

ARTICLES OF ASSOCIATION OF CHINA BOHAI BANK CO., LTD.

(Adopted at the inauguration meeting of CHINA BOHAI BANK CO., LTD. on December 22, 2005 and approved by the China Banking and Regulatory Commission on December 29, 2005; revised at the 14th Shareholders' general meeting of CHINA BOHAI BANK CO., LTD. on December 16, 2009 and approved by the China Banking and Regulatory Commission on March 22, 2010; revised at the 26th Shareholders' general meeting of CHINA BOHAI BANK CO., LTD. on September 5, 2014 and approved by the China Banking and Regulatory Commission on January 8, 2015; revised respectively at the 37th, 43rd and 44th Shareholders' general meeting of CHINA BOHAI BANK CO., LTD. on April 21, 2016, June 29, 2017 and February 9, 2018 and approved by the China Banking and Insurance Regulatory Commission on August 20, 2018; revised respectively at the 50th, 54th and 56th Shareholders' general meeting of CHINA BOHAI BANK CO., LTD. on December 21, 2018, September 10, 2019 and November 14, 2019 and approved by the China Banking and Insurance Regulatory Commission on January 23, 2020)

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Chapter I General Provisions

Article 1 To protect the legitimate rights and interests of CHINA BOHAI BANK CO., LTD. (hereinafter referred to as the “Bank”), shareholders and creditors and regulate the organization and acts of the Bank, these Articles are formulated in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China, the Commercial Banking Law of the PRC (hereinafter referred to as the “Commercial Banking Law”), the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (hereinafter referred to as the “Special Regulations”), the Interim Measures for the Equity Management of Commercial Banks, the Guidelines on Corporate Governance of Commercial Banks, the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (hereinafter referred to as the “Mandatory Provisions”) and other PRC laws and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”) as well as relevant regulations of the securities regulatory authorities of the place where the Bank’s shares are listed (collectively referred to as “laws and regulations” together with the “PRC laws”).

The “PRC laws” referred to in these Articles refer to laws, regulations, rules, judicial interpretations and notices officially issued by legislatures and other government authorities of the PRC at all levels (including any amendments, revisions, reformulations or combinations of such PRC laws and any regulations, rules, judicial interpretations or notices issued in accordance with such PRC laws, but excluding laws, regulations and judicial precedents of the Hong Kong Special Administrative Region (hereinafter referred to as “Hong Kong”), the Macau Special Administrative Region and Taiwan).

Article 2 The Bank is a joint stock limited company incorporated in accordance with the Company Law and other PRC laws. The Bank was approved for establishment by China Banking and Regulatory Commission with Document Yin Jian Fu [2005] No. 337 and obtained the Financial License. The Bank was registered with the State Administration for Industry and Commerce of the PRC on December 30, 2005. The unified social credit code of the Business License of the Bank is 911200007109339563.

The Bank is a national joint-stock commercial bank jointly established by the following promoters: TEDA Investment Holding Co., Ltd., Standard Chartered Bank (Hong Kong) Limited, China Ocean Shipping (Group) Company, State Development & Investment Corporation, Shanghai Baosteel Group Corporation, Tianjin Shanghai Investment Holding Company Limited and Tianjin Trust Co., Ltd.

- Article 3** Name of the Bank:
- Name in Chinese: 渤海銀行股份有限公司
- Abbreviation in Chinese: 渤海銀行
- Name in English: CHINA BOHAI BANK CO., LTD.
- Abbreviation in English: CBHB
- Article 4** Domicile of the Bank: 218 Haihe East Road, Hedong District, Tianjin; postcode: 300012; tel.: 86-22-58316666; fax: 86-22-58316529.
- Article 5** Registered capital of the Bank: RMB17,762,000,000.
- Article 6** The Bank is a joint stock company with limited liabilities in perpetual existence.
- Article 7** The chairman of the Board is the legal representative of the Bank.
- Article 8** The assets of the Bank are divided into shares of equal par value. The shareholders are responsible for the Bank to the extent of the shares they have subscribed for. The Bank is responsible for its debts with all of its assets.
- Article 9** From the date on which these Articles become effective, these Articles shall constitute a legally binding document that regulates the organization and acts of the Bank and the rights and obligations between the Bank and its shareholders and between shareholders inter se. These Articles shall be binding upon the Bank and its shareholders, directors, supervisors and senior management members, who shall have the right to make any claims and propositions regarding the Bank's affairs based on these Articles.
- Pursuant to these Articles, the Bank may pursue actions against shareholders, directors, supervisors and senior management members, and shareholders may pursue actions against other shareholders, the Bank and its directors, supervisors and senior management members.
- The actions, as referred to in the preceding paragraph, include the instituting of legal proceedings with a court or filing with an arbitration tribunal for arbitration.
- Article 10** "Directors" as referred to in these Articles, unless the context indicates otherwise or there are special instructions, include all members of the Board who hold the positions of executive director and non-executive director (including independent director).
- "Supervisors" as referred to in these Articles, unless the context indicates otherwise or there are special instructions, include all members of the Board of Supervisors who hold the positions of shareholder supervisor, employee supervisor and external supervisor.

“Senior management members” as referred to in these Articles, unless the context indicates otherwise or there are special instructions, include the president, vice president, secretary to the Board, Chief Financial Officer and Chief Risk Management Officer of the Bank and other members determined by the Board.

The aforesaid directors and senior management members shall have the job qualifications specified by the regulatory authorities and have the qualifications approved by or filed with the regulatory authorities.

Article 11 The business activities of the Bank are subject to the supervision and management of the China Banking and Insurance Regulatory Commission (hereinafter referred to as the “CBIRC”) and local offices thereof as well as of the People’s Bank of China and local offices thereof. The Bank, as an independent legal entity, conducts financial business according to law without interference from any organization or individual.

Article 12 The Bank implements the management system of operation authorized by first-grade legal person. With the approval of CBIRC, the Bank may establish branches within and outside the territory of PRC in accordance with PRC laws and the laws and regulations of relevant countries or regions. The branches and sub-branches set by the Bank outside the territory of PRC conduct all banking businesses or other businesses permitted by laws and decrees in their localities. The domestic and foreign branches and sub-branches of the Bank do not have the status of legal person. The establishment and business operations of the branches and sub-branches shall be in compliance with the requirements of laws and regulations and be within the scope authorized by the Headquarters. The civil liability of the branches and sub-branches shall be borne by the Headquarters. The Headquarters shall exercise unified leadership and management over the main personnel appointment and removal, business policies, comprehensive plans, basic rules and regulations as well as foreign affairs of the branches and sub-branches, and carry out a financial system of unified accounting, unified dispatch of funds and graded management for the branches and sub-branches. The Bank, within the scope permitted by laws and regulations, actively adopts the advanced management modes and operation procedures adopted by international commercial banks.

Article 13 The Bank may invest in other enterprises in accordance with laws and regulations. However, unless otherwise provided by laws and regulations, the Bank shall not be an investor bearing joint liability for its invested enterprises.

Article 14 In accordance with the Constitution of Communist Party of China and relevant provisions of laws and regulations, the Bank establishes organizations of the Communist Party of China at all levels and of all sectors all across the PRC. Under the leadership of the Party, the Party committee plays the leading and political core role in taking the direction, managing the overall situation and ensuring the implementation. The Bank establishes a work body of the Party, allocates a sufficient number of staff members responsible for party affairs, and appropriate funds for the overhead expenses of the Party organizations.

Chapter II Objectives and Scope of Business

Article 15 The Bank's objectives: in response to the requirements of the development of China's socialist market economy, voluntarily abide by laws and regulations, take security, liquidity, efficiency and sociality as the operational principles, observe the order of fair, safe and orderly industry competition, improve the level of professional operation, constantly improve financial services, protect the legitimate rights and interests of financial consumers, operate independently, take risks on its own, assume sole responsibility for its own profits or losses and work on self-discipline, continue to create value for shareholders, employees, customers and the public while pursuing maximum economic benefits, strive to promote economic and social development, and build the Bank into a modern joint-stock commercial bank with international competitiveness.

Article 16 With the approval of CBIRC, SAFE and registration authority of the Bank, the Bank's scope of business includes:

- (I) taking deposits from the general public;
- (II) granting short, medium and long-term loans;
- (III) handling domestic and foreign settlement;
- (IV) handling bill acceptance and discounting;
- (V) issuing financial securities;
- (VI) issuing, cashing and undertaking government bonds as agent;
- (VII) trading government bonds and financial bonds;
- (VIII) engaging in inter-bank borrowing and lending;
- (IX) trading or agency trading of foreign exchange;
- (X) settlement and sales of foreign exchange;
- (XI) bank card business;
- (XII) provision of letters of credit services and guarantee;
- (XIII) agency collection and payments and part-time insurance agency;
- (XIV) provision of safe-box service;
- (XV) engaging in derivatives trading business;
- (XVI) asset custody service;
- (XVII) sale of securities investment funds; and
- (XVIII) other businesses approved by CBIRC and other regulatory authorities.

The scope of business as referred to in the preceding paragraph shall be approved by the registration authority of the Bank. The Bank may adjust its scope of business and complete relevant adjustment procedures with the industrial and commercial registration authority according to domestic and foreign market changes, business development and its own abilities.

Chapter III Shares

Section I Issue of Shares

Article 17 The Bank shall have ordinary shares at any time. If necessary, the Bank may have other classes of shares such as preference shares according to applicable laws and regulations upon approval by the approval authority authorized by the State Council.

Article 18 The Bank shall issue shares in a fair and just manner, and each share of the same class shall have the same right. Shares of the same class issued at the same time shall be issued under the same conditions and at the same price; any entity or individual shall pay the same price for each share subscribed.

Article 19 As examined or approved by the banking regulatory authorities and the securities regulatory authorities of the State Council, the Bank may offer its shares to both domestic and overseas investors.

Overseas investors as referred to in the preceding paragraph shall mean those investors in foreign countries and Hong Kong, Macau Special Administrative Region or Taiwan who subscribe for shares of the Bank. Domestic investors shall mean those investors in the PRC, excluding the aforementioned regions, who subscribe for shares of the Bank.

Article 20 Shares issued by the Bank to domestic investors for subscription in RMB shall be referred to as Domestic Shares. Shares issued by the Bank to overseas investors for subscription in foreign currencies shall be referred to as Foreign Shares. The foreign shares that are listed overseas shall be referred to as overseas listed Foreign Shares.

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

The overseas listed Foreign Shares issued by the Bank that are listed on The Stock Exchange of Hong Kong Limited (hereinafter referred to as “Hong Kong Stock Exchange”) shall be referred to as H Shares. H Shares are shares listed on the Hong Kong Stock Exchange upon approval, with nominal values stated in RMB, and subscribed for and traded in HK\$.

As permitted by relevant laws and regulations and approved by the banking regulatory authorities, the securities regulatory authorities of the State Council and other regulatory authorities, shareholders of the Bank may trade their unlisted shares in an overseas stock exchange. The listing and trading of the aforesaid shares in an overseas stock exchange shall comply with the regulatory procedures, regulations and requirements prescribed by the overseas stock market. If the shares held by shareholders of the Bank are approved to be listed on and traded in an overseas stock exchange, the shares shall change into H Shares.

Article 21 At the time of its establishment, the Bank issued 5,000,000,000 shares to the promoters, accounting for 100% of all ordinary shares that can be issued by the Bank at that time.

Upon approval by the approval authority authorized by the State Council, the Bank may issue a total number of 17,762,000,000 ordinary shares.

The equity structure of the Bank: 17,762,000,000 ordinary shares, including 11,561,445,000 Domestic Shares, accounting for 65.09% of the total ordinary shares that can be issued by the Bank; and 6,200,555,000 H Shares, accounting for 34.91% of the total ordinary shares that can be issued by the Bank.

Article 22 After the plan of the Bank for the offering of overseas listed Foreign Shares and Domestic Shares has been approved by the securities regulatory authorities of the State Council, the Board of the Bank may arrange for implementation of such plan by means of separate issues.

The plan of the Bank for the offering of overseas listed Foreign Shares and Domestic Shares in accordance with the preceding paragraph may be implemented separately within 15 months from the date of approval by the securities regulatory authorities of the State Council.

Article 23 If the Bank offers overseas listed Foreign Shares and Domestic Shares within the total number of shares specified in the offering plan, each such offering shall be fully subscribed for in one time, or if any special circumstances make it impossible for each such offering to be fully subscribed for in one time, the shares may be offered in installments, subject to the approval of the securities regulatory authorities of the State Council.

Section II Increase, Decrease and Repurchase of Shares

Article 24 In light of the demands of operation and business development and based on laws and regulations, after obtaining the consent of shareholders through resolutions at the Shareholders' general meeting and the approval of relevant authorities of the State, the Bank may increase its capital by the following means:

- (I) offering new shares to non-specific investors;
- (II) placing new shares to existing shareholders;
- (III) distributing new shares to existing shareholders;

- (IV) converting funds in the capital reserve into share capital; and
- (V) other means stipulated by laws and regulations and approved by relevant authorities of the State.

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

Article 25 The Bank may decrease its registered capital according to these Articles and upon approval by the relevant authorities of the State. The Bank shall decrease its registered capital pursuant to the procedures stipulated in the Company Law, the Commercial Banking Law and other laws and regulations, and these Articles.

Article 26 The Bank must prepare a balance sheet and a list of its property when decreasing its registered capital.

The Bank shall notify its creditors within 10 days following the date of passing the resolution on decrease of registered capital and shall publish an announcement in a newspaper within 30 days. The creditors shall be entitled to require the Bank to pay the debts or provide corresponding guarantee within 30 days of receiving the written notice, or within 45 days of the date of announcement for those who have not received the written notice.

The Bank's registered capital shall not, after decrease of capital, be less than the statutory minimum limit.

Article 27 The Bank may, in accordance with the provisions under the Articles and with the approval by the state regulatory authorities, repurchase its issued shares in the following circumstances:

- (I) cancellation of shares to reduce the registered capital of the Bank;
- (II) merger with other companies holding shares of the Bank;
- (III) use of shares for employee shareholding schemes or equity incentive schemes;
- (IV) Shareholders who object to resolutions of the Shareholders' general meeting on merger or division of the Bank requesting the Bank to repurchase their shares;
- (V) use of shares for converting corporate bonds convertible into shares issued by the Bank;
- (VI) the repurchase is necessary for maintaining the Bank's value and protecting Shareholders' rights and interests; and
- (VII) other circumstances as permitted by the laws and regulations.

Except for the circumstances set out above, the Bank shall not be engaged in any activities of buying and selling its Shares. The Bank purchasing its own shares under any of the circumstances set forth in (I) and (II) of the preceding paragraph shall be subject to a resolution of the Shareholders' general meeting; and the Bank purchasing its own shares under any of the circumstances set forth in (III), (V) and (VI) of the preceding paragraph may, be subject to resolution at a Board meeting attended by more than two-thirds of the directors in accordance with the provisions of these Articles or the authorization of the Shareholders' general meeting.

After purchasing its own shares pursuant to the provisions of as specified in paragraph 1 of this article, the Bank shall, under the circumstance set forth in item (I), cancel them within 10 days after the purchase; while under the circumstance set forth in either item (II) or (IV), transfer or cancel them within six months; and while under the circumstance set forth in item (III), (V) or (VI), aggregately hold not more than 10% of the total shares that have been issued by the Bank, and transfer or cancel them within three years.

If relevant laws and regulations have other provisions on the matters involved in the aforesaid repurchase of shares, such provisions shall prevail.

Article 28

The Bank may repurchase its shares in any of the following ways according to laws and regulations and/or with approval from relevant competent authority of the State:

- (I) making a pro rata offer of repurchase to all of its shareholders;
- (II) repurchasing shares through public transaction on a stock exchange;
- (III) repurchasing shares through an off-market agreement; and
- (IV) other ways as approved by laws and regulations and the regulatory authorities.

Article 29

A prior approval shall be obtained from the Shareholders' general meeting in respect of any share repurchase by the Bank through an off-market agreement in accordance with the provisions of these Articles. After the Shareholders' general meeting has given its prior approval in the same way, the Bank may rescind or alter any contracts entered into in the said manner or waive any rights under such contracts.

The contract to repurchase shares as referred to in the preceding paragraph includes, but not limited to, an agreement to become obliged to repurchase or to acquire the right to repurchase shares.

The Bank shall not assign a contract for repurchasing its shares or any of its rights thereunder.

Where the Bank has the right to repurchase redeemable shares by means other than repurchases through the market or by tender, the repurchase price shall be limited to a maximum price; if repurchases are made by tender, an invitation for tenders shall be made to all shareholders alike.

Article 30 After repurchasing its shares according to law, the Bank shall cancel the part of shares that should be cancelled before the deadline specified by laws and regulations, and register such change with the company registration authority.

The aggregate par value of the shares so canceled shall be deducted from the Bank's registered capital.

Article 31 Unless the Bank is undergoing liquidation, it shall comply with the following requirements with respect to a repurchase of its outstanding shares:

- (I) 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;
- (II) where the Bank repurchases its shares at a premium to their 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: (1) if the shares being repurchased are issued at par value, payment shall be made from the book balance of its distributable profits; (2) 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 the 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 capital reserve fund account (including premium on the new issue) at the time of such repurchase;
- (III) the Bank shall make the following payments from the Bank's distributable profits: (1) acquisition of the rights to repurchase its own shares; (2) variation of any contracts for the repurchase of its shares; (3) release from its obligations under any repurchase contracts; and
- (IV) 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 capital reserve fund account.

If there are applicable provision(s) to the contrary regarding the financial treatment of the aforementioned share repurchases in the laws and regulations, such provision(s) shall prevail.

Section III Transfer of Shares

Article 32 The shares of the Bank shall be transferred in accordance with the provisions of relevant laws and regulations. The transferee shall have the qualifications to invest in the Bank as stipulated by the laws and regulations. Where the acquisition or holding of the Bank's shares is subject to relevant examination and approval procedures according to law, such procedures shall be implemented in accordance with the provisions of laws and regulations.

Article 33 Shares issued prior to the public offering of shares by the Bank cannot be transferred within one year from the date on which the shares of the Bank are listed and traded on the stock exchange.

The directors, supervisors and senior management members of the Bank shall declare their shareholdings in the Bank and any changes thereof; shares transferred by them each year during their term of office shall not exceed 25% of their total respective shareholdings in the Bank; the shares that the aforementioned persons hold in the Bank cannot be transferred within one year from the date on which the shares of the Bank are listed and traded on, nor within half a year after they leave their positions in the Bank. The aforementioned persons shall abide by the requirements of the securities regulatory authorities of the place where the Bank's shares are listed when buying, selling or holding the Bank's shares.

The substantial shareholders of the Bank shall not transfer their shares in the Bank within five years from the date of acquiring such shares.

Such special circumstances are excluded as adoption of risk control measures with the approval of the banking regulatory authorities, order of the banking regulatory authorities on transfer of shares, judicial enforcement or transfer of shares between different entities under the control of the same investor.

Substantial shareholders who plan to transfer the shares of the Bank shall inform the Board of the Bank in advance. Any entity's or individual's purchase of more than 5% of the total shares of the Bank shall be subject to prior approval of the banking regulatory authorities. Where relevant provisions of the securities regulatory authorities of the place where the Bank's shares are listed have any other provisions in respect of restrictions on transfer of overseas listed shares, such provisions shall prevail. "Substantial shareholders" in these Articles refer to the shareholders who hold or control 5% or more shares or voting rights of the Bank or whose total capital or shareholding is less than 5% but have a major impact on the business operations of the Bank. Shareholdings of shareholders and their related parties and persons acting in concert are calculated in a consolidated way.

The "major impact" as mentioned in the preceding paragraph includes, but is not limited to, the appointment of directors, supervisors or senior management members to the Bank, affecting the financial and operational management decision-making of the Bank through agreement or otherwise, and any other circumstances recognized by the banking regulatory authorities or their local offices.

Article 34

Unless otherwise specified by laws and regulations and these Articles, the Bank's shares for which full payment is made can be transferred freely according to the laws and shall not be subject to any lien.

Transfer of shares of the Bank shall be registered with the share registry designated by the Bank.

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

- (I) the instrument of transfer and other documents relating to or likely affecting the ownership of any registered securities shall be registered, and the payment for registration shall be made to the Bank according to the amount (which shall not exceed the ceiling specified in the Hong Kong Listing Rules) specified by the Hong Kong Stock Exchange in the Hong Kong Listing Rules to register the instrument of transfer of the shares and other documents relating to or likely affecting the ownership of the shares;
- (II) the instrument of transfer only involves H Shares;
- (III) stamp tax as required by Hong Kong laws has been paid for the instrument of transfer;
- (IV) relevant share certificates and evidence reasonably required by the Board to prove that the transferor has the right to transfer the said shares shall be provided;
- (V) If the shares are transferred to joint holders, the number of joint holders shall not exceed four; and
- (VI) The relevant shares are not subject to lien of any company.

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

Article 35

All transfers of H Shares shall be executed with a written instrument of transfer in an general or ordinary format or other format accepted by the Board (including the standard transfer format or form of transfer that Hong Kong Stock Exchange may provide from time to time); the said written instrument of transfer may be signed by hand, or be stamped with the valid seal of the Bank (if the Bank is the transferor or the transferee). Where the transferor or transferee is a recognized clearing house as defined by relevant regulations in the Hong Kong laws effective from time to time, or any of its agents, the written instrument of transfer may be signed by hand or by print.

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

Section IV Financial Assistance for the Acquisition of Shares in the Bank

Article 36 The Bank (including its branches and sub-branches) or its subsidiaries shall not offer any financial assistance at any time by any means to purchasers or prospective purchasers of the Bank's shares. The aforementioned purchasers of the Bank's shares shall include persons who have directly or indirectly assumed obligations due to purchasing the Bank's shares.

The Bank (including its branches and sub-branches) or its subsidiaries shall not offer any financial assistance at any time by any means in order to reduce or relieve the obligations of the aforesaid obligators.

The provisions herein do not apply to the circumstances set out in Article 38 of these Articles.

Article 37 Financial assistance referred to in this section includes, but not limited to the following means:

- (I) financial assistance given by gifts;
- (II) financial assistance given by guarantee (including the assumption of liability by the guarantor or the provision of assets by the guarantor to secure the performance of obligations by the obligor), indemnity (other than an indemnity in respect of the Bank's faults) or the release or waiver of any rights;
- (III) the provision of loans or the entry into any contract under which the obligations of the Bank are to be fulfilled before the obligations of another party, and a change in the parties to or the assignment of rights arising under such loans or contract; and
- (IV) any other form of financial assistance given by the Bank when the Bank is insolvent, has no net assets, or when its net assets would be reduced to a material extent as a result of such financial assistance.

The "obligations" referred to herein shall include the obligations of an obligor which have arisen by concluding a contract or making an arrangement (regardless of whether the aforesaid contract or arrangement is enforceable, or whether such obligations are assumed by the obligor individually or jointly with any other person) or any obligations that arise out of changes made in any other way to the obligor's financial position.

Article 38 The following acts shall not be deemed as prohibited under Article 36 of these Articles:

- (I) the financial assistance provided by the Bank is either genuinely for the interests of the Bank and the main purpose of the financial assistance is not to purchase shares of the Bank, or the financial assistance is an incidental part of the Bank's overall plans;
- (II) the lawful distribution of the Bank's assets in the form of dividends;

- (III) the distribution of dividends in the form of shares;
- (IV) the reduction of registered capital, repurchase of shares, and adjustment of shareholding structure, etc. in accordance with these Articles;
- (V) the provision of a loan by the Bank within its scope of business and in the ordinary course of business (provided that this does not lead to a reduction in the net assets of the Bank or that if this causes a reduction, the financial assistance is taken from the Bank's distributable profits); and
- (VI) provision of funds by the Bank for an employee shareholding plan (provided that this does not lead to a reduction in the net assets of the Bank or that if this causes a reduction, the financial assistance is taken from the Bank's distributable profits).

Chapter IV Party Organization (Party Committee)

Article 39 The Bank has established the Party Committee of CHINA BOHAI BANK CO., LTD. (hereinafter referred to as the "Party committee"), with composition determined according to the reply of higher Party organizations. In principle, the Party committee shall consist of 1 secretary, 2 deputy secretaries and several other members. The posts of the chairman and secretary of the Party committee shall be held by the same person and a deputy secretary of the Party committee shall assist the secretary of the Party committee in Party construction. Qualified members of the Party committee may enter the Board, Board of Supervisors and senior management according to legal procedures, and qualified Party members in the Board, Board of Supervisors and senior management members may enter the Party committee according to relevant provisions and procedures. Meanwhile, the Bank has established the Party Committee for Discipline Inspection of CHINA BOHAI BANK CO., LTD. according to relevant regulations.

Article 40 The Party committee shall perform the following duties according to the Constitution of the Communist Party of China and other Party regulations:

- (I) to undertake to supervise the implementation of the guidelines and policies of the Party and the state in the Bank, and implement the major strategic decisions of the Party Central Committee and the State Council, and relevant significant work arrangements of higher Party organizations;
- (II) to strengthen leadership and control of talent selection and appointment, manage the standards, procedures, investigation, recommendation and supervision, and insist on the principle of the Party managing the cadres and combination of the Board selecting the managers according to laws and the managers exercising rights according to laws;
- (III) to study and discuss significant matters concerning reform, development and steady, major operation and management issues of the Bank, as well as major issues concerning immediate interests of the employees, and propose opinions and suggestions; support the Shareholders' general meetings, the Board, Board of Supervisors and senior management in performing duties according to laws; and support the employee representative meeting in carrying out work;

- (IV) to undertake the major responsibility for comprehensively strengthening the Party discipline, lead the Bank's ideological and political work, united front work, spiritual civilization building, corporate culture building, work of mass organizations including labor union and the Communist Youth League, lead the construction of a clear and honest Party and support the Committee for Discipline Inspection in earnestly performing its supervision responsibilities;
- (V) to enhance construction of the grass-root Party organizations and Party forces, give full play to the Party branch's battle fortress role and the Party members' exemplary and vanguard role, and unite with and lead the cadres and employees in actively devoting themselves to the Bank's reform and development; and
- (VI) to deal with other relevant important matters within the terms of reference of the Party committee.

Chapter V Shareholders and Shareholders' General Meetings

Section I Share Certificates and Share Register

Article 41 The share certificates of the Bank shall be in registered form. Share certificates of the Bank shall specify:

- (I) name of the Bank;
- (II) date of establishment of the Bank;
- (III) type of share certificates, par value and number of shares represented;
- (IV) name of the shareholder holding the share certificates;
- (V) stock number; and
- (VI) other matters specified under laws and regulations.

The Bank may issue overseas listed shares in the form of overseas depository receipts or in other derivation form of share certificates pursuant to the laws of the place where the Bank's shares are listed and practices of securities registration and custody.

If the share capital of the Bank includes shares without voting rights, such shares shall be specified as "Without Voting Right". If the share capital includes shares with different voting rights, each class of shares (except those with most preferential voting rights) shall be specified as "Restricted Voting Right" or "Limited Voting Right".

Article 42 During the period when H Shares are listed on the Hong Kong Stock Exchange, the Bank shall ensure all ownership certificates of all its securities listed on the Hong Kong Stock Exchange (including H Shares) shall include the following statements, and shall instruct and promote its share registrar to refuse any subscription, purchase or transfer of the shares registered in the name of any individual holder, unless and until the said individual holder has submitted to the said share registrar signed form relating to the said shares, which form shall include the following statements:

- (I) The acquirer of shares agrees with the Bank and each shareholder, and the Bank agrees with each shareholder, to observe and comply with the Company Law, Special Regulations, other relevant laws and regulations and these Articles;
- (II) The acquirer of shares agrees with the Bank and each shareholder, director, supervisor and senior management member of the Bank, and the Bank (acting both for the Bank and for each director, supervisor and senior management member) also agrees with each shareholder, to refer all disputes or claims arising from these Articles or any rights and obligations specified by the Company Law or other relevant laws and regulations and with respect to the affairs of the Bank, to arbitration according to these Articles. Any reference to arbitration shall be deemed to authorize the arbitration tribunal to conduct hearings in open session and to publish its award. Such arbitration shall be final and conclusive;
- (III) The acquirer of shares agrees with the Bank and each shareholder that shares of the Bank are freely transferable by the holder thereof; and
- (IV) The acquirer of shares authorizes the Bank to enter into a contract on his/her behalf with each director and senior management member whereby such directors and senior management members undertake to observe and fulfill their obligations to shareholders as stipulated in these Articles.

Article 43 All share certificates issued by the Bank shall have par values denominated in RMB, with each share having a par value of RMB1.

Article 44 Share certificates shall be signed by the chairman of the Board. Other relevant senior management members of the Bank shall also sign the share certificates if required by the stock exchange where the Banks' shares are listed. The share certificates shall come into effect after being stamped or printed with the seal of the Bank. The share certificates shall only be stamped with the seal of the Bank under the authorization of the Board. The signature of the chairman or other relevant senior management members of the Bank may also be printed on the share certificates.

Article 45 The Bank shall maintain a share register and record the following matters:

- (I) names (titles), addresses (domiciles), occupations or nature of the shareholders;
- (II) type and number of shares held by the shareholders;

- (III) monies already paid or payable for the shares held by the shareholders;
- (IV) serial numbers of the share certificates held by the shareholders;
- (V) the date on which the shareholders are registered as shareholders; and
- (VI) the date on which the shareholders cease to be shareholders.

The share register shall be kept by the secretary to the Board.

The share register is a sufficient evidence of the shareholders' shareholdings in the Bank unless there is evidence to the contrary.

Article 46

The Bank may keep overseas the register of holders of overseas listed foreign shares and entrust it to the care of an overseas agency in accordance with the understanding and agreement reached between the securities regulatory authority of the State Council and the overseas securities regulatory authority. The original of the Bank's register of holders of H Shares shall be kept in Hong Kong.

The Bank shall keep at its domicile a copy of the register of holders of overseas listed foreign shares; the entrusted overseas agency shall ensure at any time the consistency between the original and copies of the register of holders of overseas listed foreign shares.

Where the original and copies of the register of holders of overseas listed foreign shares are inconsistent, the original shall prevail.

Article 47

The Bank shall keep a complete share register, which shall include the following parts:

- (I) share register kept at the domicile of the Bank, save as specified in (II) and (III) herein;
- (II) register of holders of overseas listed foreign shares of the Bank kept at the place where the overseas stock exchange on which the shares are listed is located; and
- (III) share register that the Board decides to keep at other place for the purpose of listing the shares of the Bank.

Article 48

The respective parts of the share register shall not overlap with each other. In the event of transfer of shares registered in a specific part of the share register, the said shares shall not be registered in any other part of the share register in the duration of the registration of the said shares.

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

Article 49 Changes to the share register arising from share transfer shall not be registered within 30 days before convening of a Shareholders' general meeting or within 5 days prior to the benchmark date on which the Bank decides to distribute dividends. If the securities regulatory authorities of the place where the Bank's shares are listed have regulations that provide otherwise, such regulations shall prevail.

Article 50 If the Bank convenes a Shareholders' general meeting, distributes dividends, conducts liquidation or executes any other act requiring recognition of equity, the Board shall designate a certain date as equity registration date, at the end of which the registered shareholders shall be the Bank's shareholders entitled to relevant rights and interests.

Article 51 If any person objects to the share register and asks to have his/her name recorded in or deleted from the share register, the said person may apply to the court with jurisdiction to correct the share register.

Article 52 If any shareholder in the share register or any person requesting to have his/her name recorded in the share register has lost his/her share certificates (i.e. "the original share certificates"), the said shareholder or person may apply to the Bank to reissue new share certificates for the said shares (i.e. "the relevant shares").

In the event that a holder of Domestic Shares loses his/her share certificates and applies for reissue, it shall be handled in accordance with the relevant requirements of the Company Law and other PRC laws.

Application for reissue of lost share certificates by holders of overseas listed foreign shares may be handled pursuant to the laws, regulations of the stock exchange or other relevant regulations of the place where the original of the register of overseas listed foreign shares is kept.

Application for reissue of lost share certificates by holders of H Shares of the Bank shall meet the following requirements:

- (I) The applicant shall submit an application in the standard format designated by the Bank and attach a notarial deed or statutory statement. The notarial deed or statutory statement shall state the reason for the application, the circumstances and evidence of the loss of the share certificates and a statement that no other person may request registration as a shareholder in respect of the relevant shares;
- (II) Before deciding to reissue new share certificates, the Bank has not received any statement that anyone other than the applicant requests to be registered as shareholder for the said shares;
- (III) After deciding to reissue new share certificates to the applicant, the Bank shall publish announcement of new share certificates to be reissued on the newspapers designated by the Board; the announcement period is 90 days, with at least one announcement every 30 days;

- (IV) The Bank shall, prior to publishing the announcement of its intention to reissue new share certificates, deliver a duplicate of the announcement to be published to the stock exchange on which its shares are listed, and may proceed with the publication after having received a reply from the stock exchange confirming that the announcement has been displayed on the stock exchange. The announcement shall be displayed in the stock exchange for a period of 90 days;
- (V) Where the consent of the registered shareholder of the relevant shares is not obtained for the application for reissuing new share certificates, the Bank shall mail to such shareholder a copy of the announcement to be published;
- (VI) If, upon expiration of the 90-day period referred to in (III) and (IV) of this article, the Bank has not received any objection to the reissue of share certificates from any person, it may reissue new share certificates in accordance with the application of the applicant;
- (VII) When the Bank reissues new share certificates pursuant to this article, it shall immediately deregister the original share certificates and record such deregistration and reissue of new share certificates in the share register; and
- (VIII) All expenses of the Bank for deregistration of the original share certificates and reissue of new share certificates shall be borne by the applicant. The Bank has the right to refuse to take any action before the applicant provides any reasonable guarantee.

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

Article 53 After the Bank reissues new share certificates pursuant to these Articles, the name of a bona fide purchaser of the aforesaid new share certificates, or the name of any shareholder who is subsequently registered as the owner of the relevant shares (if he/she is a bona fide purchaser) shall not be removed from the share register.

Article 54 The Bank shall have no obligation to compensate any person for any loss arising from deregistration of the original share certificates or reissue of new share certificates, unless the said person can prove that the Bank has committed any fraud.

Section II Rights and Obligations of Shareholders

Article 55 Shareholders of the Bank are persons lawfully holding shares of the Bank, with names (titles) recorded in the share register.

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

Article 56 Regarding overseas listed foreign shares, where two or more persons are registered as joint shareholders of any shares, they shall be deemed as co-owners of such shares, and shall be subject to the following restrictions:

- (I) The Bank shall not register more than four persons as joint shareholders of any shares;
- (II) The joint shareholders of any shares shall assume joint liability for all payables for relevant shares;
- (III) If any of the joint shareholders deceases, only the surviving joint shareholders shall be deemed by the Bank as owners of the relevant shares, but the Board may, for the purpose of modifying the share register, require the provision of a death certificate as it deems appropriate; and
- (IV) In relation to the joint shareholders of any shares, only the joint shareholder listed first on the share register shall have the right to receive from the Bank the share certificate for the relevant shares and receive any notice of the Bank; any notice served to the said joint shareholder shall be deemed as having been served to all joint shareholders of the relevant shares. Any joint shareholder may sign the form of proxy. If there are more than one joint shareholder present in person or by proxy, the vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint shareholder(s). For this purpose, seniority of the shareholders will be determined by the order in which the names of the joint shareholders of the relevant shares stand in the share register.

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

Article 57 The shareholders of ordinary shares of the Bank shall enjoy the following rights:

- (I) to receive dividends and other kinds of distributions as determined by the number of shares held by them;
- (II) to lawfully require, convene, preside over or attend Shareholders' general meetings either in person or by proxy and exercise the voting right;

- (III) to supervise the business operations of the Bank, and to make suggestions and enquiries accordingly;
- (IV) to transfer, bestow or pledge shares held by them in accordance with laws and regulations and these Articles;
- (V) to obtain relevant information in accordance with laws and regulations and these Articles, including:

1. to obtain a copy of these Articles after paying the costs and expenses incurred; and

2. to have the right to inspect and photocopy, after paying a reasonable fee, the following documents: (1) all parts of the share register; (2) the personal information of the Directors, Supervisors and senior management members of the Bank; (3) report of share capital issued by the Bank; (4) reports on the aggregate par value, number of shares, and the 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) minutes of the Shareholders' general meetings; (6) the resolutions of Board meetings and meetings of the Board of Supervisors; (7) the special resolutions of the Bank; (8) the latest audited financial and accounting report of the Bank, as well as reports of the Board, the Board of Supervisors and auditors; (9) stubs of the Bank's bonds; (10) a copy of the latest corporate annual return already submitted to the industrial and commercial registration authority or other competent authorities.

Except the documents set out in (2) above, the Bank shall keep the above documents at the Hong Kong address of the Bank as required by Hong Kong Listing Rules for the free inspection by the public and holders of H Shares. Documents set out in (5), (6) and (9) are for inspection by Shareholders only. If any Shareholder requests to inspect the aforesaid relevant information or asks for relevant data, the said Shareholder shall provide the Bank with written documents bearing evidence of the class and number of shares held by the said Shareholder in the Bank, and the Bank will provide the said information or data as required by the said Shareholder upon authentication of the identity of the said Shareholder.

- (VI) to subscribe for new shares of the Bank according to these Articles;
- (VII) 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;
- (VIII) to have other rights conferred in accordance with the laws and regulations and these Articles.

The Bank shall not exercise any right to freeze or otherwise damage the rights attached to any shares directly or indirectly held by any person only on the ground that the said person has not disclosed his/her equity to the Bank, save as otherwise provided by the laws and regulations and these Articles.

Article 58 Shareholders shall have the right to protect their legal rights through civil litigation or other legal means in accordance with the laws and regulations.

Where the resolutions adopted at Shareholders' general meetings and Board meetings violate the laws and regulations and infringe upon the legal rights of the shareholders, the shareholders shall have the right to lodge a legal action to stop the aforesaid violations and infringements.

Any director, supervisor or senior management member who violates the laws and regulations or these Articles in fulfilling his/her duties and thereby causes damages to the Bank shall be liable for compensation. Shareholders shall have the right to require the Bank to file a lawsuit for compensation according to law.

Article 59 Shareholders of the Bank shall observe the laws and regulations and these Articles and exercise shareholder's rights according to laws. They shall not to abuse shareholder's rights to damage the interests of the Bank or other shareholders, or abuse the Bank's position as an independent legal person or shareholder's limited liability to damage the interests of the creditors of the Bank.

Shareholders who shall be approved, but have not been approved by the regulatory authorities or have not reported to the regulatory authorities shall not exercise such rights as the right to request convening the Shareholders' general meeting, voting right, right of nomination, proposal right and right of disposition.

Shareholders of the Bank who abuse their shareholders' rights and cause damages to the Bank or other shareholders shall bear compensation liability in accordance with the law.

Shareholders of the Bank who abuse the Bank's position as an independent legal person or shareholder's limited liability to evade debts and seriously damage the interests of the creditors of the Bank shall bear joint liability for the Bank's debts.

Article 60 The shareholders of ordinary shares of the Bank shall have the following obligations:

- (I) to abide by the laws and regulations, regulatory provisions and these Articles;
- (II) to contribute to the share capital as determined by the number of shares subscribed by them and the method of subscription;
- (III) to bear the debts and losses of the Bank to the extent of the shares of the Bank subscribed by them;
- (IV) not to withdraw their contributed share capital except in the circumstances allowed by the laws and regulations;
- (V) any related party transaction conducted by them with their related parties and the Bank shall comply with the laws and regulations and these Articles, and shall follow market principles; and

- (VI) to assume other obligations required by the laws and regulations and these Articles.

Save as otherwise provided by the laws and regulations and these Articles, shareholders shall not be liable for making any additional contribution to the share capital of the Bank other than according to the terms agreed by the subscriber of the shares at the time of subscription.

Article 61 Shareholders of the Bank shall fulfill their obligation of capital contribution in strict accordance with the laws and regulations and provisions of the banking regulatory authorities.

Shareholders of the Bank shall buy shares of the Bank with its own funds rather than entrusted funds, debt funds and other non-self-owned funds, and shall ensure that the funds are from legal sources, save as otherwise provided by the laws and regulations.

Article 62 Substantial shareholders shall make a written undertaking that they will abide by the laws and regulations, regulatory provisions and these Articles and will explain the purpose of buying shares of the Bank when they buy shares of the Bank.

Article 63 No shareholder of the Bank may authorize any other person to or accept any other person's authorization to hold equity of the Bank.

Substantial shareholders of the Bank shall enunciate their shareholding structure to the level of de facto controllers and ultimate beneficiaries, and specify their related relationship or acting-in-concert relationship with other shareholders.

Article 64 In the event that a shareholder of the Bank transfers its equity in the Bank, he/she shall inform the transferees that they need to abide by laws and regulations and conditions stipulated by banking regulatory authorities.

Article 65 The substantial shareholders of the Bank and their Controlling Shareholders and de facto controllers shall not:

- (I) be classified as a dishonesty object subject to joint punishment;
- (II) commit any acts in relation to serious evasion of bank debts;
- (III) provide false information or make false statement;
- (IV) bear major liabilities in the business failure or serious violations of laws and regulations of commercial banks;
- (V) reject or intervene with the supervision implemented by the banking regulatory authorities according to laws;
- (VI) be investigated by financial regulatory departments or relevant government departments due to violations of laws and regulations and thereby cause adverse impact; and

(VII) have other circumstances which may adversely affect the Bank's operation and management.

Article 66 Shareholders, especially substantial shareholders, are required to support the reasonable capital planning formulated by the Board of the Bank, so that the capital of the Bank can meet the regulatory requirements on an on-going basis. Substantial shareholders shall, if necessary, replenish the capital of the Bank according to regulatory provisions, and shall make a long-term undertaking in the written form to the Bank. Meanwhile, they shall report their ability to replenish capital to banking regulatory authorities on an annual basis via the Bank.

Article 67 If the capital of the Bank fails to meet the regulatory requirements, a capital replenishment plan shall be formulated to increase capital adequacy ratio to meet the regulatory requirements within a specified period of time, and its capital is required to be replenished by means of increasing core capital. Under such circumstances, substantial shareholders shall not obstruct capital replenishment in the Bank by other shareholders or participation of new qualified shareholders.

Article 68 Shareholders of the Bank shall observe the provisions in relation to the related party transactions specified by laws and regulations and banking regulatory authorities. They shall not have any improper related party transactions with the Bank or seek illegal gains through their influence on the Bank's operation and management.

Article 69 The Bank shall not extend the same class of credit to its shareholders under more favorable conditions than those for other customers.

When the credit extended by the Bank to a shareholder (in particular, substantial shareholder) is overdue, or if a shareholder pledges 50% or more of his/her equity in the Bank, the voting rights of such shareholder at the Shareholders' general meetings and of director(s) appointed by such shareholder at Board meetings shall be subject to restriction.

Article 70 Shareholders shall protect the interests of the Bank. Where any shareholder takes advantage of his/her capacity as a shareholder to maliciously intervene with the Bank's normal operations or damage the Bank's legitimate rights and interests, the Bank shall have the right to lodge a legal action to stop the aforesaid violations and infringements and request compensation for relevant losses.

Shareholders shall fulfill their fiduciary duties to the Bank to ensure that the shareholder qualification information provided is true, complete and valid. Substantial shareholders shall disclose information of their related parties truly, accurately and completely to the Board and undertake to report promptly any changes thereof to the Board.

Shareholders, especially substantial shareholders, shall exercise their rights and perform their duties as investors in strict accordance with the laws and regulations, regulatory provisions and these Articles, and shall not abuse shareholders' rights or exert influence to intervene with the decision-making and management rights which the Board and senior management are entitled to under these Articles; nor shall they intervene with or by exerting influence on the operation and management of the Bank directly bypassing the Board and senior management, transfer benefit, or damage the legal rights and interests of depositors, the Bank and other shareholders' by any other means.

For any shareholder who has made any false statement, abuses shareholder's rights or has other acts that harm the interests of the Bank, the banking regulatory authorities or their local offices may restrict or prohibit any related party transactions with the Bank and restrict the quota of the Bank's equity held by the said shareholder and equity pledge ratio as well as his/her rights including the right to request convening the Shareholders' general meeting, voting right, right of nomination, proposal right and right of disposition.

Article 71 The Bank shall not provide an unsecured loan to any related party.

The Bank shall not provide financing guarantee for the debts of shareholders and related parties defined under relevant laws and regulations, unless the shareholders provide full counter-guarantee by bank deposits or treasury bonds. Financing guarantee refers to the guarantee provided by the Bank for financing behaviors of shareholders and related parties thereof.

The balance of credit extended by the Bank to a related party shall not exceed 10% of the net capital of the Bank. The total balance of credit extended by the Bank to group customers, to whom a related legal person or other organization is subordinated, shall not exceed 15% of the net capital of the Bank.

The balance of credit extended by the Bank to all related parties shall not exceed 50% of the net capital of the Bank.

The balance of security deposits provided and the bank deposits and treasury bonds pledged by related parties in credit extension may be deducted during the calculation of the balance of credit.

Article 72 Any shareholder of the Bank pledging his/her equity in the Bank shall comply with laws, regulations and relevant provisions of the banking regulatory authorities on pledge of equity in commercial banks and shall not impair the interests of other shareholders and the Bank.

Article 73 Before obtaining the approval of qualifications as shareholders, relevant shareholders shall undertake in writing that their pledging equity must comply with regulatory policies and requirements of these Articles and relevant equity management system.

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

The Bank shall not accept its own shares as collateral. If the Shareholders pledge their shares in the Bank to provide guarantees for themselves or others, they shall comply strictly with the laws, regulations and the requirements of regulatory authorities, and inform the Board of the Bank in advance.

If shareholders who also act as Directors and Supervisors of the Bank or Shareholders who directly or indirectly, or jointly hold or control above 2% of the shares or voting rights of the Bank pledge the shares of the Bank, they shall make an application to the Board of the Bank for filing in advance to state basic information such as the reason for pledge, the number of shares involved, duration of the pledge and the pledgee. Filing shall not be made if the Board determines that it has material adverse effect on the stability of the Bank's shareholding, corporate governance, control on risk and related party transactions. The Director(s) nominated by a shareholder proposing to pledge his/her shares in the Bank shall abstain from voting at the meeting of the Board at which such proposal is considered.

Upon completion of shares pledge registration, the shareholders shall in a timely manner provide the Bank with relevant information regarding the pledge of shares in line with the Bank's risk management and information disclosure requirement.

Article 74

The Controlling Shareholders of the Bank owe a fiduciary duty to the Bank and other shareholders, and shall exercise rights and assume corresponding obligations as shareholders in strict accordance with laws, regulations and these Articles.

- (I) In addition to the obligations required under the laws and regulations, when exercising their rights as a Shareholder, Controlling Shareholders shall not exercise their 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 Supervisor (for the benefit of himself/herself or others) in depriving the Bank of its assets in any form, including but not limited to the opportunities that are advantageous to the Bank; (3) approving a Director or Supervisor (for the benefit of himself/herself or 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 the restructuring of the Bank submitted to and adopted at the Shareholders' general meeting in accordance with these Articles;
- (II) Controlling Shareholders shall strictly comply with laws and regulations and conditions and procedures specified in these Articles in nominating candidates for directors or supervisors of the Bank, and shall not go through any approval formalities concerning the personnel election resolutions of Shareholders' general meetings and the personnel appointment resolutions of the Board, or appoint or dismiss any senior management members of the Bank not through Shareholders' general meetings and the Board;

- (III) Controlling Shareholder shall not directly or indirectly intervene in the decision making and lawful business operations of the Bank to damage the interests of the Bank and other shareholders;
- (IV) Controlling Shareholders shall respect the financial independence of the Bank, and shall not intervene in the financial and accounting activities of the Bank; and
- (V) Controlling Shareholders and the subordinate institutions thereof shall not issue any business plan or directive to the Bank or affect the independent business operation and management of the Bank in any other form.

Article 75 Substantial shareholders of the Bank shall establish an effective risk isolation mechanism to prevent risk contagion and transfer among shareholders, the Bank and other affiliates.

Article 76 Substantial shareholders of the Bank shall effectively manage their cross-holding of positions between its Board, Board of Supervisors and senior management and those of the Bank or other affiliates to prevent conflicts of interest.

Article 77 Where the Bank experiences a major risk incident or commits a serious violation of laws or regulations and is subsequently subject to risk disposal or takeover or other measures by the banking regulatory authority, the shareholders shall actively cooperate with the banking regulatory authority in conducting such risk disposal and other necessary work.

Article 78 The “Controlling Shareholder(s)” referred to herein shall refer to the person satisfying any of the following conditions:

- (I) the shareholder may elect more than half of the Directors when acting alone or in concert with others;
- (II) the shareholder may exercise or control the exercise of above 30% of the voting rights of the Bank when acting alone or in concert with others;
- (III) the shareholder holds above 30% of issued and outstanding shares of the Bank when acting alone or in concert with others; and
- (IV) the shareholder may de facto control the Bank in any other manner when acting alone or in concert with others.

The term “acting in concert” referred to in this article shall mean consensus reached between two or more persons by way of agreement, whether verbal or written, to acquire voting rights in the Bank by any one of them, for the purpose of controlling or consolidating the control over the Bank.

Section III Shareholders' General Meetings

Article 79

The Shareholders' general meeting shall be the highest organ of power of the Bank. It shall exercise the following powers in accordance with the laws:

- (I) to review and approve the rules of procedure for Shareholders' general meetings, the Board and the Board of Supervisors of the Bank;
- (II) to elect and remove Directors, and to determine the remuneration of the relevant Directors;
- (III) to elect and remove Shareholders' representative Supervisors and external Supervisors, and to determine the remuneration of the relevant Supervisors;
- (IV) to review and approve the reports of the Board of Directors;
- (V) to review and approve the reports of the Board of Supervisors;
- (VI) to amend these Articles;
- (VII) to resolve on the listing or other fund raising arrangements of the Bank;
- (VIII) to review and approve matters concerning changes of the use of funds raised by the Bank;
- (IX) to resolve on an increase or reduction in the share capital and the issuance of any class of shares, warrants and other similar securities of the Bank;
- (X) to decide on the repurchase of the shares of the Bank;
- (XI) to review and approve the equity incentive plans of the Bank;
- (XII) to resolve on matters such as financial restructuring, merger, division, dissolution and liquidation of the Bank;
- (XIII) to resolve on the issuance of bonds of the Bank;
- (XIV) to decide on operational objectives and investment proposals of the Bank;
- (XV) to review and approve annual financial budget plans and final account plans of the Bank;
- (XVI) to review and approve profit distribution plans and loss recovery plans of the Bank;
- (XVII) to examine and approve important guarantees stipulated in Article 80 of these Articles;

- (XVIII) to examine and approve any major investment matters by the Bank beyond its business scope with the amount exceeding 20% of the latest audited net assets of the Bank;
- (XIX) to examine and approve any purchase or sale of major assets beyond the business scope of the Bank with the amount exceeding 20% of the latest audited net assets of the Bank (the purchases or sales of the same or relevant assets in consecutive 12 months shall be calculated on a cumulative basis);
- (XX) to examine and approve the reports of the Board on implementation of related party transactions management system and on related party transactions;
- (XXI) to decide on the engagement, dismissal or discontinuation of the appointment of the accounting firm responsible for auditing the Bank;
- (XXII) to listen to the Board of Supervisors' reports on the performance evaluation results concerning the Board, senior management and members thereof and the self-evaluation and supervisors' performance evaluation results;
- (XXIII) to examine proposals raised by the Shareholders who individually or jointly hold above 3% of the total issued and outstanding voting shares of the Bank; and
- (XXIV) to examine other matters which should be decided by the Shareholders' general meeting as stipulated by the laws, regulations and these Articles.

Article 80

In addition to guarantees falling within the business scope of the Bank, the following important external guarantees to be given by the Bank shall be examined and approved by the Shareholders' general meeting:

- (I) any external guarantee to be given by the Bank and subsidiaries in which the Bank has controlling interest, the total amount of which reaches or exceeds 50% of the latest audited net assets of the Bank;
- (II) any external guarantee to be given by the Bank, the total amount of which reaches or exceeds 30% of the latest audited total assets of the Bank;
- (III) any guarantee to be provided by the Bank to a guaranteed party whose liability-asset ratio exceeds 70%;
- (IV) a single guarantee whose amount exceeds 10% of the latest audited net assets of the Bank; and
- (V) guarantees to be provided to shareholders and de facto controllers of the Bank and related parties thereof.

Article 81 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 months after the previous financial year end. If any annual general meeting needs to be postponed for special reasons, a report shall be made to relevant banking regulatory authorities and reasons for postponement shall be given.

Article 82 An extraordinary general meeting shall be convened within two months from the date of occurrence of any of the following events:

- (I) the number of Directors is less than the minimum number required by the Company Law or less than two-thirds of the number stipulated in these Articles;
- (II) the outstanding loss of the Bank is at least one-third of the total paid-up share capital;
- (III) shareholder(s) severally or jointly holding above 10% of the total voting shares issued by the Bank (hereinafter referred to as "proposing shareholders", with the number of shares held by them to be calculated according to their shareholdings as of the date of request made by them in writing) have requested to convene the extraordinary general meeting in writing;
- (IV) the Board deems it necessary to convene the meeting;
- (V) above half of the independent Directors require to convene the meeting;
- (VI) the Board of Supervisors proposes to convene the meeting;
- (VII) above half of the external supervisors require to convene the meeting (if there are only two external supervisors, the two external supervisors shall propose to convene the meeting at the same time); and
- (VIII) other circumstances as stipulated by the laws, regulations and these Articles.

Where the number of directors of the Board falls short of the quorum required by the Company Law, or is less than two-thirds of the number specified in these Articles, or the unrecovered losses of the Bank amount to one-third of the total share capital, or the Board fails to convene an extraordinary general meeting in the prescribed period, the Board of Supervisors or shareholders may convene an extraordinary general meeting by themselves following the relevant procedure specified in these Articles.

Article 83 Shareholders' general meetings shall be convened by the Board according to laws, regulations and these Articles and presided over by the chairman of the Board. If the chairman is unable to preside over the meeting for any reason, the vice chairman or another director designated by the chairman shall preside over the meeting. If the chairman and vice chairman both are unable to preside over the meeting and the chairman does not designate other director, the director jointly elected by more than half of the directors shall preside over the Shareholders' general meeting. If the Board is unable or fails to fulfill the obligation of convening Shareholders' general meetings, the Board of Supervisors shall duly convene and preside over such meetings. If the Board of Supervisors does not convene or preside over such meetings, the shareholder(s) severally or jointly holding more than 10% of the shares of the Bank for over 90 days in a row may convene and preside over such meetings on their own initiative. If for any reason the shareholders cannot elect a person to preside over the meeting, the shareholder (including proxy thereof) holding the most voting shares among the attending shareholders shall preside over the meeting.

Article 84 Any proposing shareholder or the Board of Supervisors proposing to convene an extraordinary general meeting shall submit to the Board in writing the meeting topic and the proposal with complete contents. The proposing shareholder or the Board of Supervisors shall ensure the contents of the proposal comply with laws, regulations and these Articles.

Article 85 The Board shall issue a notice of convening the Shareholders' general meeting within 15 days from the date of receiving a written proposal from the Board of Supervisors, and the convening procedures shall comply with these Articles.

Article 86 If proposing shareholders require convening an extraordinary general meeting or class meeting, the following procedures shall be followed:

- (I) The proposing shareholders may sign one or several written requests with the same format and contents to propose to the Board to convene an extraordinary general meeting or class meeting and specify the meeting topics. The Board shall, pursuant to laws, regulations and these Articles, give a written reply on whether to convene the extraordinary general meeting or class meeting within 10 days after receipt of the request.
- (II) Where the Board agrees to convene the extraordinary general meeting or class meeting, it shall serve a notice of convening such meeting within five days after the resolution is made by the Board. Any change to the original request set forth in the notice shall be subject to approval by the proposing shareholders.
- (III) Where the Board does not agree to convene the extraordinary general meeting or class meeting, or fails to give any reply within 10 days after receipt of the request, the proposing shareholders shall have the right to request the Board of Supervisors in writing to convene an extraordinary general meeting or class meeting.

- (IV) Where the Board of Supervisors agrees to convene the extraordinary general meeting or class meeting, it shall serve a notice of convening such meeting within five days after receipt of the request. Any change to the original proposal set forth in the notice shall be subject to approval by the proposing shareholders.
- (V) Where the Board of Supervisors fails to serve the notice of Shareholders' general meeting or class meeting within the specified period, it shall be deemed to have failed to convene and preside over the Shareholders' general meeting or class meeting, and the shareholder(s) severally or jointly holding more than 10% of the shares of the Bank for over 90 days in a row may convene and preside over such meeting on their own initiative.
- (VI) Where the Board or the Board of Supervisors fails to convene an extraordinary general meeting or class meeting according to the aforesaid arrangement or decides not to convene such meeting, the proposing shareholders may convene such meeting on their own initiative within four months after the Board receives the request of convening such meeting, and the convening procedures shall to the extent possible be the same as the procedures by which the Board convenes a Shareholders' general meeting.

Article 87

Where the Board of Supervisors or the proposing shareholders decide to convene an extraordinary general meeting or class meeting on its/their own initiative, it/they shall notify the Board in writing, file with the CBIRC, and file with the securities regulatory authorities of the place where the Bank's shares are listed in accordance with the relevant provisions thereof. After that, it/they shall give a notice of convening an extraordinary general meeting or class meeting, contents of which shall meet the following requirements:

- (I) no new contents shall be added to a proposal; otherwise, the Board of Supervisors or the proposing shareholders shall re-request to the Board to convene a Shareholders' general meeting or class meeting in accordance with the procedures above; and
- (II) the meeting shall be held at the domicile of the Bank.

Article 88

With regard to a Shareholders' general meeting convened by the Board of Supervisors or the shareholders on its/their own initiative, the Board and its secretary shall offer cooperation. Where the Board of Supervisors or the proposing shareholders convene and hold an extraordinary general meeting or class meeting because the Board fails to convene such meeting pursuant to the aforesaid request, the reasonable expenses incurred shall be borne by the Bank; if the Board fails to hold such meeting because of directors' neglect of duty, the reasonable expenses incurred from the convening and holding of the aforesaid extraordinary general meeting or class meeting by the Board of Supervisors or the proposing shareholders on its/their own initiative shall be deducted from the monies payable by the Bank to the derelict directors.

Article 89 When the Bank is to convene an annual general meeting, a written notice shall be issued 20 days prior to the convening of the meeting. When the Bank is to convene an extraordinary general meeting, a written notice shall be issued 15 days prior to the convening of the meeting to all shareholders whose names appear on the share register, stating the matters to be considered at the meeting and the date and venue of the meeting. If the regulations of the securities regulatory authorities in the place where the Shares of the Bank are listed provide a longer notice period for the Shareholders' general meeting, such provisions shall apply.

Article 90 The Shareholders' general meeting shall only resolve on matters set out in the notice, and shall not decide on matters not specified in the notice.

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

- (I) be made in writing;
- (II) specifies the date, venue and duration of the meeting;
- (III) states the matters to be discussed at the meeting;
- (IV) provides the Shareholders with such information and explanation as necessary for them to make informed decisions regarding the matters to be discussed; this means that when the following matters, which shall include not limited to: any merger, share repurchase, share capital reorganization or other reorganization of the Bank, are involved, the detailed terms and contracts (if any) of the proposed transaction and detailed explanation as to the cause and effect of such a proposed transaction shall be provided;
- (V) if any of the Directors, Supervisors and senior management members have material interest in the matters to be discussed, they shall disclose the nature and extent of such interest; and if the matters to be discussed have a different effect on such Directors, Supervisors or senior management members as Shareholders compared to other Shareholders of that same class, they shall explain this difference;
- (VI) sets forth the full text of any proposed special resolution to be voted on at the meeting;
- (VII) states clearly 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 proxies need not be a shareholder;
- (VIII) specifies the time and address for lodging the power of attorney for voting at the meeting;
- (IX) specifies the equity registration date of the shareholders who are entitled to attend the Shareholders' general meeting;
- (X) specifies the name and phone number of the contact person of the meeting; and

- (XI) specifies the date on which the notice of Shareholders' general meeting is sent.

The meeting notice is served in Chinese or in English, and if there is any inconsistency between the two versions, the Chinese version shall prevail.

Article 92

Unless otherwise specified by the laws and regulations and these Articles, the notice of a Shareholders' general meeting shall be delivered by hand or prepaid mail to the shareholders (regardless of whether they have voting rights at the Shareholders' general meeting). The addresses of the recipients shall be the addresses registered in the register of Shareholders.

For holders of Domestic Shares, the notice of a Shareholders' general meeting (including the notice of class meetings for holders of Domestic Shares) may be in the form of an announcement. The announcement referred to herein shall be published on one or more newspaper(s) specified by the securities regulatory authority under 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.

Subject to the laws and regulations, the Bank may send or dispatch the aforesaid notices of general meeting to the holders of H shares (including notices of class meetings for holders of H Shares) through the websites of the Bank and the Hong Kong Stock Exchange and other websites specified by the Hong Kong Listing Rules from time to time, instead of sending or dispatching the personal delivery or prepaid mail.

The accidental omission to give a meeting notice to, or the failure to receive the meeting notice by, any person entitled to receive such notice, shall not invalidate the Shareholders' general meeting and the resolutions adopted thereat.

Article 93

The shareholders may attend Shareholders' general meetings in person and appoint their proxies to attend and vote on their behalf.

Article 94

Any shareholder entitled to attend and having voting rights at a Shareholders' general meeting shall be entitled to appoint one or more persons (these persons need not be shareholders) as proxies to attend and vote on their behalf. A proxy may exercise the following powers according to the entrustment of the Shareholder:

- (I) the same right of speech as the Shareholder at the Shareholders' general meeting;
- (II) have authority to demand or join other Shareholders in demanding a poll; and
- (III) have the right to vote by hand or on a poll, but when more than one proxy has been appointed, the proxies only have the right to vote on a poll.

Article 95 A shareholder shall entrust the proxy in writing. The written power of attorney shall be signed by the principal or by the proxy entrusted thereby in writing; if the principal is a legal person or other institution, the power of attorney shall be signed under the seal of the legal person or under the hand of its legal representative or other representative duly authorized.

Article 96 Any legal person shareholder shall assign its legal representative or other representative duly authorized to attend the Shareholders' general meeting. The legal representative attending the meeting shall present his/her identity card or valid certificate bearing evidence of his/her qualifications as legal representative and shareholding certificate; a proxy attending the meeting shall present his/her identity card, and the qualification certificate, written power of attorney and shareholding certificate of the legal representative of the legal person shareholder.

Article 97 The power of attorney for voting issued by a shareholder to appoint other persons to attend the Shareholders' general meeting shall contain the following information:

- (I) the name of the proxy;
- (II) whether or not the proxy has any voting right;
- (III) instructions to vote for or against or abstain from voting on each and every matter under consideration included in the agenda of the Shareholders' general meeting;
- (IV) whether or not the proxy has any voting right(s) in respect of temporary proposals which may possibly be included in the agenda of the Shareholders' general meeting, and, if the proxy has such voting right(s), specific instructions as to the exercise of those voting rights;
- (V) the date of issue and validity period of the power of attorney;
- (VI) the signature (seal) of the principal. If the principal is an institutional shareholder, the corporate seal shall be affixed; and
- (VII) the power of attorney shall specify whether the proxy may vote as he/she thinks fit if the shareholder does not make specific instructions.

Article 98 The power of attorney for voting shall be placed at the domicile of the Bank or at any other place designated in the notice of the meeting at least 24 hours prior to either the convening of the relevant meeting at which the proxy is authorized to vote or the designated voting time. Where the power of attorney is signed by a person authorized by the principal, the authorization letter authorizing signature or other authorization documents shall be notarized. The notarized authorization letter or other authorization documents shall, together with the power of attorney for voting, be placed at the domicile of the Bank or at any other place designated in the notice of the meeting.

Where the shareholder is a recognized clearing house or its agent as defined in Securities and Futures Ordinance (Cap. 571), the shareholder may authorize one or more persons as he/she deems appropriate as his/her proxy(ies) at any Shareholders' general meeting or class meeting; however, where two or more than two persons are thus authorized, the power of attorney shall specify the numbers and classes of shares of each of such authorized proxies. The power of attorney shall be signed by the persons authorized by the recognized clearing house. Any person so authorized may represent the recognized clearing house or its agent to attend any meeting (without being required to present shareholding certificate, notarized authorization and/or further evidence of due authorization) and exercise its rights at such meeting (without being required to present shareholding certificate, notarized authorization and/or further evidence of due authorization), as if that person is a natural person shareholder of the Bank.

A corporate shareholder shall be represented by its legal representative or proxies authorized by the resolutions of the Board and other decision-making bodies to attend the Shareholders' general meeting of the Bank.

Article 99 Any form of the power of attorney issued to a shareholder by the Board for appointing a shareholder proxy shall provide the shareholder with the flexibility to instruct the proxy to vote for or against and enable the shareholder to give directives on each of the resolutions to be decided at the meeting.

Article 100 If the principal has passed away, lost his/her ability to act, revoked the entrustment or withdrawn the authorization for signing the entrustment or has transferred relevant 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 101 Attendees' register shall be prepared by the Bank. The attendees' register shall, amongst other matters, contain the names (or corporate names) of the attendees, their identity card numbers or passport numbers, their residential addresses, the number of voting shares held or represented by them, and the names (or corporate names) of the proxies.

Section IV Proposals of Shareholders' General Meetings

Article 102 Where the Bank convenes a Shareholders' general meeting, shareholder(s) severally or jointly holding more than 3% of the total voting shares issued by the Bank may put forward an interim proposal and submit it to the Board in writing within 10 days before the Shareholders' general meeting is convened; the Board shall, within two days after receipt of the interim proposal, issue a supplementary notice of the Shareholders' general meeting and submit the interim proposal to the Shareholder's general meeting for consideration. The contents of the interim proposal shall be within the terms of reference of the Shareholders' general meeting and have definite topics for discussion and specific issues for resolution. Proposals at a Shareholders' general meeting shall meet the following requirements:

- (I) the contents shall not run counter to provisions of the laws, regulations and these Articles and shall fall within the business scope of the Bank and terms of reference of the Shareholders' general meeting;
- (II) the proposals shall have definite topics for discussion and specific issues for resolution; and
- (III) the proposals shall be submitted or delivered to the Board in written form.

Article 103 The Board of the Bank shall consider the proposals of the Shareholders' general meeting in accordance with Article 102 herein in the best interest of the Bank and shareholders thereof.

Article 104 Where the Board decides not to include the proposals into the agenda of a Shareholders' general meeting, explanations and comments shall be made at the Shareholders' general meeting. The contents of the proposals and explanations of the Board shall be recorded in the meeting minutes together with the resolutions after conclusion of the Shareholders' general meeting.

Article 105 Any proposing shareholder who disagrees to the Board's decisions on excluding his/her proposal from the agenda of the Shareholders' general meeting may, according to the relevant provisions of these Articles, request the convening of an extraordinary general meeting.

Article 106 The list of director or supervisor candidates is submitted by way of proposal for consideration at Shareholders' general meetings. The director or supervisor candidates shall be voted on separately at the Shareholders' general meeting.

The method and procedure for nominating directors and supervisors are:

- (I) A list of candidates for non-independent directors may be proposed by the Nomination and Remuneration Committee of the Board as per the number of directors to be elected to the extent of the number of members of the Board specified in these Articles; shareholder(s) severally or jointly holding more than 3% of the total voting shares issued by the Bank may propose candidates for non-independent directors to the Board.

A list of candidates for shareholder supervisors shall be proposed by the Nomination Committee of the Board of Supervisors or Shareholder(s) individually or jointly holding more than 3% of the total voting shares issued by the Bank as per the number of supervisors to be elected to the extent of the number of members of the Board of Supervisors specified in these Articles.

A shareholder or his/her related party shall not nominate director and supervisor candidates to the Shareholders' general meeting at the same time; where a director (supervisor) candidate nominated by a shareholder or his/her related party is approved to sit on the Board or the Board of Supervisors, the shareholder shall not nominate any director (supervisor) candidate until the term of office of the director (supervisor) expires or the director (supervisor) is replaced.

Generally, the number of director/supervisor candidates nominated by a shareholder and his/her related party shall not exceed one-third of the number of the members of the Board/the Board of Supervisors, except as otherwise prescribed by laws and regulations.

- (II) Candidates for employee Supervisors shall be nominated by the Nomination Committee of the Board of Supervisors and labor union of the Bank, and are elected at the employee representative meeting.
- (III) The Nomination and Remuneration Committee of the Board of the Bank or shareholder(s) severally or jointly holding more than 1% of the total voting shares issued by the Bank may propose candidates for independent directors to the Board, and shareholders who have nominated director candidates shall not nominate any candidates for independent directors. In principle, the same shareholder can propose one candidate for independent director only. The selection and appointment of independent directors shall be primarily market-based.

The Nomination Committee of the Board of Supervisors of the Bank or Shareholder(s) individually or jointly holding more than 1% of the total voting shares issued by the Bank may propose external supervisor candidates to the Board of Supervisors, but shareholders who have nominated shareholder supervisor candidates shall not nominate any external supervisor. In principle, the same shareholder can propose one external supervisor candidate only.

The same shareholder shall not nominate independent director candidate and external supervisor candidate at the same time.

- (IV) The Nomination and Remuneration Committee of the Board shall make preliminary examination on the qualifications and conditions of the director candidates and submit the qualified candidates to the Board for consideration; and, upon consideration and approval by the Board, propose director candidates to the Shareholders' general meeting through written proposal. The Nomination Committee of the Board of Supervisors shall make preliminary examination on the qualifications and conditions of the candidates for shareholder supervisors and external supervisors; and submit the qualified candidates to the Board of Supervisors for consideration; and, upon consideration and approval by the Board of Supervisors, propose supervisor candidates to the Shareholders' general meeting through written proposal.
- (V) The director or supervisor candidates shall, prior to the Shareholders' general meeting, make written undertakings that they accept the nominations, that the information announced publicly about them is true and adequate, and that they will diligently fulfill the duties and obligations as director or supervisor if elected.

- (VI) The Board of Directors or the Board of Supervisors shall, prior to the Shareholders' general meeting, disclose detailed information relating to the director or supervisor candidates to the Shareholders in accordance with laws and regulations and these Articles, so that the shareholders will have sufficient understanding of the candidates in voting.
- (VII) In the event of a temporary vacancy of director or supervisor, the Nomination and Remuneration Committee of the Board, Nomination Committee of the Board of Supervisors or shareholders qualified for nomination shall propose and submit to the Board or Board of Supervisors for consideration the candidates, who shall be elected or replaced at the Shareholders' general meeting. Employee supervisors shall be elected or replaced at the employee representative meeting.

Section V Resolutions of Shareholders' General Meetings

Article 107 Shareholders (including proxies thereof) who vote at a Shareholders' general meeting shall exercise their voting rights in relation to the amount of voting shares they represent. Each share shall have one vote. However, the shares held by the Bank have no voting rights and will not counted into the total number of shares with voting rights held by shareholders attending the Shareholders' general meeting.

If any laws and regulations require that any shareholder shall abstain from voting on a certain proposal or limit any shareholder to cast affirmative or negative votes on a certain proposal, any votes cast by the shareholder or proxy thereof in violation of the aforesaid requirement or restriction shall not be counted to the results of the voting.

Article 108 A Shareholders' general meeting shall be held on-site.

Article 109 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 Shareholders' general meeting.

Special resolutions shall be approved by above two-thirds of voting rights held by the shareholders (including their proxies) attending the Shareholders' general meeting.

Article 110 The following matters shall be approved by ordinary resolutions at a Shareholders' general meeting:

- (I) examination and approval of the rules of procedure for Shareholders' general meetings, the Board and the Board of Supervisors of the Bank;
- (II) appointment and dismissal of directors and remuneration of the relevant directors;

- (III) appointment and dismissal of shareholder Supervisors and external Supervisors and remuneration of the relevant Supervisors;
- (IV) reports made by the Board;
- (V) reports made by the Board of Supervisors;
- (VI) business policies and investment plans of the Bank;
- (VII) annual financial budgets and final accounts of the Bank;
- (VIII) profit distribution plans and loss recovery plans of the Bank;
- (IX) reports of the Board on implementation of related party transactions management system and on related party transactions;
- (X) engagement or dismissal of the accounting firm responsible for auditing the Bank;
- (XI) listening to the Board of Supervisors' reports on the performance evaluation results concerning the Board, senior management and members thereof and the self-evaluation and supervisors' performance evaluation results; and
- (XII) other matters than those that should be passed by special resolutions or be subject to unanimous approval pursuant to the laws and regulations or these Articles.

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

- (I) amendments to these Articles;
- (II) the Bank's listing or other fundraising arrangements;
- (III) any change of uses of the funds raised by the Bank;
- (IV) an increase or reduction in the registered capital, the issuance of shares of any class, warrants, securities convertible to shares and other similar securities, and options or warrants to subscribe for any shares or the aforesaid convertible securities or similar rights of the Bank;
- (V) repurchase of the Bank's shares;
- (VI) examination and approval of the Bank's equity incentive plans;
- (VII) financial reorganization, merger, division, dissolution and liquidation of the Bank;
- (VIII) issuance of bonds of the Bank;

- (IX) examination and approval of important guarantees stipulated in Article 80 of these Articles;
- (X) examination and approval of any important investment beyond the business scope of the Bank with the amount exceeding 20% of the latest audited net assets of the Bank;
- (XI) examination and approval of any purchase or sale of major assets beyond the business scope of the Bank with the amount exceeding 20% of the latest audited net assets of the Bank (the purchases or sales of the same or relevant assets in the consecutive 12 months shall be calculated on a cumulative basis); and
- (XII) any other matter specified in these Articles and confirmed by an ordinary resolution at a Shareholders' general meeting that it may have material impact on the Bank and accordingly shall be approved by special resolutions.

Article 112 Save as mandatorily specified in laws, while the Bank is validly subsisting, any resolution on the relocation of the Bank's head office to other regions than Tianjin shall be subject to unanimous approval of the shareholders attending the Shareholders' general meeting.

Article 113 A Shareholders' general meeting shall be convened and conducted in accordance with the laws and regulations and these Articles. Resolutions of a Shareholders' general meeting that run counter to laws and administrative regulations shall be void. If the convening procedure or voting method of the Shareholders' general meeting violates the laws, administrative regulations or these Articles or the contents of any resolution run counter to these Articles, the shareholders may request the people's court to cancel the said procedure, method or resolution within 60 days after adoption of the resolution.

Article 114 The Bank shall not enter into any contract with anyone other than a director, supervisor or senior management member to have all or significant part of the Bank's business in the care of such person, unless otherwise approved in advance by the shareholders at a Shareholders' general meeting by way of special resolution.

Article 115 Unless otherwise agreed by all the shareholders attending the relevant Shareholders' general meeting, the Shareholders' general meeting shall be held in Chinese (with translation service available).

Article 116 Any voting by shareholders at a Shareholders' general meeting shall be taken by way of registered poll, except where the presider of the meeting, in good faith, decides to allow a proposal which relates purely to a procedural or administrative matter to be voted on by a show of hands.

Article 117 A voting by poll that is demanded for matters concerning the election of presider or termination of the meeting shall be conducted immediately; for other matters, the presider of the meeting shall decide when to conduct voting by poll and the meeting can continue to discuss other matters. The voting results shall still be deemed as a resolution adopted at such meeting.

Article 118 In voting, shareholders (including proxies thereof) entitled to two or more votes need not cast all the votes in the same way of pros or cons.

Article 119 The votes on each matter under consideration shall be counted by two shareholders' representatives and one supervisor and the voting results shall be announced on the spot by the representative of the persons who have counted the votes. The Bank shall appoint an accounting firm, share registrar or external accountant qualified to serve as auditor as the monitor of the vote count.

Article 120 The presider of the meeting shall announce the voting result at the meeting, and determine whether a resolution of the Shareholders' general meeting has been passed pursuant to the voting result. His/her decision shall be final and conclusive. The voting result shall be recorded in the minutes of the meeting. If the presider of the meeting has any doubt as to the result of a resolution which has been put to vote, he/she may have the votes counted. If the presider of the meeting has not counted the votes, any shareholder who is present in person or by proxy and who objects to the result announced by the presider of the meeting may, immediately after the declaration of the voting result, demand that the votes be counted and the presider of the meeting shall have the votes counted immediately.

If votes are counted at a Shareholders' general meeting, the counting result shall be recorded in the meeting minutes. The minutes together with the attendance book of shareholders and the powers of attorney for attendance by proxy shall be kept at the domicile of the Company.

Article 121 Shareholders severally or jointly holding more than 5% of the total issued and outstanding voting shares of the Bank shall be entitled to make inquiries to the Shareholders' general meeting, the Board or the Board of Supervisors shall, as required by shareholders, designate relevant members of the Board, Board of Supervisors or senior management to answer inquiries. The Board and the Board of Supervisors shall answer or explain inquiries made by shareholders except that the business secrets of the Bank are involved and cannot be disclosed at the Shareholders' general meeting.

Article 122 Minutes of the Shareholders' general meeting shall specify:

- (I) the number of voting shares held by shareholders attending the Shareholders' general meeting, and the percentage of such shares in the total number of shares of the Bank;
- (II) the date and venue of the meeting;
- (III) the name of the presider of the meeting and the agenda of the meeting;
- (IV) the highlights of each speech on each matter under consideration;
- (V) the voting result of each matter voted on;
- (VI) the questions and suggestions proposed by shareholders and answers and explanations, etc. of directors, supervisors or senior management members on these questions;

- (VII) the reasons for and process of convening and holding an extraordinary general meeting, if it is held by the Board of Supervisors or shareholders in accordance with these Articles; and
- (VIII) other contents that shall be recorded in the meeting minutes in accordance with opinions of the Shareholders' general meeting or provisions of these Articles.

Article 123 The minutes of the Shareholders' general meeting shall be prepared in Chinese by the secretary to the Board, circulated to shareholders, signed by the president of the meeting and attending directors for confirmation, and kept by the secretary to the Board as the Bank's file together with the attendance book of shareholders and powers of attorney for attendance by proxy for at least 10 years.

Article 124 Resolutions of the Shareholders' general meeting shall be announced in due time in accordance with laws and regulations. The announcement shall specify the number of attending shareholders, the total number of shares they represent and the proportion of these shares to the total number of the voting shares of the Bank, and the voting method and voting results for every proposal. In resolving on any proposal made by shareholders, the names and shareholdings of the shareholders and contents of the proposal shall be specified.

Article 125 The Board of the Bank shall submit in time the minutes and the resolutions of the Shareholders' general meeting and other documents to the banking regulatory authorities.

Article 126 Shareholders may have access to copies of the meeting minutes free of charge during the office hours of the Bank. If any shareholder asks for copies of relevant meeting minutes, the Bank shall send out the said copies within seven days after receipt of reasonable expenses.

Article 127 The Board of the Bank shall engage a qualified lawyer to attend the Shareholders' general meeting and provide opinions on the following issues:

- (I) whether the procedures for convening and holding the Shareholders' general meeting comply with the laws and regulations and these Articles;
- (II) whether the qualifications of the attendees are lawful and valid;
- (III) whether the shareholders making new proposals at the Shareholders' general meeting are eligible to do so;
- (IV) whether the voting procedures of the Shareholders' general meeting are legal and valid;
- (V) whether the resolutions of the Shareholders' general meeting are legal; and
- (VI) legal opinions on other issues upon request by the Bank.

The Board of the Bank may also engage a notary to attend the Shareholders' general meeting.

Section VI Special Voting Procedures for Class Shareholders

Article 128 Holders of different classes of shares are class Shareholders.

Class Shareholders shall enjoy rights and assume obligations pursuant to the laws and regulations, and these Articles.

Article 129 Any proposed change or annulment by the Bank to the rights of class Shareholders shall not come into effect unless approved by special resolutions at a Shareholders' general meeting and a separate Shareholders' general meeting convened by the class Shareholders so affected in accordance with Articles 131 to 135 of these Articles.

Article 130 The rights of a certain class Shareholders shall be deemed to be changed or nullified in the following circumstances:

- (I) to increase or reduce in the quantity of the shares of that class, or increase or reduce the quantity of the shares of other class which enjoy the same or more voting rights, distribution rights or other privileges;
- (II) to convert all or part of the shares of that class into other class(es), convert all or part of the shares of other class(es) into that class, or grant such conversion rights;
- (III) to nullify or reduce the rights of that class of shares to receive payable dividends or cumulative dividends;
- (IV) to reduce or nullify the privileged rights of that class of shares to acquire dividends or obtain distribution of assets during liquidation of the Bank;
- (V) to increase, nullify or reduce the conversion, option, voting, transfer or privileged allotment rights of that class of shares or the rights of such class of shares to obtain securities issued by the Bank;
- (VI) to nullify or reduce the rights of that class of shares to receive amounts payable by the Bank in a particular currency;
- (VII) 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;
- (VIII) to restrict the transfer and ownership of that class of shares, or increase the restrictions;
- (IX) to grant the share subscription options or share conversion options of that or another class of shares;
- (X) to increase the rights or privileges of other class(es) of shares;

- (XI) any restructuring scheme of the Bank that may result in the assumption of disproportionate responsibilities by different classes of shareholders during the restructuring; and
- (XII) to revise or nullify the provisions of this chapter.

Article 131 Where issues specified in (II) to (VIII), (XI) to (XII) of Article 130 are involved, the affected class Shareholders, whether or not they are entitled to vote at Shareholders' general meetings originally, shall have the right to vote at class meetings. However, shareholders with conflicts of interests shall not be entitled to vote at such class meetings.

Shareholders with conflicts of interests as specified in the preceding paragraph refer to:

- (I) if the Bank has made a repurchase offer to all shareholders in the same proportion in accordance with Article 28 of these Articles 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 these Articles;
- (II) if the Bank has repurchased its own shares under an off-market agreement in accordance with Article 28 of these Articles, "Shareholders with conflicts of interests" shall mean Shareholders who are connected with the aforementioned agreement; and
- (III) 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 132 A resolution of the class meeting shall be adopted by above two-thirds of the voting shares represented by Shareholders of that class present at the meeting in accordance with Article 131.

Article 133 The written notice of class meeting of the Bank shall be sent at the same time as that of non-class meeting proposed to be convened together, to inform all the registered shareholders of that class of the matters to be examined at the meeting as well as the date and venue of the meeting.

The quorum of various class meetings (excluding adjourned meetings) convened to consider modifying the rights of any class of shares shall be at least 1/3 of the holders holding the issued shares of the said class.

Article 134 The notice of a class meeting only needs to be delivered to the Shareholders entitled to vote at that meeting.

The procedures for convening a class meeting 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 meeting.

Article 135 Apart from other classes of Shareholders, the holders of Domestic Shares and overseas listed foreign shares are deemed to be Shareholders of different classes.

The special procedures for voting by a class Shareholder shall not apply in the following circumstances:

- (I) upon the approval by way of a special resolution passed by a Shareholders' general meeting, the Bank independently or simultaneously issues Domestic Shares and/or overseas listed foreign shares every 12 months, provided that the amount of each class of shares intended to be issued is not more than 20% of the outstanding shares of the respective class;
- (II) the Bank's plan on issuing Domestic Shares and overseas listed foreign shares at the time of incorporation, which is completed within 15 months upon the date of approval from the securities regulatory authorities of the State Council; and
- (III) the relevant authorities such as the securities regulatory authorities of the State Council have given approval for unlisted shares held by holders of Domestic Shares of the Bank to be transferred into overseas listed shares and to be listed and traded in overseas stock exchanges.

Chapter VI Directors and Board of Directors

Section I Directors

Article 136 The directors of the Bank shall be elected at the Shareholders' general meeting. Directors need not hold any shares of the Bank.

Article 137 Directors shall be elected or replaced at the Shareholders' general meeting and shall each serve a term of three years, which shall be calculated from the date upon which the relevant resolution is passed at the Shareholders' general meeting, and they shall not perform their duties until their qualifications are approved by the regulatory authorities. A director may seek re-election upon expiry of the said term.

A written notice of the intention to nominate a director candidate and a notice in writing by that candidate indicating his/her acceptance of such nomination shall be given to the Bank seven days before the date of the Shareholders' general meeting.

A Shareholders' general meeting may dismiss any director within his/her term of office by an ordinary resolution provided that the relevant laws and regulations are observed (however, the claim for compensation by the director under any contract shall not be affected).

A director shall continue to perform his/her duties as a director in accordance with the laws and regulations and these Articles until a duly reelected director takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office, resulting in the number of directors being less than the quorum or if the resignation of the director within his/her term of office affects the normal operation of the Bank.

Article 138 Directors shall devote sufficient time to performing their duties. A director may authorize in writing another director of the same class to attend Board meetings on his/her behalf, but he/she shall attend at least 2/3 of the Board meetings in person every year. A director failing to attend the Board meetings in person or by proxy shall bear relevant legal liabilities for the resolutions of the Board.

Article 139 The Board shall propose to the Shareholders' general meeting to remove any director involved in any of the following circumstances:

- (I) he/she is no longer qualified to be a director of the Bank in accordance with relevant laws and regulations or these Articles, in the light of change of conditions;
- (II) he/she fails to attend Board meetings in person or by proxy for two consecutive times; and
- (III) other circumstances under which he/she is prohibited from continuing or unfit to continue to serve as director of the Bank in accordance with laws and regulations or these Articles.

When the Board or Shareholders' general meeting considers any proposal on removing any director, the relevant director shall be entitled to attend the meeting and make statements and explanations, and the proposal shall not be resolved on at the Shareholders' general meeting before the statements of the directors.

Article 140 A director may resign before his/her term of office expires. In resigning his/her duties, a director shall tender a written resignation to the Board.

Article 141 The Board shall, upon authorization by the Shareholders' general meeting, decide on whether it approves the resignation of any director or independent director and report to the Shareholders' general meeting. If any director or independent director resigns and the number of directors or independent directors of the Bank falls short of the quorum or the normal operation of the Bank is affected thereby, such resignation shall not become effective until the vacancy is filled up by a succeeding director or independent director.

If any director or independent director resigns and the number of directors or independent directors of the Bank falls short of the quorum or the normal operation of the Bank is affected thereby, the Board shall convene an extraordinary general meeting as soon as possible to elect a director or an independent director to fill the vacancy caused by the said resignation. Before a resolution is made at a Shareholders' general meeting in relation to the election of a director or an independent director, the functions and powers of such resigning director or independent director and the Board shall be subject to reasonable restrictions.

Article 142 If any vacancy in the Board is caused by the retirement, removal, resignation, disease, disability or death of any director or expiry of his/her term of office or any other reason, shareholders entitled to nomination or the Nomination and Remuneration Committee of the Board of the Bank shall nominate a succeeding director within 60 days.

Article 143 The duties of a director towards the Bank and the shareholders do not necessarily cease when he/she tenders his/her resignation or upon the expiry of his/her term of office. Such director shall continue to observe his/her duties at any time before the resignation becomes effective or for a reasonable period thereafter or upon the expiry of his/her term of office. The duty of confidentiality in respect of business secrets of the Bank survives the termination of his/her term of office until such business secrets become publicly known.

Article 144 Any director who has left his/her office without authorization before his/her term of office expires and thereby caused the Bank to incur a loss shall be liable for compensation.

Article 145 The Bank shall buy liability insurance for directors, but any liability caused by directors in violation of laws and regulations and these Articles shall not be included.

Article 146 The directors of the Bank shall not concurrently serve as director at any financial institution in conflict of interests with the Bank.

Section II Independent Directors

Article 147 Independent directors of the Bank are directors who do not hold any positions in the Bank other than directorship and do not maintain with the Bank and its substantial shareholders a connection which may possibly hamper their independent and objective judgments. Independent directors shall account for at least one third of members of the Board of Directors. At least one of independent directors shall have appropriate professional qualifications under the Hong Kong Listing Rules or appropriate accounting or related financial management expertise, and at least one of independent directors shall reside in Hong Kong.

Article 148 Independent directors owe the Bank and all the shareholders thereof the obligation of honesty and diligence. Independent directors shall, pursuant to the relevant laws and regulations and these Articles, independently perform their duties and protect the interests of the Bank as a whole, in particular the legitimate rights and interests of the depositors and minority shareholders.

Article 149 The provisions of these Articles on qualifications of directors shall apply to independent directors. In addition, an independent director shall not be involved in the following circumstances:

- (I) The person and his/her close relatives jointly hold more than 1% of the shares or equity of the Bank;
- (II) The person or his/her close relatives work(s) for any shareholder entity holding more than 1% of the shares or equity of the Bank;
- (III) The person or his/her close relatives work(s) for any institution under or actually controlled by the Bank or in which the Bank holds shares;
- (IV) The person or his/her close relatives work(s) for any institution unable to repay the loans of the Bank in due time;

- (V) The entities in which a person or his/her close relatives hold positions have business connections or debtor-creditor relationship with the Bank in such aspects as legal, accounting, auditing and management consulting and guarantee cooperation, thereby affecting the independence of his/her performance of duties;
- (VI) A person or his/her close relatives may be controlled or materially influenced by the Bank's major shareholders or senior management, thereby affecting the independence of his/her performance of duties; and
- (VII) Other circumstances stipulated by laws and regulations.

Article 150 An independent director of the Bank shall not concurrently hold positions in any other banking financial institutions which are of the same nature and type as the Bank and have obvious conflicts of interests with the Bank, and shall not hold positions in more than two commercial banks at the same time.

Article 151 An independent director shall work in the Bank for at least 15 workdays every year. An independent director serving as principal member of the audit and consumer rights protection committee, risk management committee and related party transactions control committee of the Board shall work in the Bank for at least 25 workdays every year. An independent director may authorize another independent director to attend the Board meeting on his/her behalf, but shall attend at least two thirds of the Board meetings in person every year.

Article 152 An independent director shall be nominated, elected and replaced in accordance with laws, regulations, these Articles and the following provisions:

- (I) Independent directors of the Bank shall be nominated by the nomination and remuneration committee of the Board and shareholders individually or jointly holding more than 1% of the Bank's issued shares with voting rights and shall be elected by the Shareholders' general meeting;
- (II) The nominator of an independent director candidate shall obtain the nominee's consent prior to the nomination, and shall be fully aware of such particulars of the nominee in terms of his/her occupation, academic qualification, professional title, detailed work experience and all information regarding his/her positions held concurrently and provide opinions on the nominee's qualification as an independent director and independence. The nominee shall make an announcement stating that there exists no relationship between the Bank and him/her that affects his/her independent and objective judgment. The nomination and remuneration committee of the Board shall conduct qualification examination on the nominated independent directors, with examination focused on independence, professional knowledge, experience and ability. Before taking office, independent directors shall make a statement to the Board to ensure that they have sufficient time and energy to perform their duties and undertake to perform duties diligently. Before the Shareholders' general meeting is convened for election of independent Directors, the Board of the Bank shall disclose the above information to the shareholders;

- (III) After the Shareholders' general meeting is convened and adopts the proposal on election of independent directors, the Bank shall submit the relevant information of all candidates to the CBIRC and other relevant regulatory authorities. If the Board of the Bank has any dissenting opinions on the particulars of the nominees, the written opinions of the Board shall also be submitted.

If the relevant regulatory authorities have dissenting opinions on the nomination or qualification of any nominee, the said nominee shall not be included as independent director candidate; and

- (IV) The term of office of independent directors is the same as that of other directors. An independent director shall serve a term of at most six years in the Bank.

Article 153

The Board of Supervisors may propose to the Shareholders' general meeting to dismiss the independent directors in any of the following circumstances:

- (I) Failure to meet the qualifications for an independent director due to change in position and failure to submit the resignation;
- (II) Failure to attend in person at least two thirds of the Board meetings in a year; and
- (III) Other circumstances where an independent director shall not serve as or is no longer fit for independent director according to laws, regulations or these Articles.

A proposal made by the Board of Supervisors for dismissal of an independent director shall be approved by more than two thirds of the supervisors by voting before it is submitted to the Shareholders' general meeting for consideration.

An independent director may make a statement and defense to the Board or Board of Supervisors before the aforesaid proposal is submitted to the Shareholders' general meeting. The Board of Supervisors shall convene a provisional meeting to listen to the statement and defense of the independent director before convening of the Shareholders' general meeting.

To propose to the Shareholders' general meeting to dismiss an independent director, the Board of Supervisors shall report to the CBIRC and other relevant regulatory authorities and send a notice to the related independent director one month before convening of the Shareholders' general meeting. The notice shall contain all the contents of the proposal. The related independent director shall have the right to state opinions in oral or written form before voting at the Shareholders' general meeting and have the right to submit the said opinions to CBIRC five days before convening of the Shareholders' general meeting. The Shareholders' general meeting shall consider the opinions stated by the independent director according to laws before voting.

Article 154 Any independent director whose qualifications are cancelled by relevant regulatory authorities due to serious dereliction of duty shall not serve as independent director any more, and shall be removed from office automatically on the date when his/her qualifications are cancelled.

If any independent director has his/her qualifications cancelled or is dismissed, or does not meet the conditions for independence or is involved in any other circumstance disqualifying him/her as independent director, so that the number or percentage of independent directors of the Board of the Bank falls short of the minimum number specified or percentage required in relevant laws, regulations or these Articles, the Bank shall immediately hold a Shareholders' general meeting for election to make up for the vacancy.

Article 155 In any of the following circumstances, an independent director shall be deemed as having conducted "serious dereliction of duty":

- (I) Divulgence of the business secrets of the Bank and impairment of the commercial interests of the Bank;
- (II) Acceptance of illicit benefits in the performance of duties, or seeking of private benefits by taking advantage of the capacity of an independent director;
- (III) Failure to raise dissenting opinions despite being fully aware that a Board resolution violates the laws, regulations or these Articles;
- (IV) Failure to exercise the veto power in respect of related party transactions which have caused material losses to the Bank; and
- (V) Other serious dereliction of duty as prescribed by the relevant regulatory authorities.

Article 156 An independent director may resign before his/her term of office expires. In resigning his/her duties, an independent director shall submit a written resignation to the Board and submit a written statement to the most recent Shareholders' general meeting to specify any circumstances related to the resignation or any fact that he/she believes necessary to draw the attention of the shareholders and creditors of the Bank.

Article 157 In performance of duties, independent directors shall independently give objective and fair opinions on the matters considered by the Board and focus on the following issues:

- (I) Legality and fairness of material related party transactions;
- (II) Profit distribution plans;
- (III) Appointment and dismissal of senior management members;
- (IV) Matters which may cause material losses to the Bank;

- (V) Matters which may prejudice the legitimate rights and interests of depositors, minority shareholders and other stakeholders;
- (VI) Appointment of external auditors; and
- (VII) Other matters specified by relevant laws, regulations and these Articles.

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

Article 158 If, during performance of duties, an independent director finds the Board, any director and senior management member and any institution and personnel of the Bank violate laws, regulations and these Articles, he/she shall promptly ask the said persons to make corrections and report to the relevant regulatory authorities.

Article 159 If any Board resolution runs counter to the laws, regulations or these Articles, thereby incurring serious losses to the Bank, the independent directors who do not raise any objection shall bear liability for compensation according to laws.

Article 160 To ensure the effective performance of duties by independent directors, the Bank shall provide independent directors with the following necessary working conditions:

- (I) The Bank shall ensure that independent directors have the same right to know as other directors. For any matters to be decided on by the Board, the Bank shall notify the independent directors in advance as per the stipulated time and provide sufficient information. If the independent directors think that the information is insufficient, they may require supplement. Where two or more independent directors are of the opinion that the information provided is insufficient or unclear, they may make a joint written proposal to the Board to postpone the Board meeting or postpone consideration of the issues, and the Board shall adopt such a proposal;
- (II) The Bank shall provide necessary working conditions for independent directors to perform duties. The secretary to the Board shall actively provide assistance for the independent directors in performing duties, such as introduction and provision of information. If the independent opinions, proposals and written statements made by the independent directors shall be announced, the secretary to the Board shall promptly make an announcement;
- (III) When the independent directors exercise their functions and powers, the relevant personnel of the Bank shall actively cooperate and shall not refuse, hinder or hide anything or interfere in their independent exercise of functions and powers;

- (IV) The expenses incurred from engaging intermediaries or other reasonable expenses required for exercise of functions and powers by independent directors shall be borne by the Bank; and
- (V) The Bank shall provide appropriate allowances to independent directors. The payment standards shall be worked out by the Board and considered and approved by the Shareholders' general meeting. Other than that, independent directors shall not obtain any other additional interests which are not disclosed from the Bank and its substantial shareholders or other interested institutions and persons.

Article 161 Corporate governance information disclosed by the Bank shall include number of Board meetings attended by the independent directors in person, main information about past attendance at Board meetings, dissenting opinions raised by independent directors and information about handling by the Board.

Article 162 Except for special provisions on independent directors in this section, the general provisions on directors in these Articles shall also apply to independent directors. In case of inconsistency between general provisions and special provisions, the special provisions shall apply.

Section III Board of Directors

Article 163 The Bank shall have a Board, which shall be accountable to the Shareholders' general meeting.

Article 164 The Board of the Bank shall consist of executive directors and non-executive directors (including independent directors). Executive directors refer to chairman and directors holding positions as senior management of the Bank. The Board consists of 18 directors, including four executive directors and six independent directors. The Bank shall have one chairman and one vice chairman. The chairman and vice chairmen shall be elected and dismissed by more than half of all the directors. The vice chairman shall assist the chairman in performing his/her duties.

Article 165 The Board shall undertake final responsibility of operation and management of the Bank. The Board shall exercise the following functions and powers:

- (I) to convene Shareholders' general meetings and report on its work to the Shareholders' general meetings;
- (II) to implement resolutions of the Shareholders' general meetings;
- (III) to determine the Bank's operation and development strategies and medium-term and long-term development plans and supervise implementation of the strategies;
- (IV) to appoint or dismiss the president and the secretary to the Board of Directors of the Bank; to appoint or dismiss senior management members such as the vice president, the chief financial officer and the chief risk management officer of the Bank as proposed by the president; and to determine remunerations, welfare, rewards and punishments of the aforesaid persons;

- (V) to formulate proposals for any amendment to the Articles;
- (VI) to evaluate and improve the corporate governance of the Bank on a regular basis;
- (VII) to review and approve the capital management planning of the Bank;
- (VIII) to formulate the listing or other fund raising and capital supplement plans of the Bank;
- (IX) to formulate plans for the use of funds raised by the Bank;
- (X) to formulate proposals concerning an increase or reduction in the registered capital and the issuance of any class of shares, warrants and other similar securities of the Bank;
- (XI) to formulate proposals for the repurchase of shares of the Bank;
- (XII) to formulate the equity incentive plans of the Bank;
- (XIII) to review and approve material changes in shareholding of the Bank;
- (XIV) to formulate proposals for financial restructuring, merger, division and dissolution of the Bank;
- (XV) to formulate proposals for the issuance of bonds of the Bank;
- (XVI) to decide on operational plans and investment proposals of the Bank;
- (XVII) to formulate annual financial budget plans, final account plans and risk capital allocation plans of the Bank;
- (XVIII) to formulate profit distribution plans and loss recovery plans of the Bank;
- (XIX) to formulate the major investment and major asset disposal plans of the Bank;
- (XX) to decide on other investments, purchases and sales of assets and external guarantees of the Bank beyond the Bank's operations under authorization of the Shareholders' general meeting;
- (XXI) to approve material related party transactions with the internal personnel and Shareholders of the Bank as approved by the Related Party Transactions Control Committee of the Board in advance;
- (XXII) to propose to the Shareholders' general meeting to appoint or replace the accounting firm auditing the Bank;
- (XXIII) to be responsible for the Bank's information disclosure, consider the Bank's annual reports, and bear the ultimate responsibility for the truthfulness, accuracy, integrity and timeliness of the Bank's accounting and financial reports;

- (XXIV) to work out professional norms and value criteria for the Board and the senior management to observe and the Bank's basic management system;
- (XXV) to decide on the risk tolerance, risk management and internal control policies and capital management policies of the Bank;
- (XXVI) to determine the remuneration management policies (including basic remuneration, performance-based remuneration, subsidies, allowances and other welfare, medium-term and long-term incentives and special rewards) and retirement policies for employees of the Bank;
- (XXVII) to determine the operating performance evaluation indicators and performance evaluation policies of the Bank;
- (XXVIII) to decide on the setup of internal management institutions, domestic tier-one branches and overseas branches (offices) of the Bank;
- (XXIX) to listen to the work reports of senior management, supervise the duty performance of senior management members and ensure the senior management members' effective performance of management duties;
- (XXX) to report the regulatory opinions of the CBIRC on the Bank and information about rectification made by the Bank;
- (XXXI) to safeguard the interests of depositors and other stakeholders and protect the rights and interests of banking consumers;
- (XXXII) to establish an identification, review and management mechanism for the conflict of interests between the Bank and the Shareholders, especially substantial shareholders; and
- (XXXIII) to exercise other functions and powers stipulated by laws, regulations and these Articles, and granted by the Shareholders' general meetings.

Article 166 The Board of the Bank shall perform duties diligently and bear the ultimate responsibility for equity affair management.

The chairman of the Bank is the first person responsible for handling equity affairs of the Bank. The secretary to the Board shall assist the chairman in work and shall be the direct person responsible for handling equity affairs.

The chairman and the secretary to the Board shall honestly, faithfully and diligently perform their duties and shall bear legal liabilities according to laws if they fail to perform their duties with due diligence.

Article 167 The Board of the Bank shall bear the ultimate responsibility for the Bank's consumer rights protection work, be responsible for formulating strategies, policies and objectives relating to consumer rights protection work, urge the senior management to effectively implement relevant work, regularly listen to special reports of senior management on consumer rights protection work and set relevant work as the major content of information disclosure.

The Board shall be responsible for supervising and evaluating the comprehensiveness, timeliness and effectiveness of the Bank's consumer rights protection work and duty performance of senior management in this respect.

The Board may authorize its special committees to perform part of the abovementioned functions. The authorized committees shall regularly submit relevant reports to the Board.

Article 168 The Board of the Bank shall bear the ultimate responsibility for management of large-amount risk exposure and perform the following duties:

- (I) to examine and approve the management systems for large-amount risk exposure;
- (II) to review relevant reports and grasp information about changes and management of large-amount risk exposure; and
- (III) to examine and approve contents for information disclosure concerning large-amount risk exposure.

Article 169 The Board of the Bank shall formulate data strategies, examine and approve or authorize examination and approval of major events relating to data governance, urge senior management to improve the efficiency of data governance, and bear the ultimate responsibility for data governance.

Article 170 The Board of the Bank shall bear the ultimate responsibility for management of interest rate risk in the banking book and perform the following duties:

- (I) to formulate strategies for management of the Bank's interest rate risk in the banking book, set risk preference and ensure setting of risk quota;
- (II) to examine and approve the risk management policies and procedures for the Bank's interest rate risk in the banking book;
- (III) to supervise senior management in establishing and implementing the relevant quota system, risk management policies and procedures, and ensure the consistency between the aforesaid system, policies and procedures and the risk management policies and risk preference established by the Board;
- (IV) to consider the report on the Bank's interest rate risk in banking book;
- (V) to be responsible for information disclosure relating to the Bank's interest rate risk in banking book; and

- (VI) to perform other duties relating to management of the Bank's interest rate risk in banking book.

The Board may authorize its special committees to perform part of its duties for management of interest rate risk in banking book.

Article 171 The Board of the Bank shall bear the ultimate responsibility for management of employee acts and perform the following duties:

- (I) to build a staff conduct management culture of legality, compliance and honesty;
- (II) to examine and approve the code of conduct formulated by the Bank and detailed rules thereof; and
- (III) to supervise senior management in conducting management of employee acts.

The Board may authorize its special committees to perform part of its duties.

Article 172 The Board of the Bank shall bear the ultimate responsibility for money laundering risk management and mainly perform the following duties:

- (I) to set the objectives for building of money laundering risk management culture;
- (II) to examine and approve strategies for money laundering risk management;
- (III) to examine and approve policies and procedures for money laundering risk management;
- (IV) to authorize the senior management members to lead the money laundering risk management;
- (V) to regularly review anti-money laundering work report and promptly learn about major money laundering risk events and handling thereof; and
- (VI) to perform other relevant functions and powers.

The Board may authorize its special committees to perform part of its duties relating to money laundering risk management. The special committees shall be responsible for providing professional opinions on money laundering risk management to the Board.

Article 173 The Board of the Bank shall make explanations to the Shareholders' general meeting in relation to the qualified audit reports produced by the accounting firm on the financial reports of the Bank.

Article 174 The Board shall determine the authority for other external investments, purchase and sale of assets, external guarantees beyond the scope of business of the Bank, and set strict examination and decision-making procedures.

The president shall be responsible for purchase and disposal of the fixed assets involved in daily operation activities according to the items and quota approved in the annual budget. Any item which is beyond the approved budget and is subject to quota provisions without detailed contents shall be dealt with as follows:

- (I) any single amount below RMB40 million (inclusive) shall be approved by the president and reported to the Board for filing.
- (II) any single amount above RMB40 million (exclusive) and below RMB100 million (inclusive) shall be reported to the chairman for approval and to the Board for filing after auditing by the audit and consumer rights protection committee authorized by the Board.
- (III) any single amount above RMB100 million (exclusive) and below 20% (inclusive) of the latest audited net asset value of the Bank shall be approved by the Board upon resolution.
- (IV) any single amount above 20% (exclusive) of the latest audited net asset value of the Bank shall be approved by the Shareholders' general meeting.

Purchase or disposal of the same or relevant assets by the Bank by batches in 12 consecutive months shall be calculated on a cumulative basis.

Article 175 The Board shall diligently fulfil its duties under the relevant laws, regulations and these Articles, ensure that the Bank complies with the relevant laws, regulations and these Articles, treat all shareholders impartially, and pay attention to the interests of other stakeholders.

The Board shall first listen to the opinions of the Party committee before making a decision on major issues of the Bank.

Article 176 The positions of the chairman and the president of the Bank shall be separated.

Article 177 The chairman shall exercise the following functions and powers:

- (I) to preside over Shareholders' general meetings, and to convene and preside over Board meetings;
- (II) to supervise and examine the implementation of the Board resolutions;
- (III) to exercise the functions and powers as legal representative;
- (IV) to sign share certificates, bonds and other securities of the Bank;
- (V) to nominate to the Board the president of the Bank and secretary to the Board;

- (VI) to sign important documents of the Board and other documents which shall be signed by the legal representative of the Bank;
- (VII) to lead the formulation or drafting of various plans that shall be submitted by the Board to the Shareholders' general meeting;
- (VIII) to lead the drafting or preparation of various reports that shall be submitted by the Board to the Shareholders' general meeting;
- (IX) to manage the Bank's information disclosure matters;
- (X) to listen to the work report of the president and examine the work of the president and other senior management members, and ensure the senior management members' effective performance of management duties;
- (XI) in the event of any severe natural disaster or any other force majeure event, to exercise his/her special power of disposition in relation to the Bank's affairs in the Bank's interests and in compliance with the relevant laws and regulations, subsequently report such disposition to the Board and the Shareholders' general meeting of the Bank, and pursue the responsibility according to procedures if such disposition falls within the functions and powers of the Board or the Shareholders' general meeting; and
- (XII) to exercise other functions and powers conferred by the Board.

Article 178 Where the chairman cannot or fails to fulfil the duty thereof, the director jointly elected by more than half of the directors may fulfil the said duty. If the position of chairman is temporarily vacant due to pending approval for qualifications of the new chairman or other reasons, the Bank shall designate a person with relevant qualifications to act on behalf of the chairman and report to the qualification examination and decision authority within three days after the designation. The period for acting on behalf the chairman shall not exceed six months.

Article 179 The Board shall hold a regular meeting at least once a quarter and the chairman shall convene the meeting. All the Directors shall be notified in writing to attend the meeting, and all the Supervisors shall be notified to be present at the meeting 14 days before the meeting. The meeting agenda and relevant documents shall be served seven days before the meeting.

Article 180 In any of the following circumstances, the chairman shall convene a provisional Board meeting within five workdays:

- (I) It is deemed necessary by the chairman;
- (II) Shareholders who individually or jointly hold more than 10% of the Bank's shares with voting rights make a proposal in writing;
- (III) It is jointly proposed by more than one third of the directors;
- (IV) It is proposed by more than half of the independent directors;

- (V) It is proposed by the Board of Supervisors;
- (VI) It is proposed by the president of the Bank; and
- (VII) Other circumstances stipulated by the relevant laws and regulations and these Articles.

Article 181 The notice for convening a provisional Board meeting by the Board shall be served to all the Directors four workdays before the meeting.

Article 182 The notice of a Board meeting shall contain the following contents:

- (I) time, venue and duration of the meeting;
- (II) reason for holding the meeting and topics for discussion;
- (III) name and telephone number of the coordinator of the meeting; and
- (IV) date on which the notice is sent.

Article 183 No meeting of the Board shall be held unless more than half of the Directors are present. The Board resolutions may be adopted by way of ballot or by show of hands. Each Director shall have one vote.

Article 184 Any decision made by the Board of the Bank on the following matters shall be subject to consideration and approval by more than two thirds of all the directors:

- (I) appointment or dismissal of the Bank's president and secretary to the Board, and appointment or dismissal of the Bank's senior management members such as vice president, chief financial officer and chief risk management officer as nominated by the president, and determination of remunerations, welfare, rewards and punishments for the aforesaid persons;
- (II) plan for amendment to these Articles;
- (III) plan for listing of the Bank on any stock exchange or other fund raising and capital supplement plans;
- (IV) plans for use of funds raised by the Bank;
- (V) plans for increase or decrease of the registered capital of the Bank and issuance of shares of any class, warrants and other similar securities;
- (VI) plans for issuance of bonds of the Bank;
- (VII) plans for repurchase of shares of the Bank;
- (VIII) equity incentive plans of the Bank;

- (IX) plans for material equity changes, financial restructuring, merger, division and dissolution of the Bank;
- (X) risk capital distribution plans, profit distribution plans and loss recovery plans of the Bank;
- (XI) major investment and major asset disposal plans of the Bank;
- (XII) other external investments, purchase and sale of assets and external guarantees of the Bank beyond the Bank's operations within the range authorized by the Shareholders' general meeting; and
- (XIII) approval for material related party transactions with the internal personnel and shareholders of the Bank as approved by the related party transactions control committee of the Board in advance.

Important matters such as profit distribution plans, risk capital distribution plans, major investment and major asset disposal plans, appointment or dismissal of senior management members, capital supplement plans, material equity changes, financial restructuring and merger, division or dissolution plans of the Bank shall not be voted on at off-site meetings.

Save as otherwise specified in these Articles, the matters other than those in Paragraph 1 of this article shall be approved by more than half of the directors upon consideration.

Article 185 If any director or any of his/her close associates (as defined under the Hong Kong Listing Rules) has material interests in the matters to be resolved on by the Board, the said director shall abstain when the Board considers the matters and shall neither exercise the right to vote on the said resolution, or exercise the right to vote on behalf of another director, nor be included in the quorum of the meeting. The Board meeting may be held only when more than half of the directors without material interests attend the meeting. In calculation of the number of directors for the Board to make a resolution on approving the aforesaid matters, the aforesaid director with material interests shall not be included in the quorum of the meeting, save as otherwise specified by laws and regulations.

If the number of attending directors without material interests is less than three, the Board shall promptly submit the proposal to the Shareholders' general meeting for consideration. When submitting the proposal to the Shareholders' general meeting for consideration, the Board shall state the information of consideration by the Board on the proposal and record the opinions of the directors without material interests on the proposal.

Article 186 For the disposal of fixed assets by the Board, if the aggregate of the expected value of the fixed assets proposed to be disposed of and the value of the fixed assets which had been disposed of within four months preceding such proposal for disposal exceeds 33% of the fixed assets value shown in the most recent balance sheet reviewed at a Shareholders' general meeting, the Board shall not dispose of or approve the disposal of such fixed assets without the approval of the Shareholders' general meeting.

Disposