

Articles of Association

of

Shengjing Bank Co., Ltd.

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Chapter 1 General Provisions

Article 1 For the purpose of protecting the legitimate rights and interests of Shengjing Bank Co., Ltd. (hereinafter referred to as the “Bank”), its shareholders and creditors, and of standardizing the organization and activities of the Bank, the Articles of Association of the Bank (hereinafter referred to as the “Articles”) are hereby formulated in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Law of the People’s Republic of China on Banking Regulation and Supervision (hereinafter referred to as the “Banking Regulation and Supervision Law”), the Commercial Banking Law of the People’s Republic of China (hereinafter referred to as the “Commercial Banking Law”), the Special Regulations of the State Council concerning the Offering and Listing of Shares Overseas by Joint Stock Limited Companies (hereinafter referred to as the “Special Regulations”), the Mandatory Provisions for Articles of Association of Companies Listing Abroad, the Corporate Governance Guidelines for Banking and Insurance Institutions, the Interim Measures for the Equity Management of Commercial Banks and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Listing Rules”) as well as other relevant laws, administrative regulations and rules.

Article 2 The Bank is a joint stock limited company incorporated in accordance with the Company Law, the Commercial Bank Law and other relevant provisions.

The Bank was established by way of promotion with the Approval of the Establishment of Shenyang Urban Cooperative Bank (Yin Fu [1996] No. 362) granted by the People’s Bank of China, the Approval of the Operation of Shenyang Urban Cooperative Bank (Yin Fu [1997] No. 149) granted by the People’s Bank of China and the Approval for the Establishment of Shenyang Urban Cooperative Bank Co., Ltd. (Shen Ti Gai Fa [1997] No. 71) granted by Shenyang Economic Restructuring Commission, and obtained the financial licence. The Bank was registered with the Shenyang Administration for Market Regulation, the unified social credit code of its business license is 91210100117809938P, with independent legal person qualification.

Article 3 Permanent registered name of the Bank:

Chinese name in full: 盛京銀行股份有限公司, in short: 盛京銀行

English name in full: SHENGJING BANK CO., LTD., in short: SHENGJING BANK

Domicile of the Bank: No. 109 Beizhan Road, Shenhe District, Shenyang City, Postal code: 110013.

The headquarters of the Bank will be permanently registered in Shenyang.

Article 4 The registered capital of the Bank is RMB8,796,680,200.

Article 5 The Bank is a perpetually existing joint stock limited company.

Article 6 The legal representative of the Bank shall be the chairman of its Board of Directors.

Article 7 The total capital of the Bank is divided into shares of equal par value, and the shareholders shall bear liability for the Bank to the extent of the shares held by them, and the Bank shall bear liability for its debts to the extent of its total assets.

Article 8 Upon these Articles becoming effective, it shall be construed as a legally binding document governing the organization and activities of the Bank, and defines the rights and obligations between the Bank and its shareholders, and among the Bank's shareholders themselves. It shall be binding on the Bank, its shareholders, directors, supervisors, and senior management officers.

Pursuant to these Articles, the shareholders may institute lawsuits against other shareholders of the Bank, the shareholders may institute lawsuits against the directors, supervisors, president and other senior management officers of the Bank, the shareholders may institute lawsuits against the Bank, the Bank may institute lawsuits against the shareholders, directors, supervisors, president and other senior management officers of the Bank.

The lawsuits referred to in the preceding paragraph shall include lawsuits instituted in a court or the application to arbitration institutions for arbitration.

The senior management officers referred to in these Articles shall mean the vice president, Secretary to the Board of Directors of the Bank, Chief Risk Officer, Chief Approval Officer, Chief Audit Officer, Chief Information Officer, Chief Financial Officer and management personnel as designated by the Bank in accordance with the prevailing situation.

Article 9 The Bank conducts independent operations, manages its own risks, assumes sole responsibility for its own profit or loss and being self-constrained, and operates various kinds of commercial banking activities in accordance with the laws under the supervision of the relevant government departments.

Article 10 In view of the need for business development and subject to approval of the banking regulatory authority of the State Council, the Bank may set up, change or cancel, according to laws, regulations, rules and these Articles, such entities, including but not limited to branches (branch companies), bank subsidiaries (subsidiary companies) and representative offices in China and relevant countries or regions.

The “bank subsidiaries (subsidiary companies)” referred to in these Articles shall mean the invested legal person corporations that have been incorporated into the consolidated financial statements and have met one of the following conditions unless there is evidence indicating that the Bank is unable to control the invested legal person corporation:

- (1) The Bank has, directly or through its bank subsidiaries (subsidiary companies), owned more than half of the voting rights of shareholders’ meeting (the general meeting of shareholders) of the invested legal person corporation;
- (2) The Bank has owned half or less than half of the voting rights of shareholders’ meeting (the general meeting of shareholders) of the invested legal person corporation, but has met one of the following conditions:
 - (i) the Bank has owned more than half of the voting rights of the invested legal person corporation through agreement with other investors of the invested legal person corporation;
 - (ii) the Bank has the right to decide the financial and operational policies of the invested legal person corporation based on the articles of association of the invested legal person corporation or other relevant investment agreements;
 - (iii) the Bank has the right to appoint or dismiss the majority of the members of the Board of Directors or similar organ of the invested legal person corporation;
 - (iv) the Bank has owned the majority of the voting rights at the Board of Directors or similar organ of the invested legal person corporation.

The “consolidated financial statements” referred to in these Articles shall mean the financial statements that reflect the overall assets and liabilities, operational income and cash flow of the Bank and all bank subsidiaries (subsidiary companies) of the Bank.

Article 11 The Bank adopts a class one legal person system. Except the bank subsidiaries (subsidiary companies), the branch and subsidiary entities of the Bank shall not have the independent legal person qualification. These entities shall carry out their operations in accordance with the law within the authority granted by the Bank and be uniformly managed by the Bank.

Article 12 The Bank may invest in other limited liability companies, joint stock limited companies and other legal persons and shall assume responsibilities to any such invested corporations with limitation to its capital contribution or shares held.

Article 13 The Bank implements the financial system of unified auditing, unified transfer of capital and management at various levels in relation to the branch organs.

Article 14 The Bank exercises central administration over the major personnel appointment and removal, business policies, basic rules and regulations and external affairs of branch and subsidiary entities.

Article 15 The Bank may establish certain special committees and internal management organs according to the requirements of business operation and management.

Article 16 According to the relevant requirements of the Constitution of the Communist Party of China and the Company Law, the Bank shall establish an organization of the Communist Party of China, carry out party activities, and establish a Party work organization. The Bank shall be equipped with a sufficient number of Party affairs staff and ensure the working capital of the Party organization.

Chapter 2 Purpose and Scope of Business

Article 17 The business objectives of the Bank are: to be trustworthy and fidelity, to operate lawfully, to develop steadily in a market-oriented and customer-focused manner, to provide quality and highly effective financial services to the society, to create maximum value for the shareholders, the Bank and the staff, to actively practice social responsibility as a financial institute, and to promote economic and social development.

The Bank has established a culture of prudential operation, reasonably determined its operating radius, adhered to the market positioning of serving the local economy, small and micro enterprises and urban and rural residents, and vigorously promoted the development of inclusive finance.

Article 18 Upon registration pursuant to the laws, the business scope of the Bank is:

- (1) receiving deposits of the public;
- (2) granting short-term, medium-term and long-term loans;
- (3) handling settlement within and outside of China;

- (4) handling bills discounting;
- (5) issuing financial bonds;
- (6) acting as agents in issuance and honoring and underwriting of government bonds;
- (7) buying and selling government and treasury bonds;
- (8) inter-bank borrowings;
- (9) credit card businesses;
- (10) trading of foreign exchange and acting as an agent in foreign exchange trading;
- (11) providing letters of credit services and guarantees;
- (12) acting as agent in the collection and payment of monies and insurance business;
- (13) providing safe deposit box services; and
- (14) other businesses as approved by the banking regulatory authorities under the State Council.

Subject to the approval of the People's Bank of China, the Bank may be engaged in foreign exchange settlement and selling.

Chapter 3 Shares

Section 1 Issuance of Shares

Article 19 The Bank shall have ordinary shares at all times. All of the shares of the Bank currently issued are ordinary shares.

Article 20 The Bank may issue other classes of shares according to its needs in accordance with the applicable laws and regulations and upon the approval by the shareholders' general meeting of the Bank and submit to the approval authorities as authorized by the State Council for approval.

Article 21 The shares in the Bank shall be issued in a fair and equal manner and each share of the same class shall have the same rights.

The conditions and price of each share of the same class shall be the same in each issue. Any entity or individual shall pay the same price for each share subscribed.

Article 22 All the shares issued by the Bank shall have a par value denominated in Renminbi. The par value of each share shall be RMB1.00.

Article 23 Subject to approval by the banking regulatory authorities under the State Council and the securities regulatory authorities under the State Council or other relevant regulatory authorities, the Bank may issue its shares to domestic and overseas investors.

The overseas investors mentioned in the preceding paragraph refer to investors in overseas countries, Hong Kong Special Administrative Region of the People's Republic of China (hereinafter referred to as the "PRC") (hereinafter referred to as "Hong Kong"), Macau Special Administrative Region and Taiwan Region who subscribe for the shares issued by the Bank; and domestic investors refer to investors in the PRC, excluding the regions mentioned above, who subscribe for the shares issued by the Bank.

Article 24 The shares issued by the Bank to domestic investors for subscription in RMB shall be referred to as domestic shares. The shares issued by the Bank to overseas investors for subscription in foreign currencies shall be referred to as foreign shares. Foreign shares listing overseas shall be referred to as overseas-listed foreign shares. Shareholders of domestic shares and shareholders of overseas-listed foreign shares are both known as shareholders of ordinary shares.

Overseas-listed foreign shares issued by the Bank and listed on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Stock Exchange") shall be referred to as H shares.

The foreign currencies mentioned in the preceding paragraph refer to the legal tenders, other than RMB, of other jurisdictions and are recognized by the PRC foreign exchange administration authorities for payment to the Bank for share capital.

Domestic shares issued by the Bank are retained under centralized depository of the relevant securities depository institutions for safe custody; whereas the H shares of the Bank are mainly retained under the safe custody of entrusted Hong Kong securities clearing companies and such shares may also be held under the personal names of shareholders.

Shareholders of the Bank may trade their unlisted shares in overseas stock exchanges upon approval from the relevant regulatory authorities, such as the banking regulatory authorities and the securities regulatory authority of the State Council. The listing and trading of the aforementioned shares shall comply with the regulatory procedures, regulations and requirements of overseas stock exchanges. No approval by class shareholders' meeting is required for the listing and trading of the aforementioned shares on an overseas stock exchange.

Article 25 With the approval by the People's Bank of China and approval by the departments as authorized by the State Council, the Bank was jointly established in September 1997 by the original 33 urban credit cooperatives (including 130 legal person shareholders and 3,502 natural person shareholders) in Shenyang City with the addition of Shenyang Finance Bureau and 15 corporate legal person shareholders by way of net assets or cash contribution. The registered capital of the Bank for application for registration at the time of its inception was RMB216,275,200.

Article 26 The total number of ordinary shares that the Bank can issue upon approval by the approval departments as authorized by the State Council is 8,796,680,200 shares. The Bank's share capital structure is: 8,796,680,200 ordinary shares, among which 6,455,937,700 are domestic shares, representing 73.39% of the total shares issued by the Bank; and 2,340,742,500 H shares, representing 26.61% of the total shares issued by the Bank.

Article 27 Subject to approval and verification of the Bank's plan to issue overseas-listed foreign shares and domestic shares by the securities supervisory authority of the State Council, the Board of Directors of the Bank may implement arrangements regarding the issuance of the shares respectively.

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

Article 28 In the event that there are overseas-listed foreign shares and domestic shares included in the total number of shares stated in the said plan, such shares shall be fully subscribed for at their respective offerings. If these shares cannot be fully subscribed due to special circumstances, such shares may be issued in separate tranches subject to the approval and verification by the securities regulatory authority of the State Council.

Section 2 Financial Aid for Purchase of Shares of the Bank

Article 29 The Bank or the branch entities and subsidiary companies of the Bank shall not offer any financial aid at any time by any means to purchasers or prospective purchasers of the Bank's shares. Such purchasers of the Bank's shares as mentioned above shall include those who directly or indirectly assume the obligations due to purchase of the shares of the Bank.

The Bank or the branch entities and subsidiary companies of the Bank shall not offer any financial aid at any time by any means in order to reduce or relieve the obligations of the aforesaid purchasers due to their purchase or intention of purchase of the shares of the Bank.

This clause does not apply to the circumstances as defined in Article 31 of these Articles.

Article 30 The “financial aid” referred to in Article 29 shall include but not limited to the following means:

- (1) donation;
- (2) guarantee (including the guarantor’s bearing responsibility or offering property to guarantee the obligator’s performance of obligations), compensation (but excluding the compensation arising from the Bank’s fault), relief or waiver of rights;
- (3) providing loans or entering into a contract in which the Bank performs its obligations prior to other parties; change of the parties to such loans and contract as well as transfer of rights in such loans and contract;
- (4) financial aid provided by the Bank in any other form when the Bank is insolvent or has no net assets or such financial aid will lead to great decrease of net assets.

The obligations referred to in Article 29 and Article 30 of these Articles shall include the obligations of the obligator by signing a contract or making an arrangement (regardless of whether or not the aforesaid contract or arrangement is enforceable, or whether or not such obligations are assumed by the obligator individually or jointly with other persons) or changing its financial position in any other ways.

Article 31 The following acts shall not be deemed as the acts forbidden under Article 29 of these Articles, subject to any prohibitions by the relevant laws, administrative regulations, departmental rules and statutory documents:

- (1) where the Bank provides the relevant financial aid in good faith for the benefit of the Bank and the main purpose of the financial aid is not to purchase shares of the Bank, or the financial aid is an incidental part of an overall plan of the Bank;
- (2) lawful distribution of the Bank’s property in the form of dividends;
- (3) distribution of dividends in the form of shares;
- (4) reduction of registered capital, share repurchase, adjustment of shareholding structure, etc., in accordance with the Articles of the Bank;
- (5) provision of loans by the Bank within its business scope and in normal business (provided that the provision does not lead to a reduction in the net assets of the Bank or that even if it constitutes a reduction, the financial aid is paid out of the Bank’s distributable profits); and

- (6) provision of fund by the Bank for an employee shareholding scheme (provided that the provision does not lead to a reduction in the net assets of the Bank or that even if it constitutes a reduction, the financial aid is paid out of the Bank's distributable profits).

Section 3 Increase and Reduction of Shares and Share Repurchase

Article 32 Pursuant to the needs of operation and business development and in accordance with relevant laws and regulations, the Bank may, subject to resolutions of the general meeting of shareholders and approval of relevant competent authorities, increase its registered capital in the following ways:

- (1) public offering;
- (2) non-public offering;
- (3) allotting new shares to existing shareholders;
- (4) transferring capital reserve to share capital;
- (5) other methods permitted by relevant competent authorities or by laws and administrative regulations.

After being approved according to these Articles, the Bank's increase of capital by issuing new shares shall be conducted in accordance with the procedures provided in the relevant laws and administrative regulations.

Article 33 The Bank may reduce its registered capital. Any reduction of registered capital of the Bank shall be made in compliance with the Company Law, the Commercial Banking Law and other applicable regulations and the procedures specified in these Articles.

A balance sheet and a list of properties shall be prepared for the reduction of the Bank's registered capital.

Where the Bank reduces its registered capital, the Bank shall notify the creditors and make a public announcement in accordance with the provisions of the Company Law, and repay its debts or provide corresponding guarantees as required by the creditors.

The registered capital of the Bank after any reduction shall not be less than the minimum amount statutorily required.

Article 34 The Bank shall not repurchase any shares of the Bank, except in one of the following situations:

- (1) reduction of registered capital;
- (2) merging with other companies that hold shares in the Bank;
- (3) using the shares for the Employee Stock Ownership Plan or Stock Incentive Plan;
- (4) repurchasing is required by shareholders who disagree to the resolution of the shareholders' general meeting on the merger or separation of our Bank;
- (5) using the shares for the conversion into corporate bonds issued by the Bank which are convertible into shares;
- (6) as required for the Bank to safeguard its value and the shareholders' rights and interests.

Article 35 Subject to approval of the relevant regulatory authority of the State, the Bank may repurchase its shares in one of the following ways:

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

Shares cancelled by the Bank as a result of share repurchases shall be filed with the industry and commerce registration administration for change of its registered capital. The total par value of the shares so cancelled shall be deducted from the registered capital of the Bank.

Article 36 Approval shall be obtained at a shareholders' general meeting when the Bank is to repurchase its own shares because of the circumstances set out in (1) and (2) of Article 34 of these Articles.

Where the Bank is to repurchase its own shares because of the circumstances set out in items (3), (5) and (6) of Article 34 of these Articles, approval may be obtained at a Board Meeting at which more than two-thirds of the directors are present in accordance with the provisions of these Articles or according to the authorization granted at the shareholders' general meeting.

After the Bank has repurchased its shares in accordance with Article 34, such shares shall be cancelled within ten (10) days after the date of the repurchase in the case of item (1) of Article 34, or transferred or cancelled within six (6) months in the case of items (2) and (4) of Article 34; whereas, in the case of items (3), (5) and (6), the aggregate shareholding of the Bank shall not exceed 10% of the total number of issued shares of the Bank, and shall be transferred or cancelled within three (3) years.

When acquiring the Bank's shares, the Bank shall perform the information disclosure obligation in accordance with the stipulations of the Securities Law of the People's Republic of China and the Listing Rules. Where the Bank is to repurchase its own shares because of the circumstances set out in items (3), (5) and (6) of Article 34 of these Articles, the Bank shall do so in an open and centralized manner.

The above provisions in relation to share repurchase are only applicable to domestic shares of the Bank, and the repurchase of H shares of the Bank shall be conducted in accordance with the relevant requirements and restrictions under the Listing Rules.

Article 37 Where the Bank is to repurchase its shares via an off-market agreement, prior approval shall be obtained from the shareholders at a general meeting in accordance with the Articles. The Bank may, having first obtained the prior approval of shareholders at a general meeting, rescind or alter contracts concluded in the aforementioned manner or waive any of its rights under such contracts.

For the purposes of the preceding paragraph, contracts for the share repurchase shall include (but not limited to) agreements in connection with the assumption of the obligations and the entitlement of the rights to repurchased shares.

The Bank shall not assign any contract for the repurchase of its shares or any of its rights provided therein.

Article 38 Unless the Bank is undergoing liquidation, it shall comply with the following requirements with respect to a repurchase of its issued shares:

- (1) for repurchases of shares by the Bank at their par value, payment shall be made from the book balance of its distributable profits or from the proceeds of a new issuance of shares for that purpose;
- (2) where the Bank repurchases its shares at a premium to its par value, payment up to the par value shall be made from the book balance of its distributable profits or from the proceeds of a new issuance of shares for that purpose. Payment of the portion which is in excess of the par value shall be made as follows:
 - (i) if the shares being repurchased are issued at par value, payment shall be made from the book balance of its distributable profits;

- (ii) if the shares being repurchased are issued at a premium to its par value, payment shall be made from the book balance of its distributable profits or from the proceeds of a new issuance of shares for that purpose. However, the amount deducted from the proceeds of the new issuance of shares shall not exceed the aggregate amount of the premium received by the Bank from the issuance of the shares so repurchased, nor shall it exceed the amount in the Bank's premium account or capital reserve fund account (including premium on the new issue) at the time of such repurchase.
- (3) The Bank shall make the following payments from the Bank's distributable profits:
- (i) payment for acquisition of the rights to repurchase its own shares;
 - (ii) payment for the variation of any contracts for the repurchase of its shares;
 - (iii) payment for the release from its obligations under any repurchase contracts.
- (4) After the aggregate par value of the cancelled shares is deducted from the Bank's registered capital in accordance with the relevant provisions, the amount deducted from the distributable profits used for the repurchase of the shares at par value shall be credited to the Bank's premium account or its capital reserve fund account.

If there are applicable provision(s) to the contrary regarding the aforementioned share repurchases in the laws, administrative regulations, and relevant regulations of the relevant regulatory authorities, those provision(s) shall prevail.

Section 4 Transfer of Shares

Article 39 Unless otherwise specified by the relevant laws, administrative regulations and the regulations of the securities regulatory authorities in the jurisdiction in which the shares of the Bank are listed, the fully paid shares of the Bank may be transferred legally without any lien attached.

Registration shall be made in the share registrar authorized by the Bank for the transfer of the shares of the Bank.

The Bank shall comply with the relevant regulations of the regulatory authorities such as the banking regulatory authority and other administrative authorities of the State Council in transferring its shares.

Article 40 The Bank shall not accept any pledge with its shares as the objectives.

Article 41 Shares which have been in issue before the Bank's initial public offering shall not be transferred within one year from the date of the Bank's listing and trading on a stock exchange.

Directors, supervisors and senior management officers of the Bank shall inform the Bank about their holdings of the shares in the Bank and any changes in their shareholding. During their terms of office, the shares transferred each year shall not exceed 25% of the total number of shares held by any such aforementioned persons. The shares of the Bank held by any such aforementioned persons shall not be transferred within one year from the date of initial listing on the exchange. Any such aforementioned persons shall not transfer shares of the Bank held by them within six months after they cease to be employed.

If the securities regulatory authorities of the jurisdiction in which the Bank's shares are listed have restrictions on transfers of overseas-listed foreign shares, those provision(s) shall prevail.

Article 42 All fully paid H shares may be freely transferred in accordance with the Articles. However, the Board of Directors may refuse to recognize the documents for transfer without stating any reason unless the conditions stipulated below are met:

- (1) the standard fee prescribed in the Hong Kong Listing Rules has been paid to the Bank, and all transfer documents and other documents which relate to or may affect the title of any shares have been registered;
- (2) the transfers are only in relation to H shares;
- (3) stamp duty (as stipulated by Hong Kong law) which is payable for the transfer documents has been duly paid;
- (4) the relevant share certificate(s) and any other evidence which the Board of Directors may reasonably require to show that the transferor has the right to transfer the shares have been provided; and
- (5) the shares are free and clear of any lien of the Bank.

If the Board of Directors refuses to register any transfer of shares, the Bank shall issue a notice to the transferor and the transferee within 2 months from the date on which the transfer application has been duly submitted, to notify them of the refusal to register such transfer.

Article 43 All transfers of H shares shall adopt written instruments of transfer in writing in an ordinary or usual form or in any other form acceptable to the Board of Directors (including standard transfer form or other form of transfer as prescribed by the Hong Kong Stock Exchange from time to time). The instruments of transfer may be signed by hand or (where the transferor or transferee is a corporation) sealed with the company's seal. Where the transferor or transferee is a recognized clearing house as defined by relevant regulations in accordance with the Law of Hong Kong from time to time (hereinafter referred to as the "recognized clearing house"), or its proxy, the instruments of transfer may be signed by hand or in a machine-imprinted format.

All instruments of transfer shall be kept at the legal address of the Bank or the addresses designated by the Board of Directors from time to time.

Article 44 Any entity or individual which or who purchases the issued shares of the Bank shall be subject to the requirements of the banking regulatory and administrative authority of the State Council. If there is any connected relationship or acting in concert relationship between shareholders, such relationship shall report to the Board of Directors promptly.

Chapter 4 Party Committee

Article 45 According to the Constitution of the Communist Party of China and with the approval of Party organizations of higher level, the Bank has established the Committee of Shengjing Bank of the Communist Party of China (hereinafter referred to as the "Party Committee"). The appointment of the secretary, the deputy secretary and members of the Party Committee is determined in accordance with the approval of Party organizations of higher level.

The organization and structure of the Discipline Inspection Commission of the Bank follows the relevant requirements set by Shenyang Municipal Discipline Inspection Commission and Supervision Commission.

Article 46 Qualified members of the Party Committee of the Bank shall join the Board of Directors, the Board of Supervisors and senior management officers with the legal procedures, and qualified members of the Board of Directors, the Board of Supervisors and senior management officers shall join the Party committee in accordance with the relevant regulations and process. In general, the secretary of the Party Committee and chairman of the Board of Directors of the Bank shall be held by one person, and the president of the Bank who is a Party member shall generally serve as the deputy secretary of the Party Committee.

Article 47 The Party Committee of the Bank plays a leading role in guiding the direction, managing the overall situation, ensuring the implementation, and discussing and deciding on significant events of the Bank in accordance with the regulations. Significant business and management events shall be studied and discussed by the Party Committee before a decision is made by the Board of Directors or senior management officers.

