.

After the resolution on liquidation is adopted at the shareholders' general meeting, the functions and powers of the Board shall cease forthwith.

The liquidation committee shall, as per the instructions of the shareholders' general meeting, report to the shareholders' general meeting at least once a year about the revenues and expenses of the liquidation committee, the businesses of the Bank and the progress of liquidation, and shall deliver a final report to the shareholders' general meeting at the end of liquidation.

Article 332 The liquidation committee shall exercise the following powers during the liquidation period:

- (I) to verify the assets of the Bank and prepare a balance sheet and an inventory of assets respectively;
- (II) to notify the creditors or to publish public announcements;
- (III) to deal with any unfinished businesses of the Bank in relation to liquidation;
- (IV) to pay off outstanding taxes as well as taxes arising in the course of liquidation;
- (V) to settle claim and debts;
- (VI) to deal with the surplus assets remaining after the debts of the Bank have been repaid; and
- (VII) to represent the Bank in any civil proceedings.

Article 333 The liquidation committee shall notify all creditors within 10 days after its establishment and publish a public announcement in newspapers and the Bank's website at least three times within 60 days.

The creditors shall declare their rights to the liquidation committee within 30 days after receipt of the notice or within 45 days after announcement if the creditors haven't received the notice.

The creditors shall explain matters relating to their rights and provide relevant evidential documents. The liquidation committee shall register the creditor's rights. In the creditor's rights declaration period, the liquidation committee shall not make repayment to the creditors.

Article 334 After verifying the Bank's assets and preparing a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan for the confirmation by the shareholders' general meeting or relevant competent authorities.

The assets of the Bank shall be liquidated in the following order of priority:

- (I) to pay the cost of liquidation;
- (II) to pay staff wages, social insurance expenditures and statutory compensation;
- (III) to pay off the principal and legitimate interests of personal savings deposit;
- (IV) to pay outstanding taxes;
- (V) pay off the Bank's debts.

The Bank's assets shall not be distributed to Shareholders before settlements are made in accordance with the provisions of the preceding paragraphs; upon the settlements in accordance with the provisions of the preceding paragraphs, the residual assets of the Bank shall be distributed according to the class and the proportion of shares held by the shareholders.

The Bank shall continue to exist during the liquidation period, although it cannot engage in operating activities that are not related to the liquidation.

Article 335 After the liquidation committee has verified the assets of the Bank and prepared a balance sheet and an inventory of assets, if it discovers that the Bank's assets are insufficient to repay its debts in full, it shall immediately apply to the people's court to declare the Bank bankrupt.

After the Bank is declared bankrupt by the people's court, the liquidation committee shall hand over the liquidation matters to the people's court.

Article 336 After completion of liquidation of the Bank, the liquidation committee shall prepare a liquidation report, an income statement and an account book in respect of the liquidation period and, after verification by the Chinese certified public accountants, shall submit the same to the shareholders' general meeting or relevant competent authority for confirmation. The liquidation committee shall, within 30 days after obtaining confirmation from the shareholders' general meeting or the relevant competent authority, submit the aforesaid documentation to the company registration authority, and apply to cancel registration and announce termination of the Bank.

Article 337 Members of the liquidation committee shall perform their duties with due diligence and carry out their liquidating obligations in accordance with the laws.

Members of the liquidation committee shall not exploit their position to accept bribes or other illegal income or misappropriate the property of the Bank.

Where any member of the liquidation committee causes any loss to the Bank or the creditors with will or serious negligence, the said member shall be liable for compensation.

Article 338 Where the Bank declares bankrupt according to law, bankruptcy liquidation shall be conducted pursuant to laws on bankruptcy of enterprises.

CHAPTER 13 AMENDMENT TO THE ARTICLES OF ASSOCIATION

Article 339 The Bank may amend the Articles of Association pursuant to the laws, administrative regulations and the Articles of Association.

The Bank shall amend the Articles of Association in any of the following circumstances:

- (I) After amendments are made to the Company Law, Banking Supervision and Regulatory Law, Commercial Banking Law, Listing Rules or other relevant laws and administrative regulations, the Articles of Association run counter to the said amendments;
- (II) The conditions of the Bank have changed, and such change is not covered in the Articles of Association; and
- (III) the shareholders' general meeting has resolved to amend the Articles of Association.

Article 340 Any amendment approved by the shareholders' general meeting to the Articles of Association shall be submitted to relevant departments for approval where necessary; if the amendment involves registration of the company, the involved change shall be registered pursuant to law.

Article 341 The Board shall amend the Articles of Association as per the resolution passed at the shareholders' general meeting to amend the same and the opinions of relevant competent authorities.

CHAPTER 14 SETTLEMENT OF DISPUTES

Article 342 The Bank shall observe the following rules for settlement of disputes:

- (I) Where any dispute or claim of rights arises between a holder of overseas listed foreign shares and the Bank; or between a holder of overseas listed foreign shares and a Director, Supervisor and senior management of the Bank; or between a holder of overseas listed foreign shares and other shareholders, out of the rights and obligations prescribed in connection with the affairs of the Bank by the Articles of Association, the Company Law and other relevant laws and administrative regulations, the parties concerned shall submit such dispute or claim of rights to arbitration.

Where a dispute or claim of rights referred to in the preceding paragraph is referred to arbitration, the entire claim or dispute must be referred to arbitration and all persons who have a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim shall, where such person is the Bank, the shareholders, Directors, Supervisors or senior management of the Bank, agree with the arbitration.

Disputes in respect of who is the shareholder and those in relation to our register of shareholders need not be resolved by arbitration.

- (II) A claimant may elect for arbitration to be carried out at either the China International Economic or Trade Arbitration Commission in accordance with its arbitration rules or the Hong Kong International Arbitration Centre in accordance with its securities arbitration rules.

Once a claimant refers a dispute or claim to arbitration, the other party must carry out arbitration in the arbitration tunnel elected by the claimant.

If the claimant elects for arbitration to be carried out at the Hong Kong International Arbitration Centre, any party may apply for a hearing to take place in Shenzhen in accordance with the securities arbitration rules of the Hong Kong International Arbitration Centre.

- (III) Settlement of disputes or claims set out in rule (I) of this Article by way of arbitration shall be governed by the PRC laws, save as otherwise specified by laws, administrative regulations, departmental regulations and regulatory documents.
- (IV) The award of an arbitration institution shall be final and conclusive and binding on all parties.

SUPPLEMENTARY PROVISIONS

Article 343 Definitions

- (I) the controlling shareholders shall refer to persons who possess one of the following conditions:
1. when acting alone or acting in concert with other persons, such a person can elect more than half of the company's Directors;
 2. when acting alone or acting in concert with other persons, such a person can exercise more than 30% of the voting rights of voting shares of the Bank or control the exercising of more than 30% of the voting rights of voting shares of the Bank;
 3. when acting alone or acting in concert with other persons, the said person holds more than 30% of the outstanding shares of the Bank;

4. when acting alone or acting in concert with other persons, such a person has de facto control of the Bank through other methods.

The aforesaid “acting in concert” means two or more persons who, by way of agreement, cooperation or related party relationships or other lawful means, enlarge the proportion of the shares in the Bank which are under their control or consolidate their control over the Bank, so that when exercising the voting rights of the Bank, the same expression of opinions (including such situations as joint proposal of motions, joint nomination of Directors and entrustment of the exercise of voting rights which do not state voting intention, but excluding public solicitation of proxy) will be made.

- (II) Substantial shareholders refer to the shareholders who can directly, indirectly, or jointly hold or control more than 5% of the shares or voting rights of the Bank or hold less than 5% of its total amount of capital or shares but have a significant impact upon the operation and management of the Bank.

“Significant impact” referred to in the preceding paragraph includes but not limited to the designation of Directors, Supervisors or senior management of the Bank, affecting the Bank’s financial, operational and management decisions through agreements or other means, and other circumstances identified by the banking regulatory authorities of the State Council.

- (III) De facto controller means a person who, though not a shareholder of the Bank, is able to get the de facto control of the Bank through investment relationships, agreement or other arrangements.
- (IV) Related party relationship means the relation between the controlling shareholder, de facto controller, Directors, Supervisors, members of the senior management of the Bank and the enterprises under their direct or indirect control, and any other relationships that may lead to the transfer of interest of the Bank, provided however that there should be no related party relationship between state-controlled enterprises solely because they are under the common control of the State.
- (V) Ultimate beneficial owner refers to the person who effectively enjoys the return on the Bank’s equity.
- (VI) The specific criteria of “major” referred to in “major investment, major asset disposal plans, and major equity changes” in the Articles of Association shall be determined in accordance with the specific authorization granted by shareholders’ general meeting of the Bank to the Board and that granted by the Board to the president.
- (VII) The banking regulatory authorities of the State Council refer to the China Banking and Insurance Regulatory Commission and its agencies.

Article 344 The Board may formulate rules of articles of association in accordance with the Articles of Association and the rules shall not conflict with the Articles of Association. Upon approval by the banking regulatory authorities of the State Council, the rules of articles of association shall be deemed as an integral part of the Articles of Association.

Article 345 The Articles of Association shall be executed in Chinese. Where the articles of association in any other language or version disagree with the Articles of Association, the Chinese version of Articles of Association latest approved and registered by the administrative authorities for industry and commerce shall prevail.

Article 346 For the purpose of the Articles of Association, references to “more”, “within” and “less” shall include the actual figures, while references to “short of”, “other than”, “below” and “more than” shall exclude the actual figures.

Article 347 The meaning of the “accounting firm” mentioned in the Articles of Association is the same as that of “auditors” as referred to in the Listing Rules.

Article 348 The Board shall be responsible for the interpretation of the Articles of Association.

Article 349 The Articles of Association is subject to and shall become effective from the date of the consideration and approval of the shareholders’ general meeting and the approval of the banking regulatory authorities of the State Council.