Article 48 Party Committee of the Bank performs the following duties and responsibilities pursuant to the rules of the Party such as the Constitution of the Communist Party of China:

- (1) to ensure the Bank's implementation of policies and guidelines of the Party and the State, implement major strategic decisions of the Central Committee of the Party and the State Council, as well as important work arrangements of higher-level Party organizations;
- (2) to strengthen its leadership and gate keeping role in the management of the process of selection and appointment of personnel, uphold the integration of the principle that the Party manages the officials with the lawful selection of the management by the Board of Directors and the lawful exercise of authority of appointment, promotion and demotion of personnel by the management;
- (3) to research and discuss the reform, development and stability of the Bank, major operational and management issues and major issues concerning employee interests. Support the shareholders' general meeting, the Board of Directors, the Board of Supervisors and the senior management of the Bank in performing their duties in accordance with law and support the Congress of Employees in carrying out its work;
- (4) to assume the main responsibility for the overall strictness in administering the Party relating to the conduct and integrity of the Party, lead the Bank in terms of ideological and political work, spiritual civilization construction, united front work, enterprise cultural construction and the work of labour union, the Communist Youth League and other groups, and lead the construction of the Party conduct and of an honest and clean government and support the discipline inspection and supervision authorities in practical performance of oversight responsibility;

- (5) to strengthen the building of the Bank's grassroots Party organizations and of its contingent of Party members, give full play to the role of Party branches as strongholds and to the role of Party members as pioneers and fine examples, and unite and lead officials and employees bank-wide to devote themselves into the reform and development of the Bank;
- (6) other material matters that fall within the duty of the Party Committee.

Chapter 5 Shareholders and Shareholders' General Meeting

Section 1 Share Certificate and Register of Shareholders

Article 49 Share certificates of the Bank shall be in registered form and shall specify the following major items:

- (1) name of the Bank;
- (2) date of the Bank's establishment;
- (3) the class of the share, the par value of the share and the number of shares represented by each share certificate;
- (4) serial number of the share certificate;
- (5) other matters that must be specified according to the securities regulatory authorities in the jurisdiction in which the shares of the Bank are listed; and
- (6) other matters that must be specified according to the Company Law and other relevant laws and administrative regulations.

The overseas-listed foreign shares of the Bank may be in the form of foreign depository receipts or in other derivative forms of shares in accordance with the laws and the securities registration and depository practices prevailing of the jurisdiction in which the shares of the Bank are listed.

During the period when H shares are listed in Hong Kong, the Bank shall ensure that all its listing documents pertaining to H shares include the statements stipulated below, and shall further instruct and cause its share registrars to refuse to register the subscription, purchase or transfer of any of its shares in the name of any individual holder unless and until the holder delivers to the share registrar a signed form in respect of the shares including the following statements:

- (1) the purchaser of shares agrees with the Bank and each shareholder of the Bank, and the Bank agrees with each shareholder, to observe and comply with the Company Law, the Special Regulations and other requirements of the relevant laws, administrative regulations and the Articles.
- (2) the purchaser of shares agrees with the Bank, each of the other shareholders, directors, supervisors, and senior management officers, and the Bank (acting both for itself and for each director, supervisor and senior management officers) agrees with each shareholder to refer all differences and claims arising from the Articles or any rights or obligations conferred or imposed by the Company Law or other relevant laws and administrative regulations concerning the affairs of the Bank to arbitration in accordance with the Articles, and any referral to an arbitration tribunal shall be deemed to authorize the tribunal to conduct its hearing in an open hearing and to publish its decisions. The decisions of the arbitration tribunal shall be final and conclusive.
- (3) the purchaser of shares agrees with the Bank and each shareholder of the Bank that shares in the Bank are freely transferable by the holder of such share.
- (4) the purchaser of shares authorizes the Bank to enter into a contract on his behalf with each director and senior management officer whereby such director or senior management officer undertakes to observe and comply with his obligations to shareholders stipulated in the Articles.

Article 50 The share certificates of the Bank shall be signed by the chairman of the Board of Directors. Where the securities regulatory authorities in the jurisdiction in which the shares of the Bank are listed require the president or senior management officers of the Bank to sign the share certificates, the share certificates shall be signed by the president or senior management officers. The share certificates shall become effective after a seal of the Bank is affixed or imprinted thereon. The affixation of the Bank's seal on the share certificates shall be subject to the authorization of the Board of Directors. The signatures of the chairman of the Board of Directors, the president or other relevant members of senior management of the Bank on the share certificates can be provided in printed form.

When dematerialized shares of the Bank are issued and traded, the applicable provisions of the securities regulatory authorities in the jurisdiction in which the shares of the Bank are listed shall be followed.

Article 51 Establishment of register of shareholders. Unless there is proof to the contrary, the register of shareholders shall be the conclusive evidence of the holding of the shares of the Bank by a shareholder.

The register of shareholders shall register the following particulars or conduct the registration of shareholders pursuant to the provisions of the laws, administrative regulations and the Listing Rules:

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

Pursuant to an understanding and agreement reached between the State Council's securities regulatory authority and overseas securities regulatory authority, the Bank may keep its registers of shareholders of overseas-listed foreign shares outside the PRC and appoint an overseas agent to manage these registers. The original of the register of shareholders of H shares shall be kept in Hong Kong.

The Bank shall keep at its domicile duplicates of the registers of shareholders of overseas-listed foreign shares. The appointed overseas agent shall ensure that the originals and the duplicates of these registers are consistent at all times.

In the event that there is any inconsistency between the originals and the duplicate of the registers of shareholders of overseas-listed foreign shares, the originals shall prevail.

Article 52 The Bank shall keep a complete register of shareholders. The register of shareholders shall comprise the following particulars:

- (1) the register kept at the Bank's domicile, apart from those mentioned under items (2) and (3) of this Article;

- (2) the registers of shareholders of the overseas-listed foreign shares kept at the location(s) of the stock exchange(s) on which the shares are listed; and
- (3) any other register of shareholders kept at such other places as the Board of Directors deems necessary for the purpose of listing the shares of the Bank.

Article 53 Sections in the register of shareholders shall not overlap with each another. The transfer of shares registered in a certain section of the register of shareholders shall not be registered in any other section of the register during the continuance of the registration of such shares.

Any changes or corrections of any section of the register of shareholders shall be effected in accordance with the laws of the jurisdiction in which that part of the register of shareholders is kept.

Article 54 No changes shall be made to the register of shareholders as a result of a transfer of shares either within twenty days prior to the date of a shareholders' general meeting, or within five days before the reference date set by the Bank for the purpose of distribution of dividends.

Article 55 When the Bank convenes a shareholders' general meeting, distributes dividends, undergoes liquidation or engages in any other act that is subject to the confirmation of shareholders' identities, the Board of Directors or the convener of the shareholders' general meeting shall stipulate a date for shareholding registration. After trading hours have ended on the shareholding registration date, the shareholders who are recorded in the register of shareholders shall be the shareholders who are entitled to the relevant rights and interests.

Article 56 Anyone objecting to the register of shareholders and requesting to register his/her name (description) in the register of shareholders or to remove his/her name (description) from the register of shareholders shall have the right to apply to the court having the appropriate jurisdiction in order to rectify the register.

Article 57 Any person who is a registered shareholder or who requests his/her name be entered in the register of shareholders may, if his/her share certificate (i.e. the "Original Share Certificate") is lost, apply to the Bank for a replacement certificate in respect of such shares (i.e. the "Relevant Shares").

Shareholders holding domestic shares who apply for the replacement of share certificates shall comply with the relevant provisions of the Company Law.

Shareholders holding overseas-listed foreign shares who apply for the replacement share certificates shall comply with the laws, the rules of the stock exchange and other relevant regulations of the jurisdiction in which the original registers of shareholders holding overseas-listed foreign shares are kept.

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

- (1) Applicants shall submit an application via a standard form designated by the Bank alongside a notarial certificate or statutory declaration. The notarial certificate or statutory declaration shall include the reason why the applicant is making the application, the circumstances in which the share certificate(s) was/were lost with supporting evidence, and a declaration that no other persons can request to be registered as a shareholder in respect of the Relevant Shares.
- (2) The Bank has received no declarations from anyone other than the applicant requesting registration as a shareholder over such shares before the Bank decides to issue replacement share certificates.
- (3) If the Bank decides to issue the replacement share certificates to the applicant, an announcement of its intention to issue the certificates shall be published in a newspaper designated by the Board of Directors. The period for this announcement shall be 90 days and the announcement shall be published at least once every 30 days during this period.
- (4) Prior to the publication of the aforesaid announcement, the Bank shall submit a copy of the proposed announcement to the stock exchange on which its shares are listed, and shall publish the announcement after obtaining the stock exchange's confirmation that the announcement has been displayed at the stock exchange. The announcement shall be displayed at the stock exchange for 90 days.

If the shareholders of the Relevant Shares registered on the register of shareholders do not consent to the issuance of replacement share certificates, the Bank shall send a copy of the proposed announcement to such shareholders by post.

- (5) Upon the expiry of the 90-day publication period for the announcement as stipulated in (3) and (4) of this Article, if no objections are received by the Bank regarding the issue of replacement share certificates, replacement share certificates shall be issued in accordance with the submitted application.

- (6) Once replacement share certificates are issued pursuant to this Article, the Bank shall immediately cancel the Original Share Certificates, and this cancellation and replacement shall be recorded in the register of shareholders.
- (7) All expenses incurred by the Bank in connection with the cancellation of the Original Share Certificates and the issuance of replacement share certificates shall be borne by the applicant. The Bank is entitled to refuse to take any action unless the applicant provides a reasonable guarantee that it can pay the expenses.

Article 58 After the Bank issues replacement share certificates in accordance with these Articles, the names (description) of the bona fide purchasers who obtain the replacement share certificates or the shareholders who subsequently register as the owner of such shares (provided that they are bona fide purchasers) shall not be removed from the register of shareholders.

Article 59 The Bank shall not assume any compensatory obligations towards persons who may suffer loss from the Bank's cancellation of the lost Original Share Certificates or the issuance of replacement share certificates, unless such persons can prove fraud on the part of the Bank.

Section 2 Shareholders and Shareholders' Rights

Article 60 A shareholder of the Bank is a person who lawfully holds shares of the Bank and whose name (description) is entered in the register of shareholders.

Shareholders of the Bank shall comply with the requirements of the relevant regulatory authorities such as the banking regulatory and other administrative authorities of the State Council.

A shareholder shall enjoy rights and assume obligations according to the class and amount of shares held. Shareholders who hold shares of the same class will have the same rights and obligations.

Where two or more persons are registered as the joint holders of any shares, they shall be deemed as the joint owners of such shares, provided that they are subject to the following constraints:

- (1) the Bank shall not register more than 4 persons as the joint holders of any share(s);
- (2) all the joint holders of any share(s) shall be jointly and severally liable for payment of all amounts due from such share(s);

- (3) if one of the joint shareholders is deceased, only the surviving persons among the joint shareholders shall be regarded as the owners of relevant shares of the Bank, provided that the Board of Directors shall have the right to require the surviving persons to provide a certificate of death (in a manner deemed appropriate by the Board of Directors) for the purpose of changing the register of shareholders; and
- (4) as far as all joint shareholders are concerned, only the joint shareholder whose name appears first in the register of shareholders has the right to receive the share certificate of the relevant shares from the Bank or to receive notices of the Bank; and any notice served on such a shareholder shall be treated as having been served on all the other joint shareholders of those shares. Any joint shareholder may sign the proxy form. The vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint shareholder(s) and, for this purpose, seniority will be determined by the order in which the names stand in the register of members in respect of the joint shareholding.

With regard to the joint shareholders of any shares, if the Bank pays distribution or allotment such as dividend, bonus or return on capital that should be paid to the joint shareholders to any one shareholder among the joint shareholders, the payment shall be regarded to have paid the aforesaid distribution or allotment to all the joint shareholders of relevant shares.

Article 61 Holders of the ordinary shares of the Bank shall enjoy the following rights:

- (1) to receive dividends and other kinds of distributions as determined by the number of shares held by them;
- (2) to personally attend or appoint a proxy to attend shareholders' general meetings, and to exercise voting rights based on the number of shares held by them;
- (3) to supervise the business operation of the Bank, and to make suggestions and enquiries accordingly;
- (4) to transfer, bestow or pledge shares held by them in accordance with the laws, administrative regulations, the regulations of the relevant regulatory authorities and the Articles;
- (5) to obtain relevant information in accordance with the laws, administrative regulations, departmental rules, regulatory documents, the relevant provisions stipulated by the securities regulatory authorities in the jurisdiction in which the shares of the Bank are listed and the Articles, including:

- (i) to obtain a copy of the Articles after paying the costs and expenses incurred;
- (ii) have the right to inspect, free of charge, and to photocopy, after paying a reasonable fee, the following documents:
 - 1. all parts of the register of shareholders;
 - 2. the personal information of the directors, supervisors and other senior management officers of the Bank;
 - 3. status of the Bank's share capital;
 - 4. reports on the aggregate par value, number of shares, and highest and lowest prices of each class of shares in relation to any repurchase by the Bank of its own shares since the last financial year, as well as all the expenses paid by the Bank in relation to such repurchases;
 - 5. a copy of the latest annual return already submitted to the State Administration for Market Regulation or other competent bodies;
 - 6. minutes of the shareholders' general meetings; and
 - 7. the latest audited financial statements, directors' reports, auditors' report and report of the Bank's Board of Supervisors;

Other than item 2, the documents referred to above shall be maintained at the Hong Kong address of the Bank in accordance with Hong Kong Listing Rules and available for inspection free of charge by both the public shareholders and H shareholders, whereas item 6 will only be available for inspection by the shareholders.

If any shareholder makes a request to obtain a copy of the relevant minutes from the Bank, the Bank shall send a copy of the requested minutes within seven days upon the receipt of a reasonable fee.

The Bank may refuse to provide any of the aforementioned documents if the documents to be inspected or photocopied contain price sensitive information and the Bank's trade secrets.

- (6) to participate in the distribution of the remaining assets of the Bank based on the number of shares held in the event of the Bank's dissolution or liquidation;

- (7) to demand the Bank to acquire their shares (for shareholders who disagree with the resolutions adopted at a shareholders' general meeting in relation to the merger or division of the Bank); and
- (8) to have other rights conferred in accordance with the laws, administrative regulations, the regulations of the relevant regulatory authorities and these Articles of Association.

Article 62 Where a shareholder requests to inspect or obtain the relevant information as set forth in the preceding Article, such shareholder shall provide the Bank with written documents evidencing the class and number of shares held by such shareholder in the Bank and the Bank shall provide the above information at the request of such shareholder upon verification of the shareholder's identity.

Article 63 If a resolution of a shareholders' general meeting or a board resolution violates the laws and administrative regulations, a shareholder shall have the right to request a people's court to determine the resolution as invalid.

If the procedure for convening a shareholders' general meeting or Board of Directors' meeting, or the method of voting at either type of meeting, violates the laws, administrative regulations or the Articles, or the contents of a resolution violates the Articles, shareholders shall have the right to request a people's court to rescind the resolution within sixty days from the date on which the resolution is adopted.

Article 64 If any director or member of senior management has violated the laws, administrative regulations or provisions of the Articles in performing his duties in the Bank and therefore has caused loss to the Bank, shareholders who have individually or jointly held more than 1% or more of the shares in the Bank for one hundred and eighty consecutive days may make a written request to the Board of Supervisors to initiate legal proceedings at the people's court. If the Board of Supervisors has violated laws, administrative regulations or provisions of the Articles in performing its duties and therefore has caused loss to the Bank, shareholders may make a written request to the Board of Directors to initiate legal proceedings at a people's court.

If the Board of Supervisors or the Board of Directors rejects or fails to initiate legal proceedings within thirty days after receiving the request, or the situation is so urgent that the Bank's interests will suffer irremediable harm if legal proceedings are not initiated immediately, the shareholders specified in the preceding paragraph shall have the right to directly initiate legal proceedings at a people's court in their own names for the benefit of the Bank.

If any other person infringes the Bank's interest and therefore has caused loss to the Bank, the shareholders specified in the first paragraph of this Article may initiate legal proceedings at a people's court pursuant to procedures stated in the two preceding paragraphs.

Article 65 If any director or senior management officer has violated the laws, administrative regulations or provisions of the Articles and has therefore impaired the interests of the shareholders, the shareholders may initiate legal proceedings at a people's court.

Article 66 Holders of the ordinary shares of the Bank shall have the following obligations:

- (1) to abide by the laws, administrative regulations, regulatory requirements and the Articles;
- (2) to perform capital contribution obligation in strict compliance with the laws and regulations and the rules of the banking regulatory authority of the State Council, and to pay their capital contribution as determined by the number of shares subscribed and the method of subscription. Shareholders shall use their own funds to acquire equity of the Bank and ensure that their own funds are obtained from legal sources, rather than using entrusted funds, debt funds and other funds not owned by themselves, unless otherwise prescribed by laws and regulations or regulatory systems;
- (3) not to withdraw their paid share capital except in circumstances allowed by the laws and administrative regulations;
- (4) fulfill the fiduciary duty of the Bank pursuant to the law so as to ensure that the information submitted is true, complete and valid; in accordance with laws, regulations and regulatory provisions, the shareholders shall truthfully notify the Bank of its financial information, shareholding structure, source of funds to acquire shares, controlling shareholders, de facto controllers, related parties, persons acting in concert, ultimate beneficiaries, investment in another financial institutions and other information;
- (5) if there are changes in the controlling shareholders, de facto controllers, related parties, persons acting in concert, or ultimate beneficiaries of the shareholders, the relevant shareholder shall notify the Bank of the changes in writing in a timely manner in accordance with laws, regulations and regulatory provisions;
- (6) notify the Bank of the changes in writing in a timely manner in accordance with laws, regulations and regulatory provisions upon the occurrence of merger or division of shareholders, suspension of business for overhaul, designated custody, receivership, abolishment, or any other measure, or commencement of a dissolution, liquidation, bankruptcy procedure, or changes in its legal representative, company name, business premises, business scope and other material matters;

- (7) promptly notify the Bank in writing of the relevant circumstances in accordance with laws, regulations and regulatory provisions if the shares of the Bank held by the shareholders are involved in litigation, arbitration, being subject to enforcement action by judicial authorities, pledged or released pledge;
- (8) exercise the shareholders' rights strictly in accordance with the laws and regulations and the Articles of the Bank, shareholders and their controlling shareholders and de facto controllers shall not to seek improper advantages, abuse shareholders' rights or make use of related relationships to prejudice the legitimate rights and interests of the Bank, other shareholders and stakeholders, interfere with the decision-making rights and management rights entrusted to the Board of Directors and senior management officers in line with the Articles, and not to bypass the Board of Directors and senior management and directly intervene in the Bank's operations and management;
- (9) If any unit or individual and their related parties and persons acting in concert jointly or severally intend to hold for the first time or increase in aggregate by, more than 5% of the total number of shares of the Bank, they shall report to the banking regulatory authority of the State Council for approval in advance. Any unit or individual and their related parties and persons acting in concert, who intend to hold for the first time or increase in aggregate, by more than 1% and less than 5% of the total number of shares of the Bank, shall report to the banking regulatory authority of the State Council through the Bank within ten (10) working days after obtaining the corresponding equity interest. Shareholders who should but fail to obtain approval from the regulatory authority, or who fail to report to the regulatory authority shall not be allowed to exercise, inter alia, the right to request for convening a shareholders' general meeting, voting right, nomination right, right to propose a motion and disposal right. If, in the absence of the prior approval of the banking regulatory authority of the State Council, the number of shares held by a shareholder is in excess of 5% of the total number of shares of the Bank, such shareholder must transfer within the period prescribed by the banking regulatory authority of the State Council the shares that have not been approved.

Purchase or sale of the H shares is subject to the Listing Rules and other relevant rules promulgated by the Hong Kong Stock Exchange.

Shareholders should also comply with the provisions regarding disclosure of interests under Part XV of the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong).

- (10) not to abuse their rights in harming the interests of the Bank and any other shareholders; not to abuse the Bank's status as an independent, separate legal entity and the limited liability of shareholders to harm the interests of the Bank's creditors. If a shareholder of the Bank abuses his rights and causes loss to the Bank or other shareholders, it will be held liable for compensation in accordance with the law. If a shareholder abuses the Bank's status as an independent, separate legal entity and evades the repayment of debts, resulting in material damage to the interests of the Bank's creditors, that shareholder will be jointly and severally liable for the debts of the Bank;
- (11) to comply with the regulatory requirements in relation to shareholding percentage and number of shareholding institutions, and not to entrust others, or accept entrustment from others, to hold equity interest in the Bank;
- (12) abide by the laws and regulations and the relevant regulations of the banking regulatory authority of the State Council on related party transactions, not to conduct improper related party transaction with the Bank, or to arise improper gains by exerting their influence over the operational management of the Bank;
- (13) to comply with the laws, regulations and regulatory provisions in the event of transferring or pledging by shareholders of the equity interests of the Bank in their possession and not to be detrimental to the interests of other shareholders and the Bank;
- (14) substantial shareholders of the Bank shall, in accordance with the regulatory requirements and the actual situation, truthfully make and earnestly fulfill their commitments and bear the responsibilities and obligations of the substantial shareholders. For the substantial shareholders who violate the commitment, the Bank will truthfully report to the banking regulatory body and restrict the rights of the substantial shareholders in accordance with the specific circumstances of the breach of the commitment;
- (15) to actively cooperate with the banking and insurance regulatory authority of the State Council to conduct investigation and risk treatment and bear relevant responsibilities and obligations in accordance with the corresponding loss absorption and risk prevention mechanism and other tasks if any material risk event or material violation of the laws and regulations has been occurred on the part of the Bank, and shall support the recovery plan formulated by the Board of Bank and fulfill the necessary obligations;
- (16) for shareholders who make false representation, abuses the shareholders' rights or commit other acts which are detrimental to the interests of the Bank, the banking regulatory authority of the State Council may restrict or prohibit the Bank from entering into related transactions with such shareholders, limit the amount of equity interest held by such shareholders in the Bank or the ratio of equity interest available for creating pledge by such shareholders, and also constrain their right to request for convening a shareholders' general meeting, their voting right, nomination right, right to propose a motion and disposal right, etc.;

- (17) the banking regulatory authority of the State Council shall have the right to require the shareholders to make representations as to the truthfulness of the information provided by such shareholders in relation to qualifications, connected relations or capital investment, and undertake to bear the consequences arising from the provision of false information or misrepresentation;
- (18) to assume other obligations of shareholders required by the laws, regulations, regulatory provisions and these Articles of the Bank.

Article 67 A substantial shareholder of the Bank shall promptly, accurately and completely report the following information to the Bank:

- (1) their own operating conditions, financial information and shareholding structure;
- (2) the source of funds for capital investment in the Bank;
- (3) the controlling shareholders, de facto controllers, related parties, parties acting in concert, ultimate beneficiaries and any changes therein;
- (4) investments in other financial institutions;
- (5) equity interests of the Bank in its possession that are involved in litigation, arbitration or are subject to preservation measures for litigation purpose or enforcement action by judicial authorities;
- (6) any equity interests of the Bank in its possession that have been transferred, pledged or released from pledge; related transactions with the Bank;
- (7) change of the legal representative, company name, business premises, business scope and other major matters;
- (8) merger and spin-off;
- (9) it is subject to regulatory measures including suspension of operation for rectification, designated custody, takeover or cancellation, or enter into dissolution, bankruptcy or liquidation procedure;
- (10) other changes which may affect its qualification as a shareholder or circumstances causing changes to equity interest of the Bank in its possession.

Article 68 The shareholders, in particular the substantial shareholders, shall protect the interests and reputation of the Bank, and support the Bank to operate in compliance with the laws. The shareholders support the Bank's Board of Directors to formulate reasonable capital planning, making the Bank continuously meet the regulatory requirements. The substantial shareholders shall undertake in writing to supplement the Bank's capital on a long-term basis, which forms a part of the Bank's capital planning. Substantial shareholders acquiring the shares of the Bank shall provide an undertaking in writing to undertake that they will comply with laws and regulations, regulatory requirements and the Articles, and to give an explanation on the purpose of acquiring the shares of the Bank. Substantial shareholders shall undertake to the Bank in writing to replenish the capital of the Bank when necessary, and shall report to the banking regulatory authority of the State Council through the Bank on annual basis in connection with their capital replenishment capability. When the Bank has liquidity problems, they shall not withdraw their capital but shall provide liquidity support as far as possible.

When the Bank's capital adequacy ratio fails to satisfy regulatory requirement or there occurs insufficient capital, the Bank shall suspend or reduce the distribution of profit. The profit distribution plan shall be premised on ensuring the Bank's on-going self-generated capital replenishment ability, and if there is any disagreement on the profit distribution plan, negotiation shall be conducted based on the principle to ensure the Bank's sustainability. Reasonable supplementary capital planning will be formulated so that the capital adequacy ratio can be met within the deadline according to the regulatory requirement or for the purpose of satisfying business development and strategic implementation needs. Capital is also replenished from increasing core capital and issuing subordinate bonds. In the event that the Bank's declining capital level is unable to meet the regulatory requirements or may affect its creditworthiness, the substantial shareholders are obligated to continue to replenish the Bank's capital and, if there is no capital replenishment ability, not to prevent other shareholders from investing in the Bank at a fair price.

Article 69 The substantial shareholders of the Bank and its controlling shareholders or de facto controllers shall not:

- (1) be named as a subject of joint punishment by the relevant authority for breach of trust;
- (2) seriously evade debts owed by the Bank;
- (3) provide false materials or giving false representations;
- (4) assume major responsibility for the failure in business operation of, or any act of serious violation of the laws and regulations by the Bank;

- (5) reject or obstruct the implementation of regulatory measures by the banking regulatory authority of the State Council in accordance with the laws;
- (6) be subject to investigation or sanction by the financial regulatory authority or relevant government department, which result in causing adverse impact;
- (7) other events which may have adverse effects on the operation and management of the Bank.

Article 70 Shareholders, particularly substantial shareholders, shall inform the Board of the Bank in advance where they transfer the unlisted shares of the Bank. Substantial shareholders shall not transfer shareholdings they held within five years from the date of obtaining such shareholding.

Special circumstances where the implementation of risk treatment measures is approved by the banking regulatory authority of the State Council, the transfer is ordered by the banking regulatory authority of the State Council, the equity interests are subject to judicial enforcement or the transfer of equity interests is conducted between different entities under the control of the same investor shall be excluded.

Any transfer upon expiry and the qualifications of the transferee as a shareholder are subject to the approval by the banking regulatory authority of the State Council.

Article 71 When a shareholder, in particular a substantial shareholder, fails to make his repayment to the Bank upon due, the voting rights of such shareholder at the general meetings and the voting rights of the directors dispatched or nominated by such shareholder at the meetings of the Board of Directors shall be restricted. The Bank shall record the aforementioned case in the minutes of the shareholders general meeting and the meeting of the Board of Directors. The Bank is entitled to apply the dividend and profit distribution to repay the borrowings to the Bank. Upon liquidation, the assets allocated shall be applied to repay the borrowings to the Bank.

Article 72 If the shareholders use their shares in the Bank to provide guarantees for themselves or others, they shall comply strictly with the requirements of the laws, regulations and regulatory authorities, and inform the Board of Directors of the Bank ten working days in advance. Major shareholders shall not use their equity interests in the Bank to provide guarantee for the debts of the shareholders themselves and their related parties, and shall not use the form of equity pledge to transfer the equity interests of the Bank on behalf of the Bank, illegal related shareholding and in disguised form. The Board of Directors shall set up an office, which shall be responsible for the collection, sortation and submission of information relating to equity pledge.

Where a shareholder who has representation on the Board of Directors 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 held in the Bank, it shall make filing to the Board of Directors of the Bank ten working days in advance, which shall state the basic information of the pledge, including the reasons for the pledge, the number of shares involved, the term of pledge and the particulars of the pledges. The director(s) nominated by a shareholder proposing to pledge his shares in the Bank shall abstain from voting at the meeting of the Board of Directors at which such proposal is considered. Upon the registration of the pledge of equity interests, the shareholders involved shall provide the Bank with the relevant information in relation to the pledge of equity interests in a timely manner, so as to facilitate the Bank's risk management and information disclosure compliance.

Where the Board of Directors considers the pledge to have material adverse impacts on the stability of the Bank's shareholding structure, corporate governance, risk and connected transaction control, the filing shall not be accepted.

Shareholders shall not pledge their shares of the Bank if the balance of loans they borrowed from the Bank exceeds the audited net book value of the shares held by them in the previous year.

Where a shareholder pledges 50% or more of his equity interests in the Bank, the voting rights of such shareholder at the shareholders' general meeting, as well as the voting rights of the director(s) acting as proxy(ies) of such shareholder at board meetings, shall be subject to restrictions.

Article 73 Neither the controlling shareholder nor the *de facto* controller of the shares may damage the interests of the Bank by taking the advantage of its affiliate relationship, and a shareholder or controller shall be liable for compensation if it breaches this Article and thereby causes loss to the Bank.

A controlling shareholder or *de facto* controller of the Bank shall owe the fiduciary duties to both the Bank and public shareholders of the Bank. The controlling shareholder shall be in strict compliance with the law while it exercise its rights as investor, and shall not impair the legal interests of the Bank or public shareholders by taking advantage of profits distribution, assets reorganization, foreign investment, capital appropriation and loan guarantee or in any other way, nor shall it impair the legal interests of the Bank or public shareholders by taking advantage of its privileged positions as a controlling shareholder.

Article 74 The Bank shall not offer terms of credit to its shareholders that are more favorable over other creditors regarding same type of credit.

The balance of credit extension granted by the Bank to a single related party shall not exceed 10% of the Bank's net capital as at the end of the previous quarter. The aggregate balance of the Bank's credit extension to customers of a single related judicial person or group the unincorporated organizations associated shall not exceed 15% of the Bank's net capital as at the end of the previous quarter. The balance of the Bank's credit extension to all related parties shall not exceed 50% of the Bank's net capital as at the end of the previous quarter.

When calculating the credit balance, the Bank may deduct the amount of the deposits as security and the certificates of bank deposits and government bonds as pledge provided by the related parties at the time of granting credit.

The Bank shall not accept the equity of the Bank to be used as pledge to provide credit. The Bank shall not provide guarantees for financing activities of related parties (including contingencies equivalent to guarantees), except in the case where related parties provide full counter-guarantee with certificates of bank deposits and treasury bonds.

If the provision of credit extension by the Bank to related parties results in any loss, the Bank shall not provide such related party with any further credit extension within two years from the date of discovery of the loss, except for credit extension as approved by the Board of the Bank for the purpose of reducing any losses which have arisen from the earlier credit extension.

Credit made by the Shareholders with the Bank shall comply with the provisions of the banking and insurance regulatory and administrative authorities of the State Council.

Article 75 In addition to the obligations required under the laws, administrative regulations or the provisions stipulated by a stock exchange located at the jurisdiction in which the shares of the Bank are listed, when exercising its rights as a shareholder, the controlling shareholder shall not exercise its voting rights and make decisions on the following issues as these issues are detrimental to the interests of all or some of the shareholders:

- (1) relieving a director or supervisor of their responsibility to act in good faith and in the best interests of the Bank;
- (2) approving a director or a supervisor in depriving the Bank of its assets in any form, including but not limited to any business opportunities that are advantageous to the Bank, regardless of whether the deprivation is made for the director or supervisor's benefit or for the benefit of others;
- (3) approving a director or a supervisor (for his/her own or for the benefit of others) in depriving other shareholders of their personal interests, including but not limited to any distribution rights and voting rights, unless the deprivation is made pursuant to a Bank restructuring submitted to and adopted at the shareholders' general meeting in accordance with these Articles.

Section 3 General Provisions on Shareholders' General Meetings

Article 76 The shareholders' general meeting shall be an organ of power of the Bank and shall exercise the following powers in accordance with the law:

- (1) to decide on the business policies and investment plans of the Bank;
- (2) to elect and replace directors and supervisors which are not appointed as representatives of the employees, and to decide on the remuneration of the relevant directors and supervisors;
- (3) to review and approve reports made by the Board of Directors;
- (4) to review and approve reports made by the Board of Supervisors;
- (5) to review and approve the Bank's proposed annual financial budget and final accounts;
- (6) to review and approve the Bank's plans for profit distribution and loss recovery;
- (7) to adopt resolutions concerning the increase or reduction in the Bank's registered capital;
- (8) to adopt resolutions regarding the issuance of corporate bonds or other securities and listing;
- (9) to adopt resolutions on the merger, division, dissolution, liquidation or other change in corporate form of the Bank;
- (10) to amend these Articles;
- (11) to consider and approve the rules of procedure of the shareholders' general meeting, the Board of Directors and the Board of Supervisors;
- (12) to decide on the engagement, dismissal or discontinuation of the appointment of the accounting firm that conducts regular statutory audit of the Bank's financial reports;
- (13) to decide and approve on the change in the use of proceeds on the funds raised;
- (14) to review the stock incentive plans;

- (15) to review and approve proposals on matters relating to the purchase or sale of material assets by the Bank with an amount exceeding 30% of its latest audited total assets within one year;
- (16) to review the guarantees made pursuant to Article 77 of the Articles;
- (17) to adopt resolutions on the acquisitions of the shares of the Bank in accordance with the provisions of the laws;
- (18) to review and approve other issues which should be decided by the shareholders' general meeting as stipulated by the laws, administrative regulations, regulatory requirements, the regulations of the relevant regulatory authorities as well as these Articles.

The matters mentioned above are within the shareholders' general meeting's scope of authority and shall be examined and decided by the shareholders' general meetings. If it is necessary, reasonable and legal, the decision making for these issues can be delegated to the Board of Directors. If the shareholders delegate their decision making to the Board of Directors, the authorization given shall be clear and specific. The functions and powers to be exercised by the shareholders' general meeting according to law shall not be delegated to the Board of Directors, other bodies or individuals. If these Articles require that matters to be delegated to the Board of Directors are to be adopted by the shareholders' general meeting by way of ordinary resolution, such resolutions shall be approved by more than half of the voting rights of the shareholders (including proxies thereof) attending the shareholders' general meeting. If these Articles require that matters to be delegated to the Board of Directors are to be adopted by the shareholders' general meeting by way of special resolution, such resolutions shall be approved by two-thirds or more of the voting rights of the shareholders (including proxies thereof) attending the shareholders' general meeting.

Article 77 In the following situations, the guarantees extended by the Bank shall be considered and passed at the shareholders' general meetings:

- (1) any subsequent guarantees to be provided once the total amount of external guarantees given by the Bank and its subsidiary companies (subsidiary banks) has reached or exceeded 50% of their latest audited net assets;
- (2) any subsequent guarantees to be provided once the total amount of external guarantees given by the Bank has reached or exceeded 30% of its latest audited total assets;
- (3) guarantees to any party with a gearing ratio exceeding 70%;
- (4) any single guarantee exceeding 10% of the latest audited net assets; and
- (5) any guarantee provided to shareholders, *de facto* controllers and their related parties.

Article 78 There are two types of shareholders' general meetings: annual general meetings and extraordinary general meetings. The annual general meeting shall be held once a year within six (6) months after the financial year end.

Article 79 An extraordinary general meeting shall be convened within two months from the date of occurrence of any of the following events:

- (1) the number of directors is less than two-thirds of the number stipulated in these Articles;
- (2) the outstanding loss of the Bank reaches one-third of the Bank's total share capital;
- (3) shareholders who individually or jointly hold more than 10% of the voting shares of the Bank have requested to convene the meeting in writing;
- (4) the Board of Directors deems it necessary to convene the meeting;
- (5) the Board of Supervisors proposes to convene the meeting;
- (6) more than half of and not less than two independent directors propose to convene the meeting (if there are only two independent directors, then the two independent directors unanimously propose to convene);
- (7) more than half of the external supervisors to convene the meeting (if there are only two external supervisors, then the two external supervisors unanimously propose to convene);
- (8) any other circumstances as stipulated by the laws, administrative regulations, departmental rules, the regulations of the relevant regulatory authorities and these Articles.

Article 80 The Bank shall convene shareholders' general meetings either at its domicile or at any other place specified in the notice of a shareholders' general meeting.

The Bank shall arrange for the venue such that a physical meeting can be held. The Bank can also make available the participation of the shareholders' general meeting through Internet or other means given the conditions are ready for the convenience of the shareholders. Shareholders participating the general meeting by such means shall be regarded as present.

When a shareholders' general meeting is being held, the Bank shall engage lawyers to observe the meeting and give legal opinions as to the matters set out below:

- (1) whether the procedures for convening and holding the meeting are in compliance with the laws, administrative rules and these Articles;
- (2) whether the qualifications of the attendees and convener are legal and valid;
- (3) whether the voting procedures and voting outcome of the shareholders' general meeting are legal and valid;
- (4) legal opinions on other relevant issues as requested by the Bank.

Section 4 The Convening of Shareholders' General Meetings

Article 81 The Board of Directors shall convene shareholders' general meeting according to the regulations set out in these Articles. If the Board of Directors is unable to perform or have not performed its duty of convening shareholders' general meeting, the Board of Supervisors shall convene the meeting timely. If the Board of Supervisors does not convene the meeting for a period longer than ninety consecutive days, shareholders individually or in aggregate holding 10% or more of the Bank's voting shares can convene the meeting.

Article 82 More than half of and not less than two independent Directors are entitled to propose to the Board of Directors that an extraordinary Shareholders' general meeting be convened, and shall submit the proposal in writing. The Board of Directors shall, within ten days of receiving the proposal, provide written feedback stating whether they agree to or object to the proposal in accordance with the laws, administrative regulations and these Articles.

The Board of Directors shall issue notice of a shareholders' general meeting within five days of resolution of the Board upon agreeing to convene an extraordinary Shareholders' general meeting. The Board of Directors shall provide reasons when they object to convene an extraordinary Shareholders' general meeting.

Article 83 The Board of Supervisors and more than half of external supervisors are entitled to propose for extraordinary Shareholders' general meeting to the Board of Directors, and shall submit the proposal in writing. The Board of Directors shall grant feedback in writing of agreement or disagreement within ten days subsequent to the receipt of the proposal in accordance with prescriptions of the law, administrative rules and these Articles.

The Board of Directors shall give notice of a shareholders' general meeting within five days subsequent to resolution of the Board upon agreeing to convene an extraordinary Shareholders' general meeting and shall obtain consent of the Board of Supervisors on alteration of the original proposal.

If the Board of Directors disagrees with convening of an extraordinary Shareholders' general meeting or does not grant feedback within ten days subsequent to the receipt of the proposal, it shall be deemed as unable to perform or have not performed its duties of convening shareholders general meeting, and the Board of Supervisors may convene and preside over a meeting by itself.

Article 84 Shareholders individually or in aggregate holding one-tenth or more of the Bank's voting shares have the right to request in writing the Board of Directors to convene an extraordinary Shareholders' general meeting or a class shareholder meeting. The Board of Directors shall grant feedback in writing of whether to convene the extraordinary shareholders' general meeting or class shareholder meeting within ten days from the receiving date of such request in accordance with the laws, administrative regulations and these Articles. The shareholding of the above shareholders is based on their shareholdings on the date such request is proposed in writing.

The Board of Directors shall give notice of a shareholders' general meeting or a class shareholder meeting within five days from adoption of the resolution of the Board upon agreeing to convene an extraordinary shareholders' general meeting or a class shareholder meeting and any change to the original proposals stated in the notice shall obtain the consent of the relevant shareholders.

If the Board of Directors decides against the convening of an extraordinary Shareholders' general meeting or a class shareholder meeting, or the Board of Directors fails to grant feedback within ten days from receiving the proposal, shareholders individually or in aggregate holding one-tenth or more of the Bank's voting shares are entitled to propose for convening an extraordinary Shareholders' general meeting or a class shareholder meeting to the Board of Supervisors in writing.

The Board of Supervisors shall give notice of a Shareholders' general meeting or a class shareholder meeting within five days from adoption of the resolution of the Board upon agreement with convening an extraordinary Shareholders' general meeting or a class shareholder meeting and any change to the original proposals stated in the notice shall obtain the consent of the relevant shareholders.

If the Board of Supervisors fails to issue notice of the Shareholders' general meeting or class shareholder meeting, the Board of Supervisors will be deemed not to convene or preside over the Shareholders' general meeting or class shareholder meeting and such a meeting may be convened and presided over by shareholders individually or in aggregate holding one-tenth or more of the Bank's voting shares (the "Convening Shareholders") for at least ninety consecutive days.

Article 85 If either the Board of Supervisors or shareholders propose to convene a shareholders' general meeting on their own initiatives, the Board of Directors shall be informed in writing and the relevant documents shall be filed with the banking regulatory authority of the State Council and other relevant regulatory authorities of the place in which the Bank is operating.

The shareholding proportion of the Convening Shareholders before the resolution of the shareholders' general meeting shall not be less than 10%.

The Convening Shareholders shall submit the relevant evidentiary materials to the banking regulatory authority of the State Council in the jurisdiction in which the Bank is situated and to other relevant regulatory authorities when the Convening Shareholders issue the notice of shareholders' general meeting and the announcement of the resolutions passed at the shareholders' general meeting.

Article 86 With respect to a shareholders' general meeting convened by the Board of Supervisors or the shareholders, the Board of Directors and the secretary of the Board shall cooperate. The Board of Directors shall offer the register of shareholders as at the shareholding registration date.

If the Board of Directors fails to offer the register of shareholders, the conveners may apply to the securities registration and clearing institution for the register of shareholders by relying on the announcement regarding the notice convening the shareholders' general meeting. The register of shareholders offered to the conveners shall only be used for the shareholders' general meeting and shall not be used for other purposes.

Article 87 Necessary costs arising out of a shareholders' general meeting convened by the Board of Supervisors or the shareholders on their own shall be borne by the Bank.

Section 5 Proposals and Notice of Shareholders' General Meetings

Article 88 The contents of the proposal shall be within the scope of authority of the shareholders' general meeting, shall have definite topics for consideration and specific items to be decided by resolution, and shall be in compliance with the laws, administrative regulations and the relevant provisions of these Articles.

Article 89 When the Bank convenes shareholders' general meetings, the Board of Directors, the Board of Supervisors and shareholders individually or in aggregate holding 3% or more of the Bank's voting shares shall be entitled to submit their proposals to the Bank.

Shareholders individually or in aggregate holding 3% or more of the Bank's voting shares may submit provisional proposals to the convener in writing ten days prior to the date of the shareholders' general meeting. The convener shall issue a supplementary notice of the shareholders' general meeting with the content of such provisional proposals within two days after receipt thereof. As otherwise provided in the listing rules of the stock exchange where the Bank's shares are listed, their requirements shall also be met.

Except for the circumstances provided in the preceding paragraph, the conveners shall not amend nor add any new proposals to those which are set out in the original notice of the shareholders' general meeting.

Proposals which have not been set out in the notice of a shareholders' general meeting or which are not in compliance with Article 88 of these Articles shall not be put forward and voted upon as resolutions at a shareholders' general meeting.

Article 90 When the Bank is to convene an annual shareholders' general meeting, a written notice shall be sent twenty days before the shareholders' general meeting. A written notice shall be issued fifteen days before the extraordinary general meeting. If the securities regulatory authorities of the place where the shares of the Bank are listed have other requirements, such requirements shall prevail.

Article 91 The notice of a shareholders' general meeting shall meet the following requirements:

- (1) it is in written form;
- (2) it indicates the date, time and venue of the meeting;
- (3) it shall state the matters to be considered at the meeting;
- (4) it shall contain all necessary information and explanation to enable shareholders to make informed decisions on the matters to be discussed. This means that when the following matters which shall include (but shall not be limited to) any merger, share repurchase, share capital reorganization or other restructuring proposals are involved, the detailed terms of the proposed transaction, copies of the proposed agreement (if any) and detailed explanation as to the cause and effect of such proposed transaction shall be provided;
- (5) if any of the directors, supervisors or senior management officers have material interest in the matters to be discussed, they shall disclose the nature and extent of such interest; and if the effects of the matters to be discussed have a different effect on a director, supervisor or member of senior management as shareholders compared to other shareholders of that same class, the differences shall be explained;
- (6) it shall contain the full text of any proposed special resolution to be voted at the meeting;
- (7) it shall contain a prominent statement stating that a shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on his/her behalf and such proxy need not be a shareholder;
- (8) it shall state the shareholding registration date of the shareholders who are entitled to attend the meeting;
- (9) it shall state the time and address for lodging the proxy forms of the relevant meeting;
- (10) it shall state the name and phone number of the contact person of the meeting; and
- (11) it shall satisfy other requirements stipulated by the laws, administrative regulations, departmental rules and these Articles.

A blank proxy form shall also be delivered together with the notice of a shareholders' general meeting.

Article 92 The notice of a shareholders' general meeting shall be delivered by hand or prepaid mail to all shareholders (regardless whether they have voting rights at the shareholders' general meeting). The address of the recipients shall be the address registered in the register of shareholders. For holders of domestic shares, the notice of a shareholders' general meeting may be in form of an announcement.

The aforesaid announcement shall be published in one or more newspapers specified by the banking and insurance regulatory authority of the State Council. All holders of domestic shares shall be deemed as having been notified of the forthcoming shareholders' general meeting once the announcement is published.

For holders of H shares, subject to the compliance with the applicable laws, administrative regulations, departmental rules, listing rules of the stock exchange where the Bank's shares are listed, these Articles and the requirements of the relevant regulatory authorities, the Bank may choose to notify such shareholders of a shareholders' general meeting by publishing the notice on the websites of the Bank and the Hong Kong Stock Exchange instead of delivering the notice by hand or prepaid mail.

Where, as a result of accidental omission, a notice of meeting is not given to a person who is entitled to receive such notice or where such person has not received the notice, the meeting or any resolution adopted at the meeting shall not be invalidated as a result.

Article 93 Once the notice of a shareholders' general meeting is issued, the meeting shall not be postponed or cancelled without proper reasons, and proposals contained in the notice shall not be withdrawn. In the event of any postponement or cancellation, the convener shall make an announcement and state the reasons at least two working days before the scheduled meeting date.

Article 94 If the elections of directors and supervisors are intended to be discussed at the shareholders' general meeting, the notice of the shareholders' general meeting shall fully disclose the details of the candidates for the role of directors and supervisors, and shall at least include the following particulars:

- (1) personal particulars, such as education background, work experience and any part-time work undertaken;
- (2) whether there is any connected relationship with the Bank or with the controlling shareholders and *de facto* controllers of the Bank;
- (3) disclosure of their shareholding in the Bank;

- (4) whether they have been subject to any penalties imposed by the regulatory authority and other relevant departments, and any stock exchange disciplinary action; and
- (5) information in relation to the new appointment or re-designation of directors or supervisors as required by the Listing Rules.

Except for the election via cumulative voting, the directors and supervisors of the Bank shall adopt direct voting, and the election of each director and supervisor shall be voted on a separate basis.

Article 95 General methods and procedures to nominate and elect directors and supervisors are as follows:

- (1) Candidates for directors and supervisors who are not staff representatives shall be nominated by the Nomination and Remuneration Committee of the Board of Directors or Nomination Committee of the Board of Supervisors of the preceding session respectively, and the number of such persons to be elected shall be within the number of persons stipulated in these Articles. Shareholders individually or in aggregate holding 3% or more of the Bank's voting shares may propose candidates for non-independent directors to the Board of Directors or candidates for supervisors to the Board of Supervisors, but the number of persons nominated shall comply with the provisions of these Articles and shall not exceed the number of persons proposed to be elected.

The same shareholder and his/her/its associates shall not nominate a candidate for a director and another candidate for a supervisor at the shareholders' general meeting; if the candidate for a director (or supervisor) nominated by such shareholder and his/her/its associates has already served as a director (or supervisor), the shareholder shall not nominate the candidate for supervisor (or director) prior to the expiry of the term of office of such person.

The number of directors (or supervisors) nominated by such shareholder and his/her/its associates in principle shall not exceed one-third of the total number of the members of the Board of Directors (or Board of Supervisors), unless otherwise required by the laws, administrative regulations, departmental rules, listing rules of the stock exchange where the Bank's shares are listed. Such shareholder and his/her/its associates shall only nominate one candidate for external supervisor, unless otherwise authorized by the State. In principle, such shareholder and his/her/its associates shall only nominate one candidate for external supervisor, and shall not nominate candidates for both independent director and external supervisor.

- (2) The Nomination and Remuneration Committee of the Board of Directors shall conduct preliminary verification of the qualification and conditions of the candidates for directors and supervisors respectively, and propose the qualified candidates to the Board of Directors and Board of Supervisors for consideration respectively; and propose them to the shareholders' general meeting by way of written resolutions after they are considered and approved by the Board of Directors and Board of Supervisors.
- (3) The candidates for directors and supervisors shall, before the convening of the shareholders' general meeting, make written undertakings, express their consent to their nomination, confirm the truthfulness and completeness of their publicly disclosed information and undertake that they will duly perform their duties upon election.
- (4) Voting on each candidate for directors and supervisors shall be carried out at the shareholders' general meeting. The Board of Directors and the Board of Supervisors, before the convening of the shareholders' general meeting, shall disclose the detailed information on the candidates for directors and supervisors to the shareholders in accordance with the laws, regulations and these Articles, so as to ensure that the shareholders will have sufficient knowledge on the candidates when casting their votes.
- (5) When an additional director or supervisor is temporarily nominated, the Nomination and Remuneration Committee of the Board of Directors or the Board of Supervisors or the shareholders satisfying the conditions for making such nomination may propose a candidate to the Board of Directors or the Board of Supervisors for consideration, and to the shareholders' general meeting for election or replacement.

When a voting is made on the election of directors or supervisors at a general meeting, the cumulative voting system may be adopted in accordance with the provisions of the Articles or the resolutions of the shareholders' general meeting.

Section 6 The Holding of Shareholders' General Meetings

Article 96 The Board of Directors and other conveners shall take necessary measures to maintain order at shareholders' general meetings. Behaviors such as disruption of the meeting, provocation of trouble and infringement on the legitimate rights and interests of shareholders shall be prevented and promptly reported to relevant authorities for investigation.

Article 97 All shareholders whose names appear on the register of shareholders on the date of registration of equity entitlements or their proxies shall be entitled to attend the shareholders' general meeting and exercise their voting rights in accordance with the relevant laws, regulations and these Articles.

Shareholders may attend the shareholders' general meeting in person and shall be entitled to appoint one or more persons (these persons need not be shareholders) as proxies to attend and vote on their behalf. However, such proxy can only be a shareholder and his related party, person acting in concert, nominated director and supervisor. Major shareholders shall not attend the shareholders' general meeting as entrusted by non-related parties or persons acting in concert. A proxy may exercise the following powers at a shareholders' general meeting:

- (1) the same right of speech as the shareholder at the meeting;
- (2) the authority to demand or join other shareholders in demanding a poll; and
- (3) the right to vote, but when more than one proxy has been appointed, the proxies only have the right to vote on a poll.

Article 98 If an individual shareholder attends the meeting in person, he/she shall produce his/her own identification cards or other valid credentials or proof of their identities or share certificate or certificate providing proof of his/her shareholding. If a proxy is appointed to attend the meeting, the proxy shall produce his/her own identification cards or document, instrument of proxy and certificate providing proof of the shareholding of the appointing shareholder and share certificate.

A corporate shareholder shall attend the meeting through its legal representative or a proxy appointed by its legal representative. If a legal representative attends the meeting, he/she shall produce his/her own identification cards or document, valid identification documents showing that he/she qualifies to serve as a legal representative. If a proxy attends the meeting, he/she shall produce his/her own identification cards or document, written power of attorney granted by the legal representative of the corporate shareholder.

Article 99 The power of attorney used by shareholders to appoint proxies to attend the shareholders' general meeting shall contain the following information:

- (1) name of the proxy;
- (2) whether or not the proxy has the right to vote;
- (3) instructions on how to vote (voting in the affirmative, negative, or in abstention) in relation to each of the resolutions on the agenda of the shareholders' general meeting;
- (4) date of issuance and term of validity; and
- (5) signature (or seal) of the appointing shareholder; if the appointing shareholder is a body corporate, the document shall be affixed with the legal person's seal.

Article 100 The power of attorney should indicate whether the proxy may vote at his/her discretion if no specific instructions have been given by the shareholder.

Article 101 The power of attorney shall be placed at the Bank's domicile or at any other place designated in the notice of the shareholders' general meeting, and at least twenty-four (24) hours prior to either the convening of the relevant meeting in which the resolutions are to be voted or the designated voting time. If the power of attorney is signed by a person authorized by the appointing shareholder instead of the appointing shareholder himself/herself, the power of attorney or other authorization documents shall be notarized. The notarized power of attorney or other authorization documents shall, together with the proxy form authorizing the proxy to vote, be placed at the Bank's domicile or any other place designated in the notice of the shareholders' general meeting.

In the event that the appointing shareholder is a legal person, the shareholder shall be represented at the shareholders' general meeting of the Bank by the legal representative or other persons authorized by the resolution of the Board of Directors or any other decision-making body of such appointing shareholder.

If the shareholder is an authorized clearing house or its agent, such a shareholder is entitled to appoint one or more persons it deems suitable to act as its proxy in the shareholders' general meeting or class shareholder general meeting. If two or more persons are appointed as proxies, the power of attorney shall clearly state the number and the class of shares represented by each of the proxies. The proxy forms shall be signed by the respective proxies appointed by the authorized clearing house, and the proxies so appointed may represent the authorized clearing house or its agent in exercising its rights at any meeting (without being required to present share certificate, certified statement of proxy and/or further evidence of due authorization) as if that proxy is a natural person shareholder of the Bank.

Article 102 The blank proxy form issued either by the Board of Directors or the convener of the shareholders' general meeting to the shareholder for the appointment of proxies shall freely allow the shareholder to instruct his/her proxy to vote as he/she sees fit (voting in the affirmative, negative, or in abstention), and to give separate instructions for each resolution that will be voted at the meeting.

Article 103 If the appointing shareholder has passed away, lost his/her ability to act, withdrawn the appointment, withdrawn the authorization of the signed proxy form or has transferred all of his/her shares prior to voting, as long as the Bank has not received any written notice regarding these matters before the commencement of the relevant meeting, the vote cast by the proxy in accordance with the proxy form shall remain valid.

Article 104 The meeting attendance records shall be prepared by the Bank. The records shall, amongst other matters, contain the names (or corporate names) of the attendees, their identity card numbers, their residential addresses, the number of voting shares held or represented by them, and the names (or corporate names) of the proxies.

Article 105 The convener and the lawyers appointed by the Bank shall verify the legitimacy of the shareholders' qualifications based on the records available from the register of shareholders provided by the securities registration and clearing authority, and shall record the names (or corporate names) of shareholders attending the meeting and the number of voting shares held by them. The registration process for the meeting shall be completed before the chairman of the meeting announces the number of shareholders and proxies attending the meeting and the total number of voting shares represented by them.

Article 106 When the shareholders' general meeting is being convened, all the Bank's directors, supervisors and the Secretary to the Board of Directors shall attend the meeting. The president and other senior management officers of the Bank shall observe the meeting.

Article 107 A shareholders' general meeting convened by the Board of Directors shall be presided over by the chairman of the Board of Directors. If the chairman is unable or fails to perform his/her duties, the vice chairman of the Board of Directors shall preside over the meeting. If the vice chairman is unable or fails to perform his/her duties, a director elected by no less than half of the directors shall chair and preside over the meeting. If no chairman is appointed, a single shareholder may be elected to chair the meeting so long as the proposed chairman has the consent of more than half of the shareholders with voting rights who are present at the meeting. If the shareholders have failed to elect a chairman for whatever reason, the shareholder that is present at the meeting (including any proxy of such a shareholder, except for Hong Kong Securities Clearing Company Limited) holding the most voting shares shall preside over the meeting.

A shareholders' general meeting convened by the Board of Supervisors shall be presided over by the chairman of the Board of Supervisors. If the chairman of the Board of Supervisors is unable or fails to perform his/her duties, the vice chairman of the Board of Supervisors shall preside over the meeting. If the vice chairman of the Board of Supervisors is unable or fails to perform his/her duties, a supervisor elected by no less than half of the supervisors shall preside over the meeting.

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

During the course of a shareholders' general meeting, if the chairman of the meeting violates the procedural rules such that the meeting cannot be continued, the shareholders in the general meeting may elect one person to act as the chairman of the meeting to continue the meeting so long as the proposed chairman has the consent of more than half of the shareholders with voting rights who are present at the meeting.

Article 108 The Bank shall formulate the rules of procedure regarding the shareholders' general meeting, and specify the convening and voting procedures, including notification, registration, and consideration of proposals, voting, counting of votes, announcement of voting results, the abstention from voting by connected shareholders, formation of meeting resolutions, minutes of meetings and signature, announcements and the principle of authorization by the shareholders' general meeting to the Board of Directors. The authorization principle should be clear and specific in terms of contents. The rules of procedure for the shareholders' general meeting shall be prepared by the Board of Directors and approved by the shareholders' general meeting.

Article 109 At the annual shareholders' general meeting, the Board of Directors and the Board of Supervisors should both report to the shareholders on the work they have undertaken over the past year.

Article 110 Unless confidential trade secrets of the Bank are involved which shall not be disclosed, the directors, supervisors and senior management officers shall respond and give explanation to recommendations or queries from shareholders at the shareholders' general meeting.

Article 111 The chairman of the meeting shall, prior to voting, announce the number of shareholders and proxies attending the meeting and the total number of voting shares represented by them, but the figures recorded in the attendance records will prevail.

Article 112 Minutes shall be recorded for the shareholders' general meeting, and the Secretary to the Board of Directors shall be in charge of recording the minutes. The minutes shall contain the following information:

- (1) the time, venue, and agenda of the meeting, as well as the name (or corporate name) of the convener;
- (2) the names and positions of the chairman of the meeting, and the directors, supervisors, president and other senior management officers who attend or observe the meeting;
- (3) the number of shareholders and proxies present at the meeting, the total number of shares with voting rights held by them, and the percentage in relation to the total number of the Bank's shares;
- (4) the deliberation process for each resolution, key points of speeches made and voting outcome;
- (5) any enquiries or suggestions made by shareholders and the corresponding explanation or response, etc.;

- (6) the name of the lawyer, vote counter and scrutineer; and
- (7) any other matters required by the provisions of these Articles to be recorded in the minutes.

Article 113 The convener shall ensure that the minutes are the truthful, accurate and complete. The attending directors, supervisors, Secretary to the Board of Directors, convener or their representatives and the chairman of the meeting shall sign on the minutes. The minutes, list of signatures by shareholders in attendance, powers of attorney, and valid information regarding alternative voting methods shall be filed and form part of the Bank's files. The Secretary to the Board of Directors shall preserve the files in accordance with the Bank's record management guidelines for a permanent period.

Article 114 The convener shall ensure that the shareholders' general meeting does not end until final resolutions have been concluded. In the event that the shareholders' general meeting is adjourned or resolutions cannot be reached due to force majeure or other special circumstances, necessary measures shall be taken to reconvene the meeting as soon as possible or conclude the meeting immediately and an announcement shall be promptly published.

Section 7 Voting Procedures and Resolutions of Shareholders' General Meetings

Article 115 The resolutions of a shareholders' general meeting shall either be classified as ordinary resolutions or special resolutions.

Ordinary resolutions shall be approved by a simple majority of voting rights held by the shareholders (including their proxies) attending the meeting.

Special resolutions shall be approved by not less than two-thirds of voting rights held by the shareholders (including their proxies) attending the meeting.

Article 116 The following matters shall be resolved by way of an ordinary resolution:

- (1) work reports by the Board of Directors and the Board of Supervisors;
- (2) profit distribution plans and loss recovery plans as proposed by the Board of Directors;
- (3) the appointment or removal (excluding the removal of independent directors), the remuneration and the method of payment for the members of the Board of Directors and the Board of Supervisors;
- (4) reports regarding the Bank's annual financial budget and final accounts;

- (5) appointment, dismissal or termination of re-appointment of the accounting firm that regularly performs statutory audits of the Bank's financial reports;
- (6) any other matters not required by the laws, administrative regulations or these Articles to be resolved by way of a special resolution.

Article 117 The following matters shall be resolved by way of a special resolution:

- (1) an increase or reduction of the registered capital of the Bank and the issuance of any class of shares, warrants and other similar securities;
- (2) the division, merger, dissolution, liquidation or any other change in the corporate form of the Bank;
- (3) amendments to these Articles;
- (4) stock incentive plans;
- (5) repurchase of the Bank's shares;
- (6) issuance of bonds and listing;
- (7) purchase or sale of material assets by the Bank or any guarantee of an amount exceeding 30% of its latest audited total assets within one year;
- (8) removal of independent directors;
- (9) any other matters which are required by the laws, administrative regulations and these Articles, and any matter decided by the shareholders' general meeting by way of an ordinary resolution to have a material effect on the Bank and should therefore be adopted by a special resolution.

Article 118 When an ordinary share holder (including proxy) votes at a shareholders' general meeting by exercising his/her voting rights according to the number of shares carrying the right to vote, each share shall have one vote.

The shares held by the Bank have no voting rights, and such part of the shareholding shall not be counted as the total number of shares with voting rights held by shareholders attending the meeting. If the laws, administrative regulations or the Listing Rules require that any shareholder shall abstain from voting on a certain matter or limit any shareholder to cast affirmative or negative votes on a certain matter, any votes cast by the shareholder or proxy in violation of the aforesaid requirements or restrictions shall not be included in the voting results.

Article 119 Connected shareholders and their associates (within the meaning of the Listing Rules) shall not participate in voting when matters concerning connected party transactions are considered at a shareholders' general meeting, and the shares with voting rights represented by the connected shareholders shall not be counted into the total number of valid votes. The resolutions adopted at the shareholders' general meeting should fully disclose the voting results by unconnected shareholders.

Article 120 Unless the Bank is under special circumstances such as a crisis, the Bank shall not enter into contracts to entrust the management of all or the important businesses to persons other than the directors, president and other senior management officers of the Bank without approval in the form of a special resolution adopted in a shareholders' general meeting.

Article 121 The list of director and supervisor candidates shall be submitted in the form of a proposal to the shareholders' general meeting for voting.

Article 122 All proposals shall be voted separately at the shareholders' general meeting. If there are a number of proposals related to the same matter, votes shall be cast in the order of which the proposals are presented. Except where there is force majeure or other special circumstances resulting in the adjournment of the shareholders' general meeting or the failure to adopt resolutions, no resolutions proposed in the shareholders' general meeting shall be set aside or skipped.

Article 123 The shareholders' general meeting, while considering proposals, shall not modify such proposals. Otherwise, the modification should be deemed as a new proposal, which shall not be voted at the same shareholders' general meeting.

Article 124 The same voting right can only be exercised through either on-site voting or one other voting form. Where more than one vote is cast for the same voting right, the choice of the first vote shall prevail.

Article 125 Voting at a shareholders' general meeting will record the name of the voter.

Article 126 Before a proposal is put to vote at a shareholders' general meeting, two representatives of the shareholders shall be nominated to count the votes and to act as the scrutineers. If a shareholder is associated with the matter to be considered, the shareholder and his/her/its proxy shall neither count the votes nor act as the scrutineer.

During the voting process of a shareholders' general meeting, the vote count and examination of the poll shall be conducted together by lawyers, representatives of shareholders and representatives of supervisors and qualified persons appointed according to the Listing Rules, and the voting outcome shall be announced at the meeting. The voting outcome for each resolution shall be recorded in the meeting minutes.

Article 127 Shareholders who are present at the shareholders' general meeting shall adopt one of the following stances when a proposal is put forward for voting: for, against or abstention.

Any votes which are unfilled, erroneously completed, illegible or un-submitted votes shall be counted as abstentions of the voting rights and such votes shall be counted as "abstained".

Article 128 On a poll taken at a meeting, a shareholder (including his/her proxies) entitled to two or more votes need not cast all the votes towards the same stance.

Article 129 For every proposed resolution, the voting circumstances and voting outcome shall be announced at the meeting, and the chairman of the meeting shall decide and announce whether the resolution has been adopted based on the voting outcome. The decision shall be final and recorded in the meeting minutes.

Prior to the formal announcement of the voting outcome, all interested parties attending the meeting in person and involving in other voting form, including the Bank, the vote counter, the scrutineer and substantial shareholders, etc., have an obligation to keep the voting results confidential.

Article 130 If the chairman of the meeting has any doubts as to the voting outcome of any resolution, he/she may have the votes recounted. If the chairman does not recount the votes and the shareholders or their proxies who have attended the meeting have doubts as to the outcome announced by the chairman, they may request a vote recount immediately after the announcement of the voting outcome, and the chairman shall have the votes recounted immediately.

If the votes are counted at a shareholders' general meeting, the result shall be recorded into the minutes.

Article 131 Resolutions adopted at the shareholders' general meeting shall be announced in a timely manner in accordance with the relevant requirements of the regulatory authority. The announcement shall specify the number of shareholders and proxies attending the meeting, the total number of shares with voting rights held by them and the proportion relative to the total number of shares with voting rights of the Bank, the voting method, the voting outcome of each proposal and the details of each adopted resolution.

Article 132 If the proposal regarding the election of the directors or supervisors is approved at the shareholders' general meeting, the newly elected director or supervisor's term of service shall commence on the date on which the resolution is adopted at the shareholders' general meeting. If their qualifications are subject to the approval by the regulatory authority, the term of office shall commence on the date when their qualifications are approved by the regulatory authority.

Article 133 The Bank shall implement any plans of cash distribution, issue of bonus shares or increase of share capital by capitalization adopted at a shareholders' general meeting as soon as possible and within two months after the conclusion of shareholders' general meeting. Such proposal shall be approved by the banking regulatory authorities of the State Council.

Section 8 Special Procedures for Voting by a Certain Class of Shareholders

Article 134 Shareholders who hold different classes of shares are classified as "class shareholders".

Class shareholders are entitled to rights and are subject to the obligations pursuant to the laws, administrative regulations and these Articles.

Article 135 If the Bank proposes to change or nullify certain rights of a certain class of shareholders, such proposal should be passed by a special resolution at the shareholders' general meeting and passed at the meeting convened according to Articles 137 to 141 other for the related class of shareholders.

Article 136 The rights of a certain class of shareholders shall be deemed to be changed or nullified in the following circumstances:

- (1) to increase or reduce in the quantity of the shares of that class, or increase or reduce the quantity of the shares of other classes which enjoy the same or more voting rights, distribution rights or other privileges as the shares of that class;
- (2) to convert part or whole of the shares of that class into other class(es), convert part or whole of the shares of other class(es) into that class, or grant such conversion rights;
- (3) to nullify or reduce the rights of that class of shares to receive payable dividends or cumulative dividends;
- (4) reduce or nullify the pre-emptive rights of that class of shares to acquire dividends or obtain distribution of assets during liquidation of the Bank;
- (5) to increase, nullify or reduce the conversion, option, voting, transfer or pre-emptive allotment rights of that class of shares or the rights of such class of shares to obtain securities issued by the Bank;

- (6) to nullify or reduce the rights of that class of shares to receive amounts payable by the Bank in a particular currency;
- (7) to establish new class(es) of shares which enjoy the same or more voting rights, distribution rights or other privileges as compared with that class of shares;
- (8) to restrict the transfer and ownership of that class of shares, or increase the restrictions;
- (9) to grant the share subscription options or share conversion options of that or another class of shares;
- (10) to increase the rights or privileges of other class(es) of shares;
- (11) any restructuring scheme of the Bank that may result in the assumption of disproportionate responsibilities by different classes of shareholders during the restructuring; and
- (12) to revise or nullify the provisions in this Article.

Article 137 The shareholders of a class of shares that are affected, whether they originally have voting rights at former shareholders' general meetings, shall be entitled to vote on the matters concerning sub-paragraphs (2) to (8), (11) and (12) of the preceding Article at the meeting for such class of shareholders, but shareholders with conflicts of interests therein shall have no voting rights at the meeting for such class of shareholders.

The shareholders with conflict of interests mentioned in the preceding paragraph shall have the meaning as follows:

- (1) if the Bank has made a repurchase tender offer to all shareholders in the same proportion in accordance with Article 35 or has repurchased its own shares through public transaction on a stock exchange, "shareholders with conflicts of interests" shall mean the controlling shareholders defined in Article 329;
- (2) if the Bank has repurchased shares under an off-market agreement in accordance with Article 35, "shareholders with conflicts of interests" shall mean shareholders who are connected with the aforementioned agreement; and
- (3) under a restructuring scheme of the Bank, "shareholders with conflicts of interests" shall mean shareholders who assume liability in a lower proportion than other shareholders of the same class, or those who own different interests as compared with other shareholders of the same class.

Article 138 A resolution of the meeting for a certain class of shareholders shall be adopted by more than two-thirds of the voting shares represented by shareholders of that class present at the meeting in accordance with the preceding Article.

Article 139 When convening a class shareholders' meeting, the Bank shall issue a written notice in accordance with Article 90 of the Articles. If the securities regulatory authorities of the place where the shares of the Bank are listed have other requirements, such requirements shall prevail.

Article 140 The notice of a meeting for a certain class of shareholders only needs to be delivered to the shareholders entitled to vote at that meeting.

Unless required otherwise by these Articles, the procedures for convening a meeting for a certain class of shareholder shall be the same as the procedures for the shareholders' general meeting to the extent practical, and the provisions in these Articles relating to the procedure to convene a shareholders' general meeting shall apply to the class shareholder meeting.

Article 141 Apart from other classes of shareholders, the shareholders of domestic shares and overseas-listed foreign shares are deemed to be shareholders of different classes.

The special voting procedures at a shareholders' general meeting for class shareholders shall not apply in the following cases:

- (1) upon the approval by way of a special resolution adopted by a shareholders' general meeting, the Bank independently or simultaneously issues domestic shares and/or overseas-listed foreign shares every twelve (12) months, provided that the amount of each class of shares intended to be issued is not more than 20% of the issued and outstanding shares of the respective class;
- (2) the Bank's plan on issuing domestic shares and overseas-listed foreign shares at the time of incorporation, which shall be completed within fifteen (15) months upon the date of approval from the securities regulatory authority of the State Council; and
- (3) the relevant regulatory authorities, such as banking regulatory authorities of the State Council and the securities regulatory authority of the State Council, have given approval for unlisted shares held by the shareholders of the Bank to be traded in overseas stock exchanges.

Chapter 6 Board of Directors

Section 1 Directors

Article 142 Directors of the Bank shall be a natural person and is not required to hold any shares of the Bank.

No person shall hold the director position of the Bank in one of the following circumstances:

- (1) the person without or with limited capacity for civil conduct;
- (2) the person with criminal records and has worked for any entity that is in violation of the laws, or is personally liable or directly responsible for material losses, and is personally liable for any entity in bankruptcy or which have had its business licenses revoked and its businesses were compulsorily closed down due to a violation of the laws;
- (3) the person or his/her spouse with relatively large amounts of due and outstanding debt;
- (4) Directors and senior management officers being permanently disqualified by regulatory authorities, or penalized by regulatory authorities and other financial regulatory departments and the penalty remains in effect, as well as penalties accumulated more than twice;
- (5) other persons not satisfying the requirements of the regulatory authorities; and
- (6) other circumstances as stipulated by the laws, administrative regulations or departmental rules.

The election, appointment or employment of directors in violation of this Article shall be void. In the event that any circumstance above occurs during a director's term of office, that person shall be dismissed.

Article 143 Directors shall be elected or removed from office by shareholders at a general meeting. The term of office of a director shall be three years, and a director may be re-elected and re-appointed upon expiry of his/her term of office. Before the expiry of the director's term of office, the shareholders' general meeting shall not dismiss any director without any reason. A written notice of intent to nominate a candidate to become a director and the candidate's consent to such nomination shall be given to the Bank no earlier than the day after issuing the notice of the shareholders' general meeting for the election of such director, but at least seven days before such general meeting. Subject to the relevant laws and administrative regulations, a director whose term of office has not expired may be removed by an ordinary resolution (excluding the removal of independent directors) (but such removal shall not cause prejudice to any claim which may be instituted by the director under any contract).

The term of office of a director shall be calculated from the date on which he/she takes up the office, until the expiration of the term of office of the Board of Directors. Where re-election is not carried out promptly after a director's term of office expires, the director shall continue to perform the duties owed by a director before a new director is elected to take up the office, subject to the laws, administrative regulations, departmental rules and these Articles.

Any person who has been appointed by the Board of Directors to fill any casual vacancy in the office of the Board of Directors or serve as an additional Director, his term of office shall only expire at the next shareholders' annual general meeting of the Bank and such person shall be eligible for election for a successive term.

Senior management officers serving as directors in the Board of Directors should comprise at least one quarter, but no more than one-third of the Board's total director number.

The Bank shall have independent directors. The number of independent directors shall be no less than one-third of the Board's total director number.

Article 144 Directors shall comply with the laws, administrative regulations and rules and these Articles and shall assume the following faithful duties to the Bank:

- (1) not to accept bribes or other illegal income by taking advantage of their positions or rights and shall not encroach upon property of the Bank;
- (2) not to embezzle funds of the Bank;

- (3) not to open bank accounts in their own names or in the names of others for depositing the assets or fund of the Bank;
- (4) in addition to the normal operating business of the Bank, not to loan the fund of the Bank to others or to provide guarantee to others with the Bank's assets without the approval of the shareholders general meeting or the Board of Directors in contravention of these Articles;
- (5) not to enter into contract or transact with the Bank in contravention of these Articles or without the approval of the shareholders general meeting;
- (6) not to, without the approval of shareholders general meeting, seek business opportunities that originally belong to the Bank for themselves or others with their favorable positions, or not to operate business for themselves or others that are similar to the Bank;
- (7) not to accept for themselves commissions in relation to transactions with the Bank;
- (8) not to disclose any secrets of the Bank without authorization;
- (9) not to jeopardize the interests of the Bank by taking advantage of their related party status; and
- (10) other faithful obligations stipulated by the laws, administrative regulations, rules and these Articles.

Income obtained by directors in violation of this Article shall belong to the Bank; and the directors shall indemnify the Bank for any losses incurred by the Bank therefrom.

Article 145 Directors shall assume the following diligent duties to the Bank in accordance with the laws, administrative regulations and these Articles:

- (1) to exercise the rights conferred by the Bank in a prudent, careful and diligent manner to ensure that the commercial activities of the Bank are in line with the requirements of the laws, administrative regulations and various national economic policies and that Bank's business activities do not exceed the business scope stated in the business license;
- (2) to treat shareholders of the same class in the same way, and to fairly treat shareholders of different classes;

- (3) to keep a check on the business operation and management of the Bank, having the right to request the senior manager to provide relevant materials of the Bank's operation and management in a comprehensive, timely and accurate manner or offer explanations on relevant issues;
- (4) to provide written confirmation in relation to the periodic reports and to ensure the truthfulness, accuracy and completeness of information disclosed by the Bank;
- (5) to provide true information and data to the Board of Supervisors and not to obstruct the performance of duties by the Board of Supervisors or Supervisors;
- (6) to understand and address the conditions of the Bank on an ongoing basis, and to give advice and recommendations to commercial banking through the Board of Directors and its special committees; and
- (7) to take responsibility for the resolutions of the Board of Directors;
- (8) to supervise the senior management's implementation of the resolutions of shareholders' general meetings and the Board of Directors;
- (9) to actively participate in trainings organized by the Bank and regulatory authorities to have knowledge of rights and obligations of directors and relevant laws, regulations and regulatory requirements, being equipped with expertise and skills for discharging duties;
- (10) to be responsible to the Bank and all shareholders and treat all shareholders impartially when performing duties;
- (11) to practice high standards of professional ethics and consider the legitimate rights and interests of stakeholders;
- (12) to fulfill the obligations of faithfulness and diligence to the Bank, perform duties conscientiously and prudently, and ensure sufficient time and energy to discharge duties;
- (13) other obligation stipulated by the laws, administrative regulations, departmental rules and these Articles.

Article 146 The directors shall attend the Board meetings earnestly and responsibly, and shall propose motions or address their opinions in an independent, professional and objective manner.

Directors shall spend sufficient time to carry out their duties, and shall attend at least two-thirds of the on-site Board meetings in person each year. If a director cannot attend the meeting due to certain reason, he/she shall entrust another director in writing to attend on his/her behalf, but an independent director shall not entrust a non-independent director to attend on his/her behalf.

If the director fails to attend the Board meetings either in person or entrust other directors to attend on his/her behalf two times consecutively, or attends less than two-thirds of the total number of on-site Board meetings in person within one year, the director shall be deemed incapable of performing the duty, and the Board of Directors shall make a proposal either to the shareholders' general meeting or employee representative meeting to dismiss such director.

A director who fails to attend Board meetings in person and fails to appoint another director to attend on behalf shall assume the same legal liabilities of Board resolutions.

Article 147 A director may resign before the term of office expires. He/she shall submit a written resignation to the Board of Directors.

Where the resignation of a director during the term of office causes the number of directors on the Bank's Board of Directors to fall below the minimum quorum or two-thirds of the number stipulated in the Articles of Association of the Bank or affects the Bank's normal operation, the director shall continue to perform the duties owed by a director before a new director is elected to take up the office, subject to the laws, administrative regulations, departmental rules and these Articles.

Any director shall not resign without the approval of the regulatory authority during the period when the Bank is dealing with major risks.

Saved as the aforesaid, the resignation of a director shall take effect upon the delivery of the written resignation to the Board of Directors.

Article 148 If the resignation of a director becomes effective or his term of office expires, the director shall complete all handover formalities with the Board of Directors. The fiduciary obligations owed to the Bank and shareholders are not discharged after the term of office expires, which shall remain effective within three years. Their obligation of preserving commercial confidentiality subsists after the expiration of their term of office until such trade secrets become public information.

Article 149 A director shall not represent the Bank or the Board of Directors in his/her own name, unless otherwise provided in these Articles or legally authorized by the Board of Directors. A director shall announce his/her views and role in advance when he/she acts in his/her own name, if there is a possibility that a third party may reasonably believe that the director is representing the Bank or the Board of Directors.

Article 150 Directors shall be liable for compensation regarding any losses sustained by the Bank caused by the violation of the laws, administrative regulations, departmental rules or these Articles in the performance of their duties.

Section 2 Independent Directors

Article 151 Independent director of the Bank means the director who does not hold any other positions in the Bank except for director, member or chairman of any special committees of the Board, and has no relationship with the Bank and the Bank's shareholders, de facto controllers that may impact on his/her independent and objective judgment. At least one independent director of the Bank shall possess the appropriate professional qualifications or appropriate accounting or relevant financial management expertise.

Unless otherwise provided for in this section, the provisions on directors in this Chapter shall apply to independent directors.

An independent director shall attain a high professional level and have good reputation, and shall meet the following criteria:

- (1) be qualified to serve as a director pursuant to the laws, administrative regulations, rules and relevant requirements of the relevant regulatory authorities and these Articles;
- (2) perform the duties and responsibilities in good faith, independently and diligently, without any interference by shareholders or *de facto* controllers, senior management of the Bank, or other entities or individuals who have a material interest in the Bank;
- (3) have a bachelor degree or above, or senior vocational titles of relevant professions;
- (4) be familiar with the relevant laws, administrative regulations, rules and regulations;

- (5) have no less than 5 years' experience in law, economics, finance, accounting or other work experience conducive to performing the duties and responsibilities of an independent director;
- (6) be familiar with the laws, administrative regulations and rules relevant to the operation and management of commercial banks;
- (7) be able to read, understand and analyze credit reports and financial statements of commercial banks; and
- (8) have sufficient time and energy to effectively perform the duties and undertake to duly perform the duties of good faith and diligence.

Article 152 Apart from persons prohibited from acting as directors of the Bank, the following persons may not serve as independent directors of the Bank:

- (1) a persons who directly or indirectly holds more than 1% of the shares of the Bank or hold positions in such shareholder entities of the Bank or are among the top 10 natural person shareholders of the Bank;
- (2) a person who, at any time in the previous year, is a person described in paragraph (1) above;
- (3) a person who holds position in the Bank or in enterprises under the control or *de facto* control of the Bank (but not including independent director);
- (4) a person who is a person described in paragraph (3) above in the three years before taking up the office (but not including independent director);
- (5) a person who holds positions or has an interest in entities which have legal, accounting, auditing, management consulting and other business connections with the Bank;
- (6) any other person who may be controlled or materially influenced by the Bank by any means;
- (7) the close relatives of the persons in paragraphs (1) to (6) above; and
- (8) any other person not permitted to serve as an independent director by the banking regulatory authority of the State Council, the securities regulatory authorities of the place where the Bank's shares are listed and any other relevant regulatory authorities.

The term "close relatives" in this Article means spouses, parents, children, siblings, grand-parents and grand-children.

Article 153 The appointment of independent directors shall mainly follow the market principle. The Nomination and Remuneration Committee of the Board of Directors, the Board of Supervisors, and shareholders individually or in aggregate holding 1% or more of the Bank's voting shares can nominate candidates for independent directors. A shareholder and his/her related party who has already nominated candidate for non-independent director shall not nominate any candidate for independent director.

The qualification of the candidates for directors shall be reviewed by the Nomination and Remuneration Committee of the Board of Directors with a focus on the independence, expertise, experience and capability. The names of qualified candidates shall be submitted to the Board of Directors for consideration. After approval by way of a Board resolution, written proposals shall be submitted to the shareholders' general meeting for election. The qualification of the candidates shall be verified by the banking regulatory authority of the State Council.

An independent director shall not hold positions in more than two commercial banks at the same time.

Article 154 The term of service of an independent director shall be the same as that of other directors of the Bank and may be re-elected and re-appointed upon the expiration of the term of office, provided the term of service of an independent director of the Bank shall not be more than six years on an accumulative basis.

Article 155 An independent director may resign before the term of office expires. Prior to the approval of resignation of the independent director by the Board of Directors, the independent director shall continue to carry out his/her duties, other than the resignation and dismissal caused by the loss of independence.

The resigning independent director shall submit a written resignation report to the Board of Directors, and serve a written statement on the immediately following shareholders' general meeting to specify any circumstances related to the resignation or any fact that he/she believes requires the attention of the shareholders and creditors.

If the resignation of an independent director causes the number of independent director fall below the statutory minimum number, the resignation of the independent director shall not become effective until the vacancy so caused is filled by the successor.

Article 156 The independent directors shall work at the Bank for no less than fifteen working days per annum. Directors appointed as responsible persons for the Audit Committee, the Related Party Transactions Control Committee and the Risk Control and Consumers' Rights Protection Committee shall work for the Bank for no less than twenty working days per annum.

Independent directors may entrust other independent directors to attend the Board meetings as proxy; however, independent directors shall attend in person no less than two-thirds of the Board meetings convened during a year.

Article 157 In addition to the powers conferred by the Company Law and other relevant laws, administrative regulations and rules and these Articles, independent directors shall also have the following powers:

- (1) major connected transactions shall be approved by independent directors prior to submission to the Board of Directors for discussion. Independent directors shall express written opinions on the fairness and reasonableness of major connected transactions and the execution of internal approval procedures on a case-by-case basis. The independent directors may engage independent third parties such as professional advisers to provide opinions and provide an independent financial adviser report, if they deem it necessary, to serve as a basis of decision before they come to a conclusion;
- (2) to propose to the Board of Directors to convene an extraordinary shareholders general meeting;
- (3) to propose to convene a meeting of the Board of Directors;
- (4) to engage independently external auditing and consulting advisers;
- (5) to propose to the Board of Directors to appoint or remove an accounting firm;
- (6) to publicly approach shareholders to gather their votes before the shareholders' general meeting is convened; and
- (7) other powers stipulated by the laws, administrative regulations, rules and these Articles.

The approval by a majority of independent directors shall be obtained for the exercising of the above powers.

Article 158 Independent directors shall give objective, impartial and independent opinions on the matters considered at the shareholders' general meeting or the Board meetings of the Bank, and shall in particular, address their opinions to a shareholders' general meeting or the Board meeting on the following matters:

- (1) the legality and fairness of significant connected transactions;
- (2) the profit distribution plans;

- (3) nomination, appointment and dismissal of directors, and the appointment and dismissal of senior management officers;
- (4) remuneration of directors and senior management officers;
- (5) matters deemed by the independent directors as such that may have significant impact on the legitimate rights and interests of the Bank, financial consumers and minority shareholders of the Bank and other persons who have interest in the Bank;
- (6) matters deemed by the independent directors as such that may cause significant loss to the Bank;
- (7) the appointment or dismissal of the accounting firms which regularly perform statutory audits for the Bank's financial reports; and
- (8) other matters stipulated by the laws and regulations, regulatory requirements or these Articles.

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

- (1) the Bank shall ensure that independent directors have the same information right as other directors;
- (2) the Bank shall provide the necessary working conditions for independent directors;
- (3) the Secretary to the Board of Directors and other relevant personnel of the Bank shall cooperate positively in the performance of duties by independent directors; and
- (4) the reasonable expenses incurred from engaging intermediaries and the reasonable costs incurred when carrying out duties by independent directors shall be borne by the Bank.

Article 160 Independent directors shall have committed a serious dereliction of duty in any of the following circumstances:

- (1) divulgence of trade secrets and impairment of the legitimate interests of the Bank;
- (2) acceptance of illicit benefits in the performance of their duties, or the seeking of private benefits by taking advantage of the status of an independent director;

- (3) failure to raise an opposing opinion despite being fully aware that a Board resolution violates the laws, administrative regulations or these Articles;
- (4) failure to exercise the veto power to connected transactions which have caused significant loss to the Bank; and
- (5) other serious dereliction identified by the banking regulatory authority of the State Council.

If an independent director has been disqualified by the banking regulatory authority of the State Council due to serious dereliction of duty, he/she shall be automatically dismissed from the position from the date he/she is disqualified.

Article 161 The Board of Directors or the Board of Supervisors has the right to propose at a shareholders' general meeting to dismiss an independent director in any of the following circumstances:

- (1) serious dereliction of duty;
- (2) failure to resign from the position when he/she is no longer qualified to be an independent director;
- (3) failure to attend the Board meetings in person three times consecutively, or failure to attend the meeting either in person or entrust other independent directors to attend on his/her behalf two times consecutively, or attending less than two-thirds of the total number of Board meetings in person within one year; and
- (4) other circumstances provided by the laws, administrative regulations and rules where an independent director is no longer suitable for holding such position.

Article 162 If the Board of Directors or Board of Supervisors proposes at a shareholders' general meeting to dismiss an independent director, it shall issue a written notice to the independent director one month before such shareholders' general meeting. The independent director shall have the right to express the opinion orally or in writing before the voting, and shall have the right to submit such opinion to the banking regulatory authority of the State Council five days prior to the shareholders' general meeting. The shareholders shall vote after reviewing the independent director's opinion.

Article 163 The Bank shall pay compensation and allowance to independent directors. Payment standard shall be formulated by the Board of Directors, and discussed and approved at the shareholders' general meeting.

Section 3 Board of Directors

Article 164 The Bank shall establish a Board of Directors, which shall be accountable to the shareholders' general meeting.

Article 165 The Board of Directors shall be composed of fifteen (15) directors, of whom 5 shall be executive directors and 10 non-executive directors (including 5 independent directors).

Article 166 The Board of Directors shall have an office under its leadership, which shall be responsible for preparing for shareholders' general meetings, meetings of the Board of Directors and meetings of special committees of the Board, as well as other routine work of the Board of Directors and special committees of the Board.

Article 167 The Board of Directors shall have one chairman and one vice chairman. The chairman and vice chairman shall be elected by more than half of all directors under the Board of Directors.

Article 168 The chairman of the Bank shall not be served by the legal representatives or key personnel of the Bank's controlling shareholders.

Article 169 The vice chairman shall assist the chairman in his/her work. If the chairman of the Board is unable or fails to perform the duties and powers, the vice chairman shall exercise such duties on behalf; if the vice chairman is unable or fails to do so, a director shall be recommended by half or more directors jointly to exercise such duties and powers on behalf.

Article 170 The Board of Directors shall perform the following duties:

- (1) convene and report at shareholders' general meetings;
- (2) implement resolutions adopted at shareholders' general meetings;
- (3) make decisions on the Bank's business plans and investment plans, formulate the Bank's operational development strategies and supervise the implementation of such strategies;
- (4) formulate the Bank's annual financial budgets and accounts;
- (5) formulate the Bank's proposals on profit distribution and loss recovery plans;
- (6) formulate proposals on the increase or reduction of the Bank's registered capital and the issue and listing of bonds and other securities;
- (7) formulate plans for significant acquisitions, purchase of the Bank's shares, or merger, division or dissolution or other change in form of the Bank;

- (8) formulate capital planning of the Bank, and undertake ultimate responsibility of capital or solvency management;
- (9) in accordance with laws and regulations, regulatory requirements and the Articles of Association, to consider and approve matters, such as external investment, asset acquisitions, asset disposals and write-offs, pledge of assets, related party transactions and data governance;
- (10) decide on the establishment of the Bank's internal management departments and overseas branch office which is not a legal person;
- (11) nominate, appoint or remove the Bank's president, vice president and other senior management with reference to the nomination of the chairman, and determine their remunerations, rewards and punishment;
- (12) formulate proposals on the remuneration and subsidies of the directors of the Bank;
- (13) formulate the basic management systems, formulate the Bank's risk tolerance rate, decide on the policies on risk management, internal control and compliance of the Bank, and assume ultimate responsibility for overall risk management;
- (14) formulate amendments to these Articles, formulate the rules of procedure regarding the shareholders' general meeting and the rules of procedure regarding the meeting of the Board of Directors, and review and approve the working rules for each special committee of the Board of Directors;
- (15) formulate the information disclosure system of the Bank, incorporate the risk management work of the Bank's information into daily operation, implement responsibility of various aspects and manage the disclosure of information of the Bank, and take ultimate responsibility for the authenticity, accuracy, completeness and timeliness of the accounting and financial reports;
- (16) propose at a shareholders' general meeting the engagement, replace or discontinuance of engagement of an accounting firm for regular legal audit of the Bank's financial statements;
- (17) supervise and evaluate the work performance of the directors and senior management officers of the Bank, listen to the president's work report and inspect the president's work;
- (18) evaluate and improve corporate governance of the Bank on a regular basis;
- (19) consider any major capital expenditure, contract and commitment which exceeds the expenditure limit for senior management officers set by the Board of Directors;

- (20) formulate proposals on the sale or transfer of all or substantially all of the Bank's business or asset;
- (21) draw up share incentive and equity repurchase plans of the Bank; and decide on the measures to link employees' salaries with the operational performance of the Bank;
- (22) report to the relevant authorities of the government in accordance with the laws and regulations with respect to significant events involving operational risks and financial security as well as major decisions that are likely to lead to financial risks and financial security issues before such decisions are made;
- (23) be responsible for the management of equity affairs of the Bank, and take the ultimate responsibility for the management of equity affairs;
- (24) establish an identification, examination and management mechanism for conflict of interest between the Bank and shareholders, in particular substantial shareholders;
- (25) be responsible for the protection of consumer rights, and take the ultimate responsibility for the protection of consumer rights, take the protection of consumer rights into each segment of corporate governance, incorporate the protection of consumer right into our business development strategies and corporate culture and safeguard the legitimate rights and interests of financial consumers and other stakeholders;
- (26) be responsible for anti-money laundering, and take the ultimate responsibility for the management of money laundering risks;
- (27) other rights conferred by the laws, administrative regulations, departmental rules or these Articles.

The functions and powers of the Board of Directors shall be exercised collectively by the Board of Directors. The functions and powers of the Board of Directors specified in the Company Law shall not be delegated to the chairman of the Board of Directors, any director or any other body or individual. Where it is necessary to delegate certain powers to make a decision on a specific matter, such delegation shall be approved by means of Board resolutions in accordance with the laws. Each delegation shall be for one matter exclusively, and the functions and powers of the Board of Directors shall not be delegated to any other body or individual generally or permanently.

Article 171 The Board of Directors of the Bank shall explain at a shareholders' general meeting the qualified opinions contained in the audit reports issued by registered accountants in respect of the Bank's finance.

Article 172 The Board of Directors shall not, without the prior approval in a shareholders' general meeting, dispose of or agree to dispose of any fixed assets where the aggregate of the expected value of the consideration for the proposed disposal and the value of the consideration for any similar disposal of fixed assets in the four months immediately preceding the proposed disposal exceeds 33% of the value of the fixed assets as stated in the last balance sheet reviewed at the shareholders' general meeting. A "disposal of fixed assets" as referred to in this Article includes an act involving the transfer of an interest in certain assets, but does not include the provision of fixed assets by way of security.

Breach of the above provision article shall not affect the validity of any transaction entered into by the Bank in disposing of fixed assets.

Article 173 The Board of Directors shall formulate the rules of procedure for its meetings, which shall include, among others, notice of a meeting, method of convening a meeting, document preparation, method of voting, mechanism for submission of proposals, meeting minutes and its signature, authorization rules of the Board, and shall be submitted to the shareholders' general meeting for discussion and approval, to ensure that the Board of Directors has put into action the resolutions adopted at the shareholders' general meeting so as to promote work efficiency and make scientific decisions.

Article 174 The Board of Directors shall specify the scope of investment in the overseas market, asset acquisition, asset disposal, writing-off of assets, pledge of assets, external guarantee, trust of wealth management, related transactions and data governance and set up a stringent internal control system, formulate a comprehensive investigation and decision making process. Specialists and professionals should be organized to assess any major investment projects and seek approval at a shareholders' general meeting.

Article 175 The Board of Directors has the authority to make decisions on the purchase, sale and replacement of the followings. Along with all of the following circumstances, the Board of Directors has the authority to make decisions on the purchase, sale and replacement of assets:

- (1) net assets being purchased, sold and replaced (assets deducting liabilities assumed) accounted for less than 50% of the net assets of the audited combined financial statement for the last financial year of the Bank; and

- (2) principal operating income generated by assets being purchased, sold and replaced for the last fiscal year accounted for less than 50% of the principal operating income of the audited combined financial statement for the last financial year of the Bank.

The calculation on the amount of multiple purchase, sale and replacement of the same or related assets by the Bank within twelve (12) months consecutively is based on its cumulative amount.

Article 176 Connected transactions have to be submitted to the shareholders' general meeting for review with resolution to be adopted by the Board of Directors, and such resolution shall be implemented with the approval at the shareholders' general meeting. Any shareholder who has a conflict of interest in such connected transactions shall abstain from voting on such resolution.

Article 177 The chairman of the Board of Directors shall have the following duties and powers:

- (1) to preside over shareholders' general meetings, and convene and preside over meetings of the Board of Directors;
- (2) to supervise and examine the implementation of resolutions of the Board of Directors;
- (3) to sign certificates of shares and bonds of the Bank;
- (4) to sign material documents of the Board of Directors and other documents which shall be signed by the legal representative of the Bank;
- (5) in the event of an occurrence of any severe natural disaster or any other force majeure event, to exercise the special power in relation to the Bank's affairs in the Bank's interests and in compliance with the legal provisions, and subsequently report such activities to the Board of Directors and the shareholders in a general meeting;
- (6) to nominate candidates for the president, vice president and other senior management;
- (7) to be responsible for the management of equity affairs, to be the primary person responsible for handling equity affairs of the Bank; to honestly, faithfully and diligently perform his/her duties and to bear legal liabilities according to laws if he/she fails to perform his/her duties with due diligence;
- (8) other powers and rights conferred by the Board of Directors.

Article 178 The Board meetings are divided into regular meetings and extraordinary meetings. Regular meetings shall be convened by the chairman at least four times per year. Notices shall be sent to all directors and supervisors in writing at least fourteen days before the meeting.

Article 179 The chairman shall convene and preside over an extraordinary Board meeting within ten days of receiving such a proposal under the following circumstances:

- (1) it is proposed by more than one-tenth of the shareholders with voting rights;
- (2) it is proposed by more than one-third of the directors;
- (3) it is proposed by more than two independent directors;
- (4) it is proposed by the Board of Supervisors;
- (5) it is deemed necessary by the chairman;
- (6) it is proposed by the president; and
- (7) other circumstances as stipulated by the laws, administrative regulations, departmental rules or these Articles.

Article 180 The Board of Directors shall notify all directors of the date of the meeting in accordance with the provisions, and provide them with adequate materials before such meeting, including background introduction of the subject matters, any information and details which can facilitate the directors to make decisions.

Extraordinary meetings of the Board of Directors shall be convened by the chairman. The Board of Directors shall notify all directors and supervisors five days before such meeting in the form of a written notice sent by hand, registered mail, telegraph, telex, faxes or e-mail.

In case of emergency, the service of notices shall not be subject to the time-limit and can be issued through telephone or other oral ways, but the convener should make explanations in the meeting.

Article 181 The notice of a Board meeting shall contain the following contents:

- (1) the date, time and place of the meeting;
- (2) the duration of the meeting;
- (3) the reason for holding the meeting and topics for discussion; and
- (4) the date of issuance of the meeting notice.

Article 182 The Board meetings shall only be held when more than half of the directors attend the meeting. Resolutions adopted at the Board meetings must be approved by more than half of the directors.

Voting at the Board meetings may be conducted by on-site conference (including video conference and teleconference) or circulation of written resolution. Each director shall have one vote. If the dissenting votes are equal to the affirmative votes, the chairman shall have a casting vote.

Article 183 Directors who have connected relations with the resolutions to be discussed at the Board meetings shall not exercise their voting rights on such proposal, nor can they exercise any voting rights on behalf of other directors. The Board meeting shall only be held if more than half of the directors who do not have any connected relations are present. Resolutions of the Board of Directors shall be adopted by more than half of the directors without connected relations with the matter to be resolved, but the resolutions the Board of Directors involving significant related party transactions shall be subject to the approval at the Board of Directors shall be passed by more than two-thirds of non-related directors. Where less than three directors with no connected relations with the matter are present at the Board meeting, such proposals shall be submitted to the shareholders for approval.

Article 184 Directors shall attend meetings convened by the Board of Directors in person. If a director cannot attend the meeting due to certain reasons, he/she shall appoint another director in writing to attend on behalf. However, an independent director shall not appoint a non-independent director to vote on his/her behalf. The proxy form shall state the name of the proxy, the relevant matters, scope of authorization and validity period, the director's own opinions and voting intentions on the proposal and shall be signed by the appointer or a chop shall be affixed. The director attending the meeting on other's behalf shall exercise the director's rights within the scope of authorization. If a director fails to attend the meeting convened by the Board of Directors or appoint a representative to attend the meeting, such director shall be deemed to have waived the voting right at such meeting.

Article 185 The Board of Directors can convene a meeting by way of voting in form of circulating written resolutions, provided that all directors can fully express their opinions and the reasons for voting in form of circulating written resolutions have to be explained. All directors shall be provided with matters on voting in form of circulating written resolutions and relevant background information, as well as relevant information and details which can facilitate the directors to make decisions at least three days prior to the voting.

Article 186 Minutes shall be taken to record the decisions of matters discussed in the meeting (except for voting in form of circulating written resolutions). Directors attending the meeting shall sign the minutes.

The Board meeting minutes shall be kept as the Bank's files for a permanent period.

Article 187 Board meeting minutes shall include the following:

- (1) the date and place of the meeting, the name of the convener;
- (2) the names of directors attending the meeting and the names of directors (proxies) appointed by others to attend the Board meeting;
- (3) the agenda of the meeting;
- (4) the main points of directors' speeches; and
- (5) the method and results of the voting for each proposal (the voting results shall state the numbers of votes voting in the affirmative, negative, or in abstention).

Article 188 The following matters shall be approved by more than two-thirds of all directors and the Board meeting shall not be convened in form of circulating written resolutions:

- (1) proposals on change in profit distribution or dividend policies;
- (2) proposals on increase or reduction of the registered capital;
- (3) proposals on merger, division, dissolution, liquidation or other change in corporate form;
- (4) proposals on issuance of corporate bonds or listing;
- (5) proposals on repurchase of shares of the Bank;
- (6) amendments to these Articles;
- (7) consider any major capital expenditure, contract and commitment which exceeds the expenditure limit for senior management officers set by the Board of Directors;
- (8) formulate proposals on the sale or transfer of all or substantially all of the Bank's business or asset;
- (9) appointment or dismissal of senior management officers;
- (10) significant matters, such as remuneration plan, major investments, plans for capitalization, plans for major asset disposal, significant changes in equity and financial restructuring, etc.; and

- (11) other matters required by the relevant laws, administrative regulations, departmental rules or these Articles, or considered significant to the Bank by more than half of all directors that shall be approved by more than two-thirds of all directors.

Article 189 Directors shall sign the Board resolutions and be responsible for the Board resolutions. If the Board resolutions violate the laws, rules or these Articles, and thus causes serious losses to the Bank, the directors participating in the resolutions shall be liable to the Bank for the losses. However, a director may be exempted from such liability if it is verified that such director has stated its objection when voting and the same was recorded in the Board meeting minutes.

Section 4 Secretary to the Board of Directors

Article 190 The Bank shall have a Secretary to the Board of Directors, who shall be responsible for preparation of the shareholders' general meetings and Board meetings and keeping files and managing the Bank's shareholder information, as well as assisting the president to handle the equity affairs and information disclosure.

Means of information disclosure include periodic reports and interim reports. Information having a significant impact on the investment decisions made by investors shall be disclosed. The Bank shall disclose information having a significant impact on the decisions made by shareholders and other stakeholders in a proactive and timely basis, such as the development strategy and operating philosophy of the Bank, provided that the information does not involve sensitive financial information or trade secrets.

The Secretary to the Board of Directors shall obey the laws, administrative regulations, departmental rules and relevant provisions of these Articles.

Article 191 The Secretary to the Board of Directors, appointed by the Board of Directors, shall have necessary expertise and experience. The qualification of the Secretary to the Board of Directors is subject to approval by the banking regulatory authorities of the State Council. The provisions in the Articles in relation to the conditions prohibiting a person from serving as a director of the Bank shall be applicable to the Secretary to the Board of Directors.

Article 192 The major duties of the Secretary to the Board of Directors are:

- (1) ensuring that the Bank has a complete set of the organizational documents and records;
- (2) ensuring that the Bank will prepare and submit the reports and documents required by the authorities according to the laws;
- (3) ensuring that the Bank's register of shareholders is properly set up and ensuring that persons entitled to obtain the relevant records and documents shall be able to obtain them in a timely manner;

- (4) preparing shareholders' general meetings and a Board meetings in accordance with the legal procedures, and preparing and submitting the documents and information for the relevant meetings;
- (5) participating in shareholders' general meetings and Board meetings and producing minutes of meeting with signatures;
- (6) being responsible for keeping the Bank's register of shareholders, roster of directors and supervisors and senior management officers, as well as the information about the shareholdings of the Bank by the controlling shareholders, directors, supervisors and senior management officers, and the documents and minutes of shareholders' general meetings and Board meetings;
- (7) being responsible for the disclosure of the Bank's information, the supervision of the Bank to develop and implement the management systems of information disclosure and the internal reporting system of material information in order to promote the Bank and the related parties to carry out their information disclosure obligations according to the laws;
- (8) coordinating the relationship between the Bank and its investors, playing host to investors' visits, answering investors' enquiries, and providing investors with an access to information disclosed by the Bank;
- (9) being the liaison between the Bank and the local securities regulatory authorities where the Bank's shares are listed, being responsible for organizing the preparation and timely delivery of documents required by the local securities regulatory authorities where the Bank's shares are listed, and being responsible for receiving and completing relevant tasks assigned by such authorities;
- (10) being responsible for the confidentiality of the information to be disclosed by the Bank, drawing up security measures, and procuring the directors, supervisors and other senior management officers and the informed associated personnel to keep information in confidentiality prior to the disclosure;
- (11) assisting the directors, supervisors and other senior management officers to understand the laws, administrative regulations, departmental rules and these Articles in relation to the information disclosure; and
- (12) assisting the president to handle the equity affairs in his/her capacity as the person who shall have direct responsibility for handling the equity affairs; shall honestly, faithfully and diligently perform his/her duties and shall bear legal liabilities according to laws if he/she fails to perform his/her duties with due diligence;

- (13) other duties authorized by the laws, administrative regulations, departmental rules, the regulations of the relevant regulatory authorities, the Articles and by the Board of Directors.

Article 193 The Bank's Directors or senior management officers may concurrently serve as the Secretary to the Board of Directors, but they must ensure that they have sufficient energy and time to undertake the duties as the Secretary to the Board of Directors. The president, supervisors and the accountants of the accountants' firms engaged by the Bank, as well as other persons prohibited by the laws, administrative rules, departmental regulations and other regulatory documents to serve as Secretary to the Board of Directors shall not serve as the Secretary to the Board of Directors.

If a director of the Bank concurrently serves as the Secretary to the Board of Directors, in the event that an action has to be taken by the director and the Secretary to the Board of Directors respectively, the person acting concurrently as director and the Secretary of the Board of Directors shall not take such action in both of the capacities.

Article 194 The directors, supervisors, other senior management officers and related personnel shall give their positive support and cooperation to the works of the Secretary to the Board of Directors.

Section 5 Special Committees under the Board of Directors

Article 195 The Board of Directors shall establish the Strategic Development Committee, the Audit Committee, the Related Party Transactions Control Committee, the Risk Control and Consumers' Rights Protection Committee, the Nomination and Remuneration Committee. Other special committees can also be established if necessary. Members of each Board committee shall be comprised of no less than three director members. A person-in-charge shall be appointed to each Board committee to take charge of convening the activities of each Board committee; in principal, a person-in-charge of a Board committee may not concurrently serve as the person-in-charge of another special committee.

Independent directors shall form the majority of the Audit Committee and the Nomination and Remuneration Committee; the proportion of independent directors in the Risk Control and Consumers' Rights Protection Committee and the Related Party Transactions Control Committee shall not be less than one-third in principle, and the person-in-charge of the Audit Committee, the Related Party Transactions Control Committee and the Nomination and Remuneration Committee shall be independent director. Directors nominated by controlling shareholders shall not serve as a member of the Related Party Transactions Control Committee.

Members of the Audit Committee can only be comprised of non-executive directors, and at least one of whom is an independent director with appropriate qualifications or accounting or related financial management expertise as required under the Listing Rules.

Article 196 The Board of Directors shall specify the rules of meetings and scope of work authority for each Board committee, specifying the special committees' duties, rules of meetings, working procedures and matters authorized by the Board of Directors. The establishment, composition, scope of work authority and disclosure of information, etc. of each Board committee shall be in accordance with the laws, administrative regulations, departmental rules, the regulations of the relevant regulatory authorities and these Articles. Each committee shall formulate annual working plans and convene meetings regularly.

Article 197 Each Board committee shall communicate with senior management and department heads regarding the operating and risk conditions of the Bank regularly, and give advice and recommendations.

Article 198 Members of the special committees shall keep track of the changes and its impact on related matters of the Bank within the scope of the special committees, and raise the issue to the special committees timely.

Chapter 7 The President and Other Senior Management Officers of the Bank

Article 199 The Bank shall have one president, and shall have vice presidents and other senior management officers to assist the president. The president, vice presidents and other senior management officers shall be nominated by the chairman of the Board, and appointed or dismissed by the Board of Directors. Their qualifications shall be submitted to the banking regulatory authority of the State Council for approval.

Article 200 Article 142 in relation to the conditions prohibiting a person from acting as a director shall be also applicable to senior management officers.

Article 144 in relation to the fiduciary obligations of a director and the Article 145(4) to (6) in relation to obligations of diligence shall be also applicable to senior management officers.

Article 201 Persons who hold positions other than directors in any entity of the controlling shareholders or beneficial controller of the Bank shall not be appointed as senior management officers of the Bank.

Article 202 The term of office of the president, vice presidents and other senior management officers of the Bank shall be three years, and may be re-appointed upon expiry of their term.

Article 203 The president shall be accountable to the Board of Directors and shall execute various resolutions of the Board of Directors. The president has the right to organize and develop business and management activities in accordance with the laws, regulations, rules, these Articles and under the authorization of the Board of Directors, and shall perform the following functions and powers:

- (1) take charge of the business operation and management of the Bank, organize the implementation of the resolutions of the Board of Directors and report the work to the Board of Directors;
- (2) submit annual business plans and investment proposals to the Board of Directors on behalf of the senior management officers, and organize the implementation of Board resolutions, annual plans of the Bank and investment proposals upon approval by the Board of Directors;
- (3) draft proposals on the establishment of the Bank's internal management departments;
- (4) set up the Bank's basic management system;
- (5) formulate the Bank's specific regulations;
- (6) decide to engage or dismiss management other than those to be engaged or dismissed by the Board of Directors;
- (7) authorize persons in charge of internal departments and branches to conduct operational activities;
- (8) formulate proposals on wages, benefits, rewards and punishment of the Bank's staff, and decide on their appointment and dismissal;
- (9) adopt emergency measures when any major emergency, such as bank run, arises and promptly report them to the banking regulatory authority of the State Council and the Board of Directors and the Board of Supervisors; and
- (10) other powers and rights conferred by these Articles and by the Board of Directors.

The president may attend the Board meetings.

Article 204 The president shall formulate the "Terms of Reference of the President" and implement such terms after being approved by the Board of Directors.

Article 205 The Terms of Reference of the president shall include the following:

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

Article 206 The president, vice presidents and other senior management officers may resign before their terms of office expire. Such persons shall not leave their positions until their exit audits are completed. The specific procedures and measures for such resignation shall be specified in the appointment contract between such persons and the Bank.

Article 207 The appointment of senior management officers of the Bank shall be strictly in compliance with the relevant laws, regulations and these Articles. No organizations or individuals shall be allowed to interfere with the normal procedures for selection and appointment of senior management officers of the Bank. The selection and appointment of senior management officers such as the president, vice presidents, Chief Risk Officer, Chief Approval Officer, Chief Audit Officer, Chief Information Officer, Chief Financial Officer shall be open and transparent, and shall be conducted in market within and outside the region, fully leveraging as any intermediary agents.

Article 208 The appointment and removal of the president shall follow the legal procedures.

Article 209 The Bank shall establish an incentive mechanism linking the remunerations of senior management officers with the performance of the Bank and of the individual in order to attract talents and retain the stability of senior management officers.

Article 210 Senior management officers of the Bank shall, in accordance with the needs of the Bank's operations, establish a well-developed internal control mechanism with the appropriate internal rules and regulations, the operational risk control system and the credit approval system, etc. as its key parts.

Senior management officers of the Bank may attend the Board meetings.

Senior management officers of the Bank shall establish the systems for reporting regularly to the Board of Directors and reporting to the Board of Directors on the operational results, material contracts, financial position, risk profile, business prospects and other information of the Bank in a timely, accurate and complete manner.

Article 211 Senior management officers of the Bank shall submit themselves to the supervision of the Board of Supervisors, regularly report to the Board of Supervisors in relation to the operational results, material contracts, financial position, risk profile, business prospects and other information of the Bank, and shall not obstruct or hinder the inspection, supervision or other activities carried out by the Board of Supervisors according to its functions and powers.

Article 212 Senior management officers of the Bank shall establish and enhance a system of meetings and formulate the meeting rules and procedure.

Article 213 The operational management activities of the Bank conducted legally by senior management officers of the Bank within their scope of authority shall not be intervened. Senior management officers of the Bank shall have the right to request the Board of Supervisors to raise objections to the directors and president who intervene in the operational management activities exceeding their scope of authority, and report to the banking regulatory authority of the State Council.

The senior management of the Bank shall be responsible for establishing a clear and effective management system for protection of consumer rights, coordinating work plans, programs and tasks for the protection of consumer rights and effectively promoting works in connection with the protection of consumer rights.

The senior management of the Bank shall be responsible for the implementation of money laundering risk management, and the senior management who take the lead in charge of money laundering risk management shall have the right to work independently and report directly to the Board of Directors on money laundering risk management.

Article 214 The Bank's performance appraisal on senior management officers shall be the basis for the determination of remunerations and other incentives of senior management officers.

The remuneration plan for senior management officers shall be subject to approval by the Board of Directors.

Article 215 The president, vice president and other senior management officers of the Bank shall perform their obligations of fidelity and diligence according to the laws, rules and these Articles, and be liable to indemnify for any losses of the Bank arising from their violation of the laws, administrative regulations, departmental rules and these Articles when performing duties.

Chapter 8 The Board of Supervisors

Section 1 Supervisors

Article 216 Supervisors shall include shareholder supervisors, supervisors representing the employees and external supervisors, and the proportion of supervisors representing the employees and external supervisors shall not be less than one-third (1/3).

Article 217 The supervisors shall have professional knowledge and work experience in the law and accounting fields. Personnel and structure of the Board of Supervisors shall ensure the Board of Supervisors being able to independently and effectively supervise the Bank's directors, president and other senior management officers, as well as the Bank's financial conditions, internal control and risks management. The supervisors shall satisfy the following basic requirements:

- (1) with an bachelor's degree (including bachelor's degree) or higher or a job title at middle level or above in the related profession;
- (2) being familiar with the laws and regulations related to the operation and management of commercial banks;
- (3) being able to read, understand and analyze credit statistical report and financial statement of commercial banks;
- (4) having more than five years experience in law, economy, finance, accounting or other working experience which are helpful for performing the duties of a supervisor; and
- (5) other requirements as stipulated by the laws, administrative regulations and relevant rules.

Article 218 The circumstances stipulated in Article 142 under which the persons cannot serve as directors shall be also applicable to the supervisors.

Article 219 The directors, the president and other senior management officers shall not be the supervisors simultaneously.

Article 220 The shareholder supervisor and the external supervisors shall be nominated by qualified shareholders or the Board of Supervisors, and the supervisors representing the employees shall be nominated by the Board of Supervisors and the trade union of the Bank. The shareholder supervisor and the external supervisors shall be elected, removed and replaced at the shareholders' general meeting. The supervisors representing the employees shall be elected, removed and replaced at the employees representatives' general meeting of the Bank or through other means of democratic election. A term-of-service system is implemented for the supervisors. Each term of office is three years and the supervisors may be re-elected and re-appointed.

Article 221 A supervisor may resign during his/her term of office.

When a supervisor intends to resign, he/she shall submit a written resignation to the Board of Supervisors. The resignation of a supervisor shall become effective when the written resignation is served upon the Board of Supervisors.

In the event that a supervisor resigns during his/her term of office which results in the number of members of the Board of Supervisors falling below the quorum or the re-election of a supervisor fails to take place on a timely basis upon expiry of the term of office, the original supervisor shall continue to perform his/her duty as a supervisor in accordance with the laws, administrative regulations and these Articles before a new supervisor is elected and assumes office.

In the event that a supervisor resigns or is removed which results in the number of members or the proportion of the supervisors of the Bank falling below the minimum number as required by the relevant laws, administrative regulations and these Articles or the required proportion, the Bank shall convene a shareholders' general meeting or employees representatives' general meeting as soon as possible to elect a new supervisor.

Article 222 Supervisors shall perform the following duties or obligations:

- (1) present Board meetings and have the rights to query or make proposals in relation to the matters deliberated by the meetings;
- (2) attend the meetings of the Board of Supervisors on time, to fully examine the matters resolved by the Board of Supervisors, to express their opinions independently, professionally and objectively, and vote independently on the basis of prudent judgement;
- (3) assume responsibility for the resolutions of the Board of Supervisors;
- (4) actively participate in training organized by the Company and the regulatory authorities, etc., understand the rights and obligations of Supervisors, be familiar with relevant laws and regulations, and continuously possess the necessary professional knowledge and ability to perform their duties;
- (5) to be faithful and diligent in their duties to the Bank, to perform their duties with due diligence and prudence, and to ensure that they have sufficient time and energy to perform their duties;
- (6) actively participate in the supervisory and inspection activities organized by the Board of Supervisors, and have the right to conduct independent investigations and obtain evidence in accordance with the law, and raise issues and supervisory opinions in a factual manner;

- (7) comply with laws and regulations, regulatory requirements and these Articles.

Article 223 Supervisors shall be deemed as conducting a serious dereliction of duty in any of the following circumstances and the Board of Supervisors shall propose the shareholders' general meeting or the employees representatives' general meeting to dismiss them:

- (1) disclosure of the Bank's trade secrets and harming the Bank's legitimate interests;
- (2) accepting improper gains during the performance of their duties or manipulation of the position of Supervisors to seek for private gains;
- (3) failing to discover a problem that they should have discovered during the supervision or concealing any problem found, which causes the Bank to suffer significant losses; and
- (4) other serious misconduct stipulated by the laws, regulations and these Articles.

Article 224 Supervisors shall comply with the laws, administrative regulations and these Articles and shall assume faithful duties and diligent duties to the Bank. They shall not accept bribes or other illegal income by taking advantage of their positions or rights and shall not encroach upon property of the Bank.

Article 225 Supervisors shall not jeopardize interests of the Bank by taking advantage of their related party status, and the supervisors shall indemnify the Bank for any losses incurred by the Bank therefrom.

Article 226 Supervisors shall indemnify the Bank for any losses incurred by the Bank resulting from their violation of the laws, administrative regulations, departmental rules and these Articles when performing their duties.

Article 227 Supervisors should ensure the truthfulness, accuracy and completeness of information disclosed by the Bank.

Article 228 Supervisors shall attend in person at least two-thirds of the on-site meetings of Board of Supervisors each year. If a supervisor cannot attend the meeting due to certain reasons, he/she shall appoint another supervisor in writing to attend on his/her behalf. The proxy form shall state the supervisor's own opinions and voting intentions on the proposal. The supervisors who fail to attend the meetings in person for two consecutive times or entrust other Supervisors to attend the meetings of Board of Supervisors on behalf, or fail to attend in person at least two-thirds of the on-site meetings of Board of Supervisors each year shall be deemed to be unable to perform their duties and the Board of Supervisors shall propose the shareholders' general meeting or the employees representatives' general meeting to dismiss them.

Article 229 The working time of the shareholder supervisors and external supervisors of the Bank shall not be less than fifteen working days per year.

Article 230 Supervisors shall be entitled to obtain information related to operating conditions of the Bank, and shall perform the corresponding duties of keeping confidentiality. The Bank shall take measures to safeguard the supervisors' right to know and provide assistance necessary for the supervisors' normal performance of duties. The reasonable expenses incurred by the performance of duties of the supervisors shall be borne by the Bank.

Article 231 Supervisors representing the employees shall have the right to participate in the formulation of the rules and regulations involving the interests of employees of the Bank, and shall proactively conduct supervision and examination on the implementation of such rules and regulations.

Section 2 External Supervisors

Article 232 An external supervisor of the Bank refers to a supervisor of the Bank who holds no post in the Bank except for the supervisor post and has no relation with the Bank or any of its shareholders or de facto controllers which may affect his/her independent and objective judgment.

External supervisors shall have the same rights as other supervisors and shall conduct supervision over the Board of Directors, senior management officers and personnel of the Bank and carry out supervision activities within the authority of the Board of Supervisors according to resolutions of the Board of Supervisors.

Article 233 The provisions herein concerning the qualifications, nomination, election, replacement and resignation procedures for independent directors shall apply to the external supervisor.

Article 234 The external supervisors shall give statements to the Board of Supervisors before they assume their offices, ensuring that they have enough time and energy to perform their duties and undertaking that they will perform duties of diligence. The term of office of the external supervisors for the Bank shall not exceed six years in aggregate. They shall not hold positions in more than two commercial banks concurrently and shall not serve as external supervisors for a financial institution which may have interest conflicts with the Bank.

Article 235 The external supervisors shall attend the meeting of Board of Supervisors in person. If they are unable to attend the meeting in person for certain reasons, they may entrust other external supervisors to attend the meeting as their proxy.

Article 236 The Bank shall pay remuneration and allowances to the external supervisors. Payment standard shall be with reference to those for independent directors. The payment standard shall be submitted to the shareholders' general meeting for approval after being formulated by the Board of Supervisors.

Section 3 Board of Supervisors

Article 237 The Bank shall have a Board of Supervisors. The Board of Supervisors shall be the internal supervisory body of the Bank and shall be accountable to the shareholders' general meeting. The Board of Supervisors of the Bank shall be composed of nine supervisors, including three shareholder supervisors, three external supervisors and three employees supervisors . The Board of Supervisors shall have a chairman and may have a vice chairman. The appointment and removal of the chairman and the vice chairman shall be adopted in the voting by more than half of the members of the Board of Supervisors. The chairman of the Board of Supervisors shall convene and preside over meetings of the Board of Supervisors. If the chairman of the Board of Supervisors is unable or fails to perform such duties, the meeting may be convened and presided over by the vice chairman. If the vice chairman is unable or fails to perform such duties, a supervisor elected by more than half of all the supervisors shall perform such duties.

Article 238 The Board of Supervisors of the Bank shall legally exercise the following duties and powers:

- (1) to examine the reports of the Bank regularly compiled by the Board of Directors and submit its opinions in writing;
- (2) to inspect the finance of the Bank;

- (3) to conduct leave audits towards directors, president and other senior management officers when necessary;
- (4) to query the directors, the chairman of the Board of Directors and other senior management officers;
- (5) to supervise the conduct of the directors and senior management officers in their performance at the Bank, and propose the removal of such directors and senior management officers violating the laws, administrative regulations, these Articles or the resolutions of the shareholders' general meeting;
- (6) to request the directors, president and other senior management officers to rectify their act of damaging the benefits of the Bank;
- (7) to propose to convene an extraordinary general meeting, and convene and preside over the shareholders' general meeting in the event that the Board of Directors has failed to convene and preside over the shareholders' general meeting as stipulated by the Company Law;
- (8) to make proposals to the shareholders' general meeting;
- (9) to initiate legal proceedings against directors and senior management officers according to the provisions of Rule 151 of the Company Law; and
- (10) other functions and powers stipulated by these Articles and those conferred by the shareholders' general meeting.

Article 239 The Board of Supervisors of the Bank shall focus on the following matters:

- (1) to supervise the Board of Directors in establishing sound operational philosophy and value standards and formulating development strategies in line with the actual conditions of the Bank;
- (2) to regularly evaluate the effectiveness, rationality and stability of the development strategy formulated by the Board of Directors and prepare evaluation reports;
- (3) to supervise the work performance, financial activities, internal control, risk management, etc. of the Board of Directors and members of senior management, and supervise the rectification;
- (4) to supervise the election procedure for directors;

- (5) to conduct comprehensive evaluation on the performance of duties by directors, supervisors and senior management officers;
- (6) to supervise the implementation of the remuneration management system of the Bank and the scientificity and rationality of the remuneration plan of senior management officers;
- (7) to regularly communicate with the banking regulatory authority of the State Council;
- (8) other matters stipulated by the laws and regulations, regulatory requirements and the Articles of Association.

Article 240 The Board of Supervisors may conduct investigation when becoming aware of any unusual operating situation of the Bank; and if necessary, may engage the professional entities, including the accounting firm and the legal firm, to assist in its work. The expenses so incurred shall be borne by the Bank.

Article 241 The Board of Supervisors shall examine the profit distribution proposals of the Bank and provide opinions on the compliance and rationality of the profit distribution proposals.

Article 242 The Board of Supervisors shall have its own independent expense budget. The Board of Supervisors shall have the right to administrate its budget independently according to its business needs. The expenses needed for the Board of Supervisors to carry out its duties shall be borne by the Bank.

Article 243 The chairman of the Board of Supervisors shall be served by a full-time supervisor who has professional knowledge and work experience in the financial field. The chairman shall perform the following duties:

- (1) to convene and preside over meetings of the Board of Supervisors;
- (2) to organize the performance of duties of the Board of Supervisors;
- (3) to sign reports and other important documents of the Board of Supervisors;
- (4) to report on the work of the Board of Supervisors to the shareholders' general meeting; and
- (5) other functions and powers stipulated by the laws, regulations and these Articles.

Article 244 There shall be an office under the Board of Supervisors as its working organ. The staff employed by the office of the Board of Supervisors shall possess relevant professional knowledge to sufficiently ensure the performance of the supervisory functions of the Board of Supervisors.

Section 4 Meetings of the Board of Supervisors

Article 245 The Board of Supervisors shall formulate its rules of procedures, which shall include, among others, notice of a meeting, method of convening a meeting, document preparation, method of voting, mechanism for submission of proposals, meeting minutes and its signature and specify explicitly the method of discussion and the voting procedure of the Board of Supervisors to ensure its efficiency and scientific decision-making. The rules of procedures of the Board of Supervisors shall be formulated by the Board of Supervisors and approved by the shareholders' general meeting.

Article 246 Meetings of the Board of Supervisors shall include regular meetings of the Board of Supervisors and provisional meetings of the Board of Supervisors. The regular meeting of the Board of Supervisors shall hold meeting at least four times annually and shall be convened by the chairman of the Board of Supervisors. Any supervisor may propose to hold provisional meeting of the Board of Supervisors.

The office of the Board of Supervisors shall send the written notice of a meeting to all the supervisors by hand delivery, fax, email or other means ten days and five days before a regular meeting or a provisional meeting of the Board of Supervisors respectively.

The Board of Supervisors shall notify all supervisors of the date of the meeting in accordance with the provisions, and provide them with adequate materials timely before the meeting, including background information of the subject matters, any information and data which can facilitate the supervisors to make decisions.

Where a provisional meeting of the Board of Supervisors needs to be convened in emergency, the notice of such meeting may be sent by telephone or by other verbal means without the constraints of time period, but the convener shall make explanations at the meeting.

Article 247 The Board of Supervisors may require the directors, president and other senior management officers, internal and external auditors of the Bank to attend meetings of the Board of Supervisors to answer any questions raised.

Article 248 The chairman of the Board of Supervisors shall convene a provisional meeting of the Board of Supervisors within ten days under one of the following circumstances:

- (1) the chairman of the Board of Supervisors considers it necessary;
- (2) when more than one-third of the Supervisors propose to do so;
- (3) when the external supervisors agree to do so unanimously; and

- (4) any other circumstances as stipulated by the laws, administrative regulations, departmental rules, and these Articles.

Article 249 The notice of a meeting of the Board of Supervisors shall contain the following contents:

- (1) the date, time and place of the meeting;
- (2) the duration of the meeting;
- (3) the reason for holding the meeting and topics for discussion;
- (4) the date of issuance of the meeting notice; and
- (5) the contact persons of the meeting and their contact information.

Article 250 The supervisors shall attend the meeting of the Board of Supervisors in person. If a supervisor cannot attend a meeting due to certain reasons, he/she may appoint another supervisor in writing to attend on his/her behalf, while a supervisor shall not be appointed by more than two supervisors in each meeting of the Board of Supervisors.

The proxy form shall state the name of the proxy, the relevant matters and scope of authorization, and shall be signed by the appointor.

The supervisor acting as proxy shall exercise the appointor's rights within the scope of authorization. If a supervisor does not attend the meeting of the Board of Supervisors and fails to appoint other supervisor to attend the meeting, he/she shall be deemed to have waived the voting rights at such meeting.

Article 251 The meeting of the Board of Supervisors shall be held only upon the presence of more than half of the supervisors. Voting of resolutions at a meeting of the Board of Supervisors may be conducted by on-site conference (including video conference and teleconference) or in form of circulating written resolutions. Each supervisor attending the meeting shall have one vote. Resolutions proposed by the Board of Supervisors must be approved by more than half of the members of the Board of Supervisors.

Article 252 The meeting of the Board of Supervisors can adopt resolutions by way of voting in form of circulating written resolutions provided that the supervisors are guaranteed to be informed and fully express their opinions and such resolution shall be signed by the participating supervisors.

Article 253 The supervisors shall sign and take responsibility for the resolutions of the Board of Supervisors. Where a resolution of the Board of Supervisors is in violation of the laws, administrative regulations, rules or these Articles, thereby causes serious losses to the Bank, the supervisors who are involved in the resolution shall be liable to the Bank for damages. However, where a supervisor can prove that he had expressed his opposition to such resolution when it was put to the vote, and that such opposition was recorded in the minutes of the meeting, such supervisors may be relieved from such liability.

Article 254 Minutes shall be prepared for the matters put to the meetings of the Board of Supervisors for consideration, on which the supervisors present at the meetings and the person taking minutes shall sign. The supervisor is entitled to request that an explanatory note to his speeches made at the meetings be noted in the minutes. The minutes of a meeting of the Board of Supervisors shall be kept as archives of the Bank for a permanent period.

Article 255 The minutes of a meeting of the Board of Supervisors shall contain the following contents:

- (1) the date and place of the meeting and the name of the convener;
- (2) the names of the supervisors attending the meeting and the names of the supervisors (proxies) appointed by other supervisors to attend the meeting;
- (3) the agenda of the meeting;
- (4) the main points of the speeches of the supervisors; and
- (5) the methods and results of the voting for each proposal (the voting results shall state the numbers of the votes of for, against or abstention).

Section 5 Special Committees under the Board of Supervisors

Article 256 Special committees (namely the Supervision Committee and the Nomination Committee) are set up under the Board of Supervisors. Each special committee shall be accountable to the Board of Supervisors and shall perform its tasks according to these Articles and the rules of procedures of the Board of Supervisors. Each special committee shall be composed of at least three supervisors. Each special committee shall have one chairman who is responsible for convening the activities of each special committee. The chairman of each special committee shall be served by an external supervisor. A supervisor may serve for various committees concurrently.

Article 257 The Board of Supervisors shall formulate the working rules for each of its special committees, specifying their duties, rules of procedure, work procedures and matters as authorized by the Board of Supervisors. Each special committee's establishment, composition of members, scope of work authority and requirements for the disclosure of information etc. shall be in accordance with the laws, administrative regulations, departmental rules, the regulations of the relevant regulatory authorities and these Articles.

Chapter 9 Qualifications and Obligations of Directors, Supervisors and Senior Management Officers

Article 258 The qualifications for the positions of the directors, supervisors and senior management officers of the Bank shall meet the requirements stipulated by the laws, administrative regulations, departmental rules, the regulations of the relevant regulatory authorities and these Articles. In accordance with the aforementioned requirements, the qualifications of the directors and senior management officers shall be verified by the banking regulatory authority of the State Council.

Article 259 The validity of a conduct of directors and senior management officers of the Bank acting on behalf of the Bank with a bona fide third party shall not be affected by the irregularities in the appointment, election or qualification of such person.

Article 260 In addition to the obligations stipulated by the laws, administrative regulations, the Listing Rules, the regulations of the relevant regulatory authorities and these Articles, in exercising their duties and functions, the directors, supervisors and senior management officers of the Bank shall also assume the following obligations to each and every shareholder:

- (1) to ensure that the Bank does not operate beyond the scope of business stipulated in its business license;
- (2) to act in good faith and in the best interests of the Bank;
- (3) not to deprive the Bank of its assets in any way, including but not limited to depriving the Bank of any advantageous business opportunities; and
- (4) not to deprive the shareholders of any personal rights and interests, including but not limited to the right to distributions and the right to vote, but excluding the submission of company restructuring proposals to the shareholders' general meeting in accordance with these Articles.

Article 261 The directors, supervisors and senior management officers of the Bank shall have a responsibility to apply the same level of care, diligence and skill in exercising their rights or carrying out obligations as would be shown by a reasonably prudent person in similar circumstances;

Article 262 The directors, supervisors and senior management officers of the Bank must act with good faith in exercising their duties and responsibilities, and shall not put themselves in any situation where their personal interests may conflict with their obligations. This extends to, but not limited to the following obligations:

- (1) to act in good faith and in the best interests of the Bank;
- (2) to exercise powers within the scope of their authority and they shall not exceed their scope of authority;
- (3) to exercise in person the discretion conferred on them and free from the influence of others; and not to transfer their discretion for others to exercise in the absence of the laws and administrative regulations providing to the contrary or through the informed consent of shareholders in a shareholders' general meeting;
- (4) to treat shareholders of the same class in the same way, and to fairly treat shareholders of different classes;
- (5) not to enter into any contract, transaction or arrangement with the Bank except if otherwise prescribed by these Articles or if there is informed consent from shareholders through a shareholders' general meeting;
- (6) not to use any assets of the Bank to seek personal advantages in any way without the informed consent of shareholders through a shareholders' general meeting;
- (7) not to accept bribes or other forms of illegal income by taking advantage of his authority, nor to embezzle the assets of the Bank in any way, these assets including but not limited to any business opportunities that are advantageous to the Bank;
- (8) not to accept any commission related to transactions of the Bank without the informed consent of the shareholders through a shareholders' general meeting;
- (9) to comply with these Articles, perform their duties faithfully and safeguard the interests of the Bank, and not to take advantage of their position and authority at the Bank to seek personal gain;
- (10) not to engage in any form of competition with the Bank without the informed consent of the shareholders through a shareholders' general meeting;
- (11) not to misappropriate the funds of the Bank or lend the funds of the Bank to others, not to put any assets of the Bank under an account opened in his own name or in the name of others, not to use the Bank's assets as security for the debts of the shareholders of the Bank or others; and

(12) not to divulge any confidential information relating to the Bank and obtained by them during their term of office without the informed consent of the shareholders through a shareholders' general meeting; and not to use such information except it is in the interests of the Bank; however the information may be disclosed to the court or other relevant regulatory authorities if the disclosure is:

(i) in accordance with the law;

(ii) in the public interest;

(iii) required for the interests of the directors, supervisors and senior management officers.

Article 263 The directors, supervisors and senior management officers of the Bank shall not direct the following persons or institutions ("connected persons") to take any acts which the directors, supervisors and senior management officers are themselves prohibited from taking:

(1) the spouse or underage children of the directors, supervisors and senior management officers of the Bank;

(2) a trustee of any of the directors, supervisors and senior management officers of the Bank or a trustee of the persons referred to in item (1) of this Article;

(3) a partner of the directors, supervisors or senior management officers of the Bank or a partner of the persons referred to in items (1) and (2) of this Article;

(4) a company which is under the *de facto* control of the directors, supervisors and senior management officers of the Bank, or a company which is under the *de facto* joint control of the persons referred to in items (1), (2) and (3) of this Article or with other directors, supervisors and senior management officers of the Bank; and

(5) the directors, supervisors, managers and other senior management officers of the companies referred to in item (4) of this Article.

Article 264 The fiduciary duties owed by the directors, supervisors and senior management officers of the Bank shall not necessarily be terminated at the end of their term of office, and their obligation to keep the trade secrets of the Bank confidential shall remain valid after their term of office expires. The duration of other obligations shall be determined by what is fair, and will depend on the length of time between the date on which the directors leave their positions and the relevant event involving the obligations as well as the circumstances and conditions in which their relationship with the Bank terminated.

Article 265 The shareholders may make an informed decision at the shareholders' general meeting to dismiss any director, supervisor and senior management officers of the Bank who has violated any obligations, unless the circumstances specified in Article 75 would apply.

Article 266 When any directors or any of its associates (as defined under the Listing Rules), supervisors or senior management officers of the Bank have direct or indirect material conflict of interests in any executed or proposed contracts, transactions or arrangements (except the employment contracts between the Bank and its directors, supervisors and senior management officers), regardless of whether such interests are usually subject to the approval or consent of the Board of Directors, such persons shall disclose the nature and extent of the interests to the Board of Directors as soon as possible.

Unless the directors, supervisors and senior management officers of the Bank with conflicts of interest have disclosed their interests to the Board of Directors in accordance with the requirements of the preceding paragraph, and the Board of Directors has approved the matter without counting the interested persons into the quorum and without their participation in the vote, the Bank shall have the right to rescind such contracts, transactions or arrangements, except in circumstances where the counterparty is acting in good faith and unaware that the directors, supervisors and senior management officers are in breach of their obligations.

If the associates (as defined under the Listing Rules) of a director, supervisor or senior management officers of the Bank have any conflict of interests with any contracts, transactions or arrangements, the related director, supervisor and senior management officers shall be deemed to have a conflict of interests as well.

Article 267 Before the Bank considers entering into contracts, transactions or arrangements for the first time, if the interested directors, supervisors and senior management officers of the Bank have provided a written notice to the Board of Directors and Board of Supervisors stating that they have an conflict of interests in the contracts, transactions or arrangements which would be entered into by the Bank in the future for the reasons set out in the notice, then the director, supervisor and senior management officers concerned shall be deemed to have made the disclosure as required in the preceding Article of this chapter to the extent as set out in the notice.

Article 268 The Bank shall not in any way pay taxes for the directors, supervisors and senior management officers of the Bank.

Article 269 The Bank shall not, directly or indirectly, provide any loan or loan guarantee to the directors, supervisors and senior management officers of the Bank and of its parent company, nor shall the Bank provide the same to their connected persons.

The preceding paragraph shall not apply in the following circumstances:

- (1) loans or loan guarantees provided by the Bank to its subsidiary banks (subsidiary companies);
- (2) loans, loan guarantees or other funds provided by the Bank to the directors, supervisors or senior management officers of the Bank pursuant to their employment contracts which were adopted by the shareholders' general meeting, so that the foregoing persons can make payments in the interests of the Bank or for the expenses incurred in performing their duties and responsibilities;
- (3) loans and loan guarantees provided by the Bank to the relevant directors, supervisors and senior management officers of the Bank and their connected persons, provided that the loans and loan guarantees are provided on normal commercial terms and conditions.

Article 270 If the Bank provides a loan in breach of the provisions of the preceding Article, regardless of the terms of the loan, the person who has received the loan shall repay it immediately.

Any loan guarantee provided by the Bank in violation of the first paragraph of the foregoing Article shall not be enforceable against the Bank, except for the following circumstances:

- (1) where a loan has been provided to the Bank or its parent company's directors, supervisors and senior management officers and the provider of the loan is unaware of the violation;
- (2) the security provided by the Bank has been sold legally by the loan provider to a purchaser acting in good faith.

Article 271 The guarantee referred to in the preceding Articles of this Chapter includes acts whereby the guarantor undertakes liabilities or provide assets to ensure that the obligor performs its obligations.

Article 272 When the directors, supervisors and senior management officers of the Bank are in breach of the obligations owed towards the Bank, apart from the various rights and remedies provided by the laws and administrative regulations, the Bank shall have the right to take the following measures:

- (1) to require the directors, supervisors and senior management officers concerned to compensate the Bank for the losses caused by their dereliction of duties;

- (2) to rescind any concluded contracts or transactions between the Bank and the directors, supervisors and senior management officers concerned, and the contracts or transactions concluded between the Bank and third parties (when the third parties know or should have known that the directors, supervisors and senior management officers of the Bank are in breach of their obligations);
- (3) to require the directors, supervisors and senior management officers concerned to hand over any benefits which have been obtained from their breach of obligations;
- (4) to recover funds which should have been received by the Bank, including but not limited to commission from the directors, supervisors and senior management officers concerned; and
- (5) to request the directors, supervisors and senior management officers concerned to repay the interest which is or may be accrued from the funds which should have been received to the Bank.

Article 273 The Bank shall enter into written contracts with the directors and supervisors regarding remuneration which are subject to the prior approval from the shareholders' general meeting. The matters relating to remuneration include:

- (1) remuneration for the directors, supervisors or senior management officers of the Bank;
- (2) remuneration for the directors, supervisors or senior management officers of the subsidiary banks (subsidiary companies) of the Bank;
- (3) remuneration for those providing other services for managing the Bank and its subsidiary banks (subsidiary companies); and
- (4) compensation to directors or supervisors for loss of their office or upon retirement.

Except for the contracts mentioned above, the directors and supervisors shall not initiate litigation against the Bank to claim benefits due to them for the foregoing matters.

Article 274 The remuneration contracts between the Bank and its directors or supervisors shall stipulate that if the Bank is acquired, the directors and supervisors of the Bank shall, subject to prior approval from the shareholders' general meeting, be entitled to compensation or other funds for loss of their positions or upon retirement. The acquisition of the Bank previously mentioned refers to one of the following circumstances:

- (1) a takeover offer made by any person to all shareholders; and
- (2) a takeover offer made by any person with the intent of becoming the controlling shareholder.

If the directors and supervisors concerned do not comply with the provisions of this Article, any funds received by them shall go to the persons who have accepted the offer mentioned above and sell their shares. The directors and supervisors shall bear the expenses arising from the distribution of such amounts proportionally, and such expenses shall not be deducted from the amounts.

Chapter 10 Financial Accounting System, Profits Distribution and Audit

Section 1 Financial Accounting System

Article 275 The Bank shall formulate its financial accounting system in accordance with the laws, administrative regulations and the provisions of the relevant regulatory authorities. Both the board of directors and senior management of the Bank shall pay high attention to and vigorously facilitate the works in connection with the management and control of data quality of the Bank, formulate specific policies and objectives, set up the relevant mechanism and workflow and ascertain the responsibilities in different aspects.

Article 276 The Bank shall not have any books of accounts in addition to its statutory ones. No asset of the Bank may be kept in any account opened in the name of any individual.

Article 277 The accounting year of the Bank shall be the calendar year, beginning from January 1st and ending on December 31st of the calendar year.

The Bank shall prepare an annual financial report within four (4) months after the end of each accounting year and submit it to the relevant regulatory authorities after being audited and certified in accordance with the relevant laws.

The aforesaid annual financial report shall be prepared according to the relevant laws, administrative regulations and departmental rules.

Article 278 The Bank shall publish its financial report twice in each accounting year, i.e. it shall publish its interim financial report within sixty (60) days after the end of the first six (6) months of each accounting year, and its annual financial report within one hundred and twenty days after the end of each accounting year.

Where the securities regulatory authorities of the jurisdiction in which the Bank's shares are listed provide otherwise, such provisions shall prevail.

Article 279 The Board of Directors shall make available at each annual shareholders' general meeting the financial reports prepared by the Bank in accordance with the relevant laws, administrative regulations, departmental rules and regulatory documents.

Article 280 The financial reports of the Bank shall be made available at the Bank twenty days or earlier before the convening of the annual shareholders' general meeting for inspection by shareholders. Each shareholder of the Bank shall be entitled to obtain the financial reports mentioned in this Chapter.

Except as otherwise provided in these Articles, the Bank shall, at least twenty-one days prior to the date of the annual shareholders' general meeting, send the financial reports mentioned above or report of the Board of Directors together with the balance sheet and the loss and profit statement to each shareholder of overseas-listed foreign shares by postage-paid mail, and the addresses of recipients shall follow the addresses set out in the register of shareholders. Where the laws, regulations or securities regulatory authorities of the jurisdiction in which the Bank's shares are listed provide otherwise, such provisions shall prevail.

Article 281 The Bank shall prepare its financial statements in accordance with the PRC accounting standards and regulations, as well as in accordance with the international accounting standards or the accounting standards required by the securities regulatory authorities of the jurisdiction in which the Bank's shares are listed. If there are any major 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. When distributing the after-tax profits for the relevant accounting year, the Bank shall adopt the one with the lower after-tax profits out of the aforesaid two financial statements.

Article 282 The interim results or financial information to be published or disclosed by the Bank shall be prepared in accordance with the PRC accounting standards and regulations, as well as in accordance with the international accounting standards or the accounting standards required by securities regulatory authorities of the jurisdiction in which the Bank's shares are listed.

Article 283 The capital reserve of the Bank shall include the following funds:

- (1) premium obtained from the issue of shares in excess of the par value; and
- (2) other revenue to be included in the capital reserve as required by the financial authority of the State Council.

Article 284 The Bank shall set aside 10% of the profits from the after-tax profits for the year to its statutory reserve fund. The Bank needs not allocate further amounts if the accumulated amount of the statutory reserve fund is over 50% of its registered capital.

If the statutory reserve fund is not sufficient to cover the losses made in the previous year, the profits of the current year shall be used to cover such losses before any allocation to the statutory reserve fund is made in accordance with the provisions of the previous paragraph.

After the Bank has set aside statutory reserve fund from the after-tax profits, the Bank, subject to the approval of the shareholders' general meeting, may make allocation to the discretionary reserve fund from the after-tax profits after setting aside general reserves in accordance with the relevant provisions.

The balance of the after-tax profits of the Bank after making up losses and setting aside statutory reserve fund may be distributed to the shareholders in pro rata to their shareholding unless it is otherwise stipulated in these Articles that the profits shall not be distributed in pro rata to the shareholding of the shareholders.

Where the shareholders' general meeting distributes profits to shareholders before the Bank's making up losses and setting aside statutory reserve funds and violates the foregoing provisions, the shareholders concerned must return to the Bank the profits distributed in violation of the provisions.

Shares of the Bank held by the Bank shall not participate in the distribution of profits.

Article 285 The reserve fund of the Bank shall be used for making up the Bank's losses, expanding the Bank's scale of operation or increasing the capital of the Bank, but capital reserve fund shall not be used for making up the Bank's losses.

When the statutory reserve fund is converted to capital, the balance of such reserve fund shall not be less than 25% of the Bank's registered capital before the conversion.

Article 286 The Bank shall appoint for shareholders of overseas-listed foreign shares a recipient agent. The recipient agent shall collect on behalf of the shareholders concerned the dividends distributed and other funds payable by the Bank in respect of the overseas-listed foreign shares.

The collection agent appointed by the Bank shall comply with the laws of the jurisdiction in which the Bank's shares are listed or the relevant requirements of the securities regulatory authorities of the jurisdiction in which the Bank's shares are listed.

The recipient agent appointed by the Bank for the shareholders of the overseas-listed foreign shares listed in the Hong Kong Stock Exchange shall be a trust company registered in accordance with the Trustee Ordinance of Hong Kong.

Article 287 For dividends not claimed by anyone, the Bank may exercise the right to retrieve such unclaimed dividend under the premises of abiding by the relevant PRC laws and regulations, but that power shall not be exercised until the applicable limitations period applicable to claim of such dividends expires.

Article 288 When formulating a prudent profit distribution proposal, the Bank shall take into account its operating conditions, risk profile, capital planning, market environment and other factors, and balance the relationship between cash dividends and capital replenishment.

The major shareholders shall support the Bank to reduce or not distribute cash dividends in any of the following circumstances:

- (1) the capital adequacy ratio fails to meet the regulatory requirements or the solvency ratio fails to meet the standards;
- (2) the corporate governance assessment results are lower than Grade C or the regulatory rating is lower than Grade 3;
- (3) the provision for loan losses is below the regulatory requirements or the non-performing loan ratio is significantly higher than the industry average;
- (4) has major risk events or major violations of law and regulations;
- (5) other circumstances that the banking regulatory authority of the State Council considers should not distribute dividends.

After the resolution on the profit distribution proposal is made, the Board of Directors of the Bank shall, within two (2) months after the shareholders' general meeting, complete the distribution of the dividend (or shares), subject to the approval of the banking regulatory authority of the State Council.

Article 289 The profit distribution policy of the Bank shall be carefully formulated based on factors such as the reasonable investment return to the shareholders, ensuring the Bank's risk resistance capacity and being in the interest of the Bank's long-term development. The Bank may distribute profits via bonus issue, payment of cash dividend and so on.

Section 2 Internal Audit

Article 290 The Bank shall establish an internal audit system with professional audit personnel to undertake internal auditing and supervision of the Bank's financial income and expenditures and economic activities.

Article 291 The Bank may appoint a chief audit officer. The chief audit officer and the internal audit department shall regularly report to the Board of Directors, its Audit Committee and the Board of Supervisors on the progress of audit work, and deliver the audit report in timely manner, and the senior management officers shall be informed accordingly. The Board of Directors shall be responsible for the appointment and dismissal of the chief audit officer and the head of audit department.

Section 3 Engagement of Accounting Firms

Article 292 The Bank shall engage independent accounting firms that comply with the relevant State regulations to audit annual financial reports of the Bank and to review other financial reports of the Bank.

Article 293 The term of engagement of an accounting firm engaged by the Bank shall start from the closing of the current annual shareholders' general meeting and end at the closing of the next annual shareholders' general meeting.

If a vacancy of the position of an accounting firm arises, the Board of Directors may appoint an accounting firm to fill such vacancy before the holding of a shareholders' general meeting. If there are other engaged accounting firms of the Bank while such vacancy still exists, such accounting firms shall continue to serve.

Article 294 An accounting firm engaged by the Bank shall have the following rights:

- (1) to inspect the financial statements, records and documents of the Bank, and to require the directors, the president or other senior management officers of the Bank to provide relevant information and explanation;
- (2) to require the Bank to adopt all reasonable measures to obtain from its subsidiary banks (subsidiary companies) such information and explanations as required by the accounting firm for performance of its duties; and

- (3) to attend the shareholders' general meeting, to obtain the notice of shareholders' general meeting or other information in relation to the meeting, and to speak at the shareholders' general meeting on matters involving its duties as the accounting firm appointed by the Bank.

Article 295 The shareholders' general meeting may, by way of an ordinary resolution, dismiss an accounting firm, prior to the expiration of the term of office of the accounting firm, regardless of the terms and conditions of the contract between the accounting firm and the Bank. If the accounting firm concerned has the right to make a claim against the Bank due to its dismissal, such right shall not be affected.

Article 296 The remuneration of the accounting firm or the ways to determine the remuneration of the accounting firm shall be determined by the shareholders' general meeting. The remuneration of the accounting firm engaged by the Board of Directors shall be decided by the Board of Directors.

Article 297 The appointment, dismissal or non-reappointment of an accounting firm shall be decided upon by the shareholders' general meeting.

If the shareholders' general meeting adopts a resolution to engage an accounting firm other than the incumbent one to fill up any vacancy of the post, or to renew the engagement of an accounting firm engaged by the Board of Directors to fill up the vacancy, or to dismiss an accounting firm before the expiration of its term of office, the following provisions shall be satisfied:

- (1) before sending out notice of a shareholders' general meeting, the proposal on engagement or dismissal shall be sent to the accounting firm to be engaged or to leave its post or that has left its post in the relevant accounting year.

Leaving the post includes dismissal, resignation from the post and leaving the post after the expiration of the term of office.

- (2) if the accounting firm that is about to leave its post makes a written statement, and requests the Bank to inform the shareholders of its statement, the Bank shall, unless the time of receiving the written statement is too late, adopt the following measures:
 - (i) state in the notice sent out for the purpose of a resolution that the accounting firm to leave its post has made a statement;
 - (ii) send a copy of the statement in the form of an attachment to the notice to shareholders in the manner stipulated by these Articles.

- (3) if the statement of the relevant accounting firm is not sent by the Bank in accordance with the above provisions in subsection (2) above, the accounting firm concerned may request that the statement be read out at the shareholders' general meeting and make further appeal.
- (4) an accounting firm which is leaving its post shall be entitled to attend the following meetings:
 - (i) shareholders' general meeting at which its term of office shall expire;
 - (ii) shareholders' general meeting at which the vacancy due to its dismissal is to be filled up; and
 - (iii) shareholders' general meeting convened due to its resignation from its post.

The accounting firm which is leaving its post shall be entitled to receive all notices of the aforesaid meetings or other information in relation to the meetings and speak on any issues at the aforesaid meetings, which concern its duties as the former accounting firm of the Bank.

Article 298 When the Bank dismisses or does not renew the engagement of an accounting firm, it shall give advance notice to the accounting firm. When voting on dismissal of an accounting firm at the shareholders' general meeting, such accounting firm shall be permitted to present its views at the shareholders' general meeting.

Article 299 Where an accounting firm tenders its resignation, it shall explain to the shareholders' general meeting whether there is any irregularity in the Bank.

An accounting firm may resign its office by depositing at the Bank's registered address a written resignation notice. Any such notice shall become effective on the date when it is deposited at the Bank's registered address or on such later date as may be specified in the notice. Such notice shall contain:

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

The Bank shall, within fourteen (14) days after receiving the aforesaid written notice, send a copy of the notice to the relevant regulatory authorities. If the notice contained a statement referred to in the above item (2), the Bank shall also deposit a copy of the said statement in the Bank for the shareholders' review. Unless otherwise stipulated by these Articles, the Bank shall send by prepaid mail a copy of the statement mentioned above to each shareholder of overseas-listed foreign shares, and

the address of the recipient shall be that recorded in the register of shareholders, or publish the copy of the statement through the website of the Bank or website of the stock exchange of the place where the Bank's shares are listed under the premises of abiding by the applicable laws, regulations and Listing Rules.

If the accounting firm's notice of resignation contains any statement about circumstances which need to be accounted for, the accounting firm may request the Board of Directors to convene an extraordinary general meeting for the purpose of making an explanation of the circumstances in connection with its resignation.

Chapter 11 Notices and Announcements

Article 300 The notices of the Bank shall be given in the following ways:

- (1) by hand;
- (2) by mail, e-mail, telex or fax;
- (3) by way of an announcement published in the newspaper or other designated media;
- (4) subject to the compliance with the laws, regulations and the listing rules of the stock exchange of the jurisdiction in which the Bank's shares are listed, by way of posting on the website of the Bank and the website designated by the stock exchange;
- (5) by such ways as agreed in advance between the Bank and the party to be notified or any other way which is recognized by the party to be notified after having received such notice; and
- (6) other ways which are recognized by the securities regulatory authorities of the jurisdiction in which the Bank's shares are listed or stipulated in these Articles.

Even where these Articles have otherwise provided for the methods of announcement or notification for any documents, notices, or other corporate communications, subject to the relevant provisions of the securities regulatory authorities of the jurisdiction in which the Bank's shares are listed, the Bank may choose to publish its communications by the means specified in item (4) of the first paragraph in this Article, to replace the means of sending written documents to each shareholder of overseas-listed foreign shares by hand or by prepaid mail. The said communications above refer to any documents sent or to be sent by the Bank to the shareholders for reference or for taking action, include but not limited to annual reports (including annual financial reports), interim reports (including interim financial reports), reports of the Board of Directors (together with balance sheets and income statements), notice of shareholders' general meetings, circulars and other communications.

Article 301 The notice given by the Bank shall be deemed as received by all the relevant persons once publicly announced if the notice is delivered in the form of public announcement.

Article 302 The notice for convening shareholders' general meetings of the Bank shall be issued in the form of a notice or public announcement.

Article 303 The notice for convening board meetings of the Bank shall be issued by hands, mails, fax, e-mail and so on.

Article 304 The notice for convening meetings of the Board of Supervisors of the Bank shall be issued by hands, mails, fax, e-mail and so on.

Article 305 For a notice of the Bank sent by hand, the recipient shall sign (or seal) the relevant receipt, and the receipt date shall be the date of service; for a notice of the Bank sent by mail, the second working day from the date of delivering to mail acceptance institution shall be the date of service; for a notice of the Bank sent by fax, the same day of sending the fax shall be the date of service; for a notice of the Bank sent by emails, the same day of sending the emails shall be the date of service; for a notice of the Bank sent by telex, the second working day from the date of sending the telex shall be the date of service; for a notice issued by announcement, the date of service shall be the date of the first release of such announcement.

Where the securities regulatory authorities of the jurisdiction in which the Bank's shares are listed provides otherwise, such provisions shall prevail.

Article 306 Where, as a result of accidental omission, a notice of meeting is not given to a person who is entitled to receive such notice or where such person has not received the notice, the meeting or any resolution adopted at the meeting shall not be invalidated as a result.

Article 307 Where the relevant provisions of the securities regulatory authorities in the jurisdiction in which the Bank's shares are listed require that the Bank sends, mails, distributes, releases or announces, or provides by other means the Bank's corporate communications in both English and Chinese versions, if the Bank has made appropriate arrangements to determine whether its shareholders expect to receive the English version or the Chinese version only, the Bank may (based on the preference expressed by shareholders) send the English or Chinese version only to relevant shareholders within the scope permitted by the applicable laws and regulations and in accordance with applicable laws and regulations.

Chapter 12 Mergers, Division, Increase of Capital, Reduction of Capital, Dissolution and Liquidation

Section 1 Mergers, Division, Increase of Capital and Reduction of Capital

Article 308 The merger taken by the Bank may be in the form of merger by absorption or merger by the establishment of a new company.

A merger by absorption refers to the situation where a company absorbs another company and the absorbed company is dissolved. A merger by the establishment of a new company refers to the situation where two or more companies merge and establish a new company and all of the parties to the merger are dissolved.

Article 309 For a merger or division of the Bank, the Board of Directors shall put forward a proposal, and the formalities for approval shall be handled in accordance with the law after the proposal has complied with the procedures specified in these Articles. The shareholders who oppose the Bank's merger or division plans have the right to ask the Bank or the shareholders who approve the merger or division plans to purchase their shares at a fair price. The contents of the resolution on the merger or division of the Bank shall be made into special document, which shall be available for inspection by shareholders.

Except as otherwise provided for by the securities regulatory authorities of the jurisdiction in which the Bank's shares are listed, the aforementioned documents shall be served by mail to the shareholders of overseas-listed foreign shares.

Article 310 For a merger of the Bank, the parties to the merger shall sign a merger agreement, and shall prepare a balance sheet and assets list. The Bank shall inform creditors within ten days from the date on which the resolution in favor of the merger is adopted, and shall publish an announcement in the newspaper within thirty days. The creditors shall, within thirty days of the day on which a notice is received, and, in the case where no notice is received, within forty-five days, request that the Bank repays its debts or provide a corresponding guarantee for repayment.

Article 311 After the merger of the Bank, the entity surviving the merger or the new entity established after the merger shall assume the claims and debts of the parties to the merger.

Article 312 Where the Bank proceeds into a division, its assets shall be divided accordingly.

Where there is a division of the Bank, the parties to the division shall prepare a balance sheet and assets list. The Bank shall inform the creditors within ten days from the date on which a resolution is adopted in favor of the division, and shall publish an announcement in the newspaper within thirty days.

Article 313 The entity established after division shall assume joint and several liability for the debts incurred by the Bank before division, unless otherwise stipulated in any settlement agreement of debts which may be reached between the Bank and its creditors prior to the division.

Article 314 The Bank shall prepare a balance sheet and assets list when it intends to reduce its registered capital.

The Bank shall inform the creditors within ten days from the date on which the resolution in favor of the reduction of registered capital is adopted, and shall publish an announcement in the newspaper within thirty days. The creditors shall, within thirty days of the day on which a notice is received, and, in the case where no notice is received, within forty-five days, request that the Bank repays its debts or provide a corresponding guarantee for repayment.

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

Article 315 Where a merger or division of the Bank involves any changes to the registered matters, an application for modification of registration shall be made to the company registration authority in accordance with the law; if the Bank is dissolved, cancellation of registration of the Bank shall be carried out in accordance with the law; where a new company is established, the registration of the incorporation of the company shall be carried out in accordance with the law.

For an increase or a reduction of the registered capital of the Bank, an application for modification of registration shall be made to the company registration authority in accordance with the law.

Section 2 Dissolution and Liquidation

Article 316 In any of the following circumstances, the Bank may be dissolved:

- (1) if the shareholders' general meeting resolves to do so;
- (2) if a dissolution is necessary as a result of a merger or division of the Bank;
- (3) if the business license of the Bank is revoked or if it is ordered to close down its business or if its business license is canceled in accordance with the law;
- (4) where the operation and management of the Bank falls into serious difficulties and its continued existence would cause heavy losses to shareholders, the shareholders holding more than 10% of the total voting rights of the Bank may apply to the people's court to dissolve the Bank if there are no other solutions; and

- (5) the Bank is declared bankrupt by the people's court in accordance with the law.

Article 317 Where the Bank is dissolved pursuant to items (1), (3), or (4) of the foregoing Article, a liquidation committee shall be established to begin liquidation within fifteen days from the date of occurrence of grounds for dissolution. The members of the liquidation committee shall be determined by the directors or the shareholders' general meeting. Where a liquidation committee is not established as scheduled, the creditors may apply to the people's court to appoint relevant persons to form a liquidation committee to carry out liquidation.

Where the Bank is dissolved pursuant to item (5) of the foregoing Article, liquidation shall be conducted by the people's court in accordance with the relevant laws.

Article 318 If the Board of Directors decides that the Bank shall be liquidated (except for liquidation resulting from the Bank's declaration of bankruptcy), it shall state in the notice of shareholders' general meeting convened for such purpose that the Board of Directors has conducted a comprehensive investigation into the situation of the Bank and believes that the Bank is able to pay off all its debts within twelve (12) months following the commencement of the liquidation.

After the shareholders' general meeting adopts a resolution in favor of the liquidation, the functions and powers of the Board of Directors shall be terminated immediately.

The liquidation committee shall follow the instructions of the shareholders' general meetings and shall report to the shareholders' general meeting at least once a year on the income and expenditure of the liquidation committee, the business of the Bank and the progress of the liquidation, and shall make a final report to the shareholders' general meeting at the end of the liquidation.

Article 319 The liquidation committee shall exercise the following functions and powers during the period of liquidation:

- (1) to liquidate the assets of the Bank and prepare a balance sheet and assets list respectively;
- (2) to inform creditors by notices or public announcements;
- (3) to deal with any unsettled business of the Bank that relates to the liquidation;
- (4) to pay off any outstanding taxes and any taxes arising in the course of liquidation;
- (5) to clear up claims and debts;

- (6) to handle the Bank's remaining assets after all debts are paid off; and
- (7) to participate in civil litigation on behalf of the Bank.

Article 320 The liquidation committee shall notify creditors within ten days from the date of its establishment, and shall publish an announcement in the newspaper within sixty days. The creditors shall make their claims to the liquidation committee within thirty days from the date of receipt of the notice or, within forty-five days from the date of the first public announcement for those who have not received the notice.

When making a claim, creditors shall explain the matters related to their claim and provide relevant evidence of such claims. Claims shall be registered by the liquidation committee.

The liquidation committee shall not settle any debt with any creditors during the period allowed for creditors to make a claim.

Article 321 After the liquidation of the Bank's assets by the liquidation committee and the preparation of a balance sheet and assets list, the liquidation committee shall formulate a liquidation plan and submit it to the shareholders' general meeting or to the people's court for confirmation.

The Bank's assets shall be liquidated in the following order:

- (1) to pay the liquidation costs;
- (2) to pay employees' salaries, social insurance and statutory compensation;
- (3) to pay the principal and legal interest of personal savings deposits;
- (4) to pay all outstanding taxes;
- (5) to settle the Bank's debts; and
- (6) to distribute to shareholders according to their classes of shares and proportion of shares being held.

During the liquidation, the Bank shall continue to exist, but shall not carry on any business activities which do not relate to the liquidation. The assets of the Bank shall not be distributed to shareholders before it is used for settlement in accordance with the provisions of the preceding paragraph.

Article 322 During the liquidation of the Bank's assets by the liquidation committee, and after preparing a balance sheet and assets list, if the liquidation committee finds the assets of the Bank to be insufficient for the settlement of its debts, the liquidation committee shall apply to the people's court for a declaration of bankruptcy. After a ruling is made by the people's court that the Bank be declared bankrupt, the liquidation committee shall hand over its liquidation work to the people's court.

Article 323 Following the completion of the liquidation, the liquidation committee shall prepare a liquidation report, income and expenditure statement and financial books of accounts in respect of the liquidation period, and upon verification by a PRC certified public accountant, submit the same to the shareholders' general meeting or the people's court for confirmation and submit the documents mentioned above to the company registration authority, apply for cancellation of the Bank's registration and make an announcement of the closure of the Bank.

Article 324 Members of the liquidation committee shall faithfully perform their duties and perform the liquidation obligations in accordance with the law.

Members of the liquidation committee shall not accept any bribes or other illegal income by abusing their authority and shall not misappropriate the assets of the Bank.

Members of the liquidation committee shall be liable for damages and losses if the Bank or creditors incur losses as a result of the deliberate or gross negligence of the members of the liquidation committee.

Chapter 13 Amendments to these Articles of Association

Article 325 The Bank may amend these Articles in accordance with the laws, administrative regulations and the provisions of these Articles.

The Bank shall amend these Articles if any of the following circumstances occur:

- (1) If, after the Company Law, Banking Supervisory and Administrative Law, Commercial Banking Law or relevant laws and regulations are amended, any term contained in these Articles becomes inconsistent with the provisions of the amended laws and administrative regulations;
- (2) If a change in the Bank's circumstances results in inconsistency with certain terms specified in these Articles; and
- (3) If the shareholders' general meeting adopts a resolution to amend these Articles.

Article 326 Any amendments to be made to these Articles shall be subject to the approval of the relevant regulatory authorities, and shall become effective after the approval of such authorities is obtained; if registration matters of the Bank are involved, the Bank shall apply for registration of the changes in accordance with the law.

Article 327 The Board of Directors shall amend these Articles of the Bank according to the resolutions on amending these Articles adopted at a shareholders' general meeting and the approval opinions of the relevant regulatory authorities.

Chapter 14 Dispute Resolution

Article 328 The Bank shall abide by the following rules for dispute resolution:

- (1) If any disputes or claims in relation to the Bank's business, with respect to any rights or obligations under these Articles, Company Law or any other relevant laws and administrative regulations, arise between shareholders of overseas-listed foreign shares and the Bank, between shareholders of overseas-listed foreign shares and the Bank's directors, supervisors or senior management officers of the Bank, or between shareholders of overseas-listed foreign shares and other shareholders, the parties concerned shall submit such disputes or claims to arbitration.

When the aforementioned disputes or claims are submitted to arbitration, such disputes or claims shall be submitted in their entirety, and all persons (being the Bank, the Bank's shareholders, directors, supervisors or senior management officers of the Bank) that have a cause of action based on the same grounds or the persons whose participation is necessary for the resolution of such disputes or claims, shall comply with the arbitration.

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

- (2) An applicant may choose for the arbitration to be arbitrated either by the China International Economic and 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 submits a dispute or claim to arbitration, the other party must carry out the arbitration at the arbitration institution selected by the claimant.

If an applicant opts for arbitration by the Hong Kong International Arbitration Centre, either party may request for the arbitration to be conducted in Shenzhen in accordance with the securities arbitration rules of the Hong Kong International Arbitration Centre.

- (3) Unless otherwise provided by the laws, administrative regulations, departmental rules or regulatory documents, the laws of the PRC shall apply to the settlement of any disputes or claims that are resolved by arbitration pursuant to item (1) above.
- (4) The award of the arbitration institution shall be final and binding on all parties.

Chapter 15 Supplemental Provisions

Article 329 Interpretation

- (1) The controlling shareholder(s) shall refer to the person(s) satisfying any of the following conditions:
 - (i) the person may elect more than half of the directors when acting alone or in concert with others;
 - (ii) the person may exercise or control the exercise of more than 30% of the total voting shares of the Bank when acting alone or in concert with others; and
 - (iii) the person holds more than 30% of issued and outstanding shares of the Bank when acting alone or in concert with others;
 - (iv) the person may *de facto* control the Bank in any other manner when acting alone or in concert with others.

The term “acting in concert” above refers to act or a fact that an investor enlarges in conjunction with other investors by way of agreements or other arrangements the number of the shares with voting rights of the Bank that are exercisable by them. The investors who agree to act in concert shall be the persons acting in concert.

- (2) *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.
- (3) The major shareholder refers to a shareholder of the Bank that meets any of the following conditions:
 - (i) the shareholder holding more than 10% of shares of the Bank;
 - (ii) the shareholder who actually holds the largest number of shares in the Bank, and holding not less than 5% of shares of the Bank (including shareholders holding the same amount of shares);

- (iii) the shareholder who nominates two or more directors;
- (iv) the shareholder who has a controlling impact on the operation and management of the Bank in the view of the Board of Directors of the Bank;
- (v) other circumstances determined by the banking regulatory authority of the State Council.

The shareholding ratios of a shareholder, its related parties, and persons acting in concert therewith shall be calculated on a consolidated basis. If the combined shareholding ratio meets the above requirements, the relevant shareholders shall be treated and managed as major shareholders.

- (4) Substantial shareholders refer to shareholders who hold or control more than 5% shares or voting rights of the Bank, or who hold less than 5% of the total number of shares but has significant influence on the operation and management of the Bank.

“Material influence” mentioned above includes but is not limited to nominating or designating directors, supervisors or senior management officers to the Bank, exerting influence on the Bank’s decisions on financial affairs and operation management through agreements or other means, and other scenarios determined by the banking regulatory authority of the State Council.

The shareholding ratio of a shareholder and its related parties and persons acting in concert shall be calculated on a consolidated basis.

- (5) Ultimate beneficiaries refer to those persons who are actually entitled to the return on equity interest of commercial banks.
- (6) Connected relation means the relation between the controlling shareholder, actual controller, directors, supervisors, senior management officers of the Bank and the enterprise that they control directly or indirectly, and other relation that may cause the transfer of interest of the Bank. However, the relation between fellow State-controlled enterprises shall not be deemed as connected relation merely because they are both controlled by the State.
- (7) Non-standard audit opinions mean other audit reports other than standard audit reports, including audit reports with an emphasis of matter but without qualification and audit reports with non-unqualified opinions. Audit reports with non-unqualified opinions include audit reports with qualified opinions, audit reports with adverse opinions and audit reports with disclaimer of opinion.

- (8) Cumulative voting system means at the shareholders' general meeting where director(s) or supervisor(s) is/are elected, each share shall have the same number of voting rights as the number of director(s) or supervisor(s) to be elected. Shareholders' voting rights may be exercised collectively.
- (9) The banking regulatory authority of the State Council means the National Financial Regulatory Administration or its local offices.
- (10) The term "on-site meeting(s)" in these Articles refers to a meeting held by means of on-site, video, telephone, etc., which ensures immediate communication and discussion among participants; and "circulating written resolution(s)" refers to a meeting convened by separate delivery or circulation of resolutions for consideration.

Article 330 These Articles are written in Chinese. Should there be any inconsistency between these Articles written in another language or provided in other versions, the latest Chinese version approved and registered by Administration for Industry & Commerce shall prevail.

Article 331 References to "above", "within" and "below" in these Articles shall include the actual given figures, while references to "less than", "beyond", "under" and "exceed" shall exclude such actual given figures.

Article 332 References to "director" in these Articles, unless the context states or requires otherwise, shall include all members of the Board of Directors serving as chairman, vice-chairman, director, independent director and so on. References to "supervisor" in these Articles, unless the context states or requires otherwise, shall include all members of the Board of Supervisors serving as chairman, vice-chairman, supervisor, external supervisor and so on.

Article 333 References to "accounting firm" in these Articles shall bear the same meaning as the "auditor" under the Listing Rules, and specially refer to the accounting firm that provides regular statutory audit on financial reports of the Bank.

Article 334 These Articles shall be construed by the Board of Directors of the Bank.

Article 335 These Articles shall become effective after the consideration and approval by the shareholders' general meeting and upon the approval by the banking regulatory authority of the State Council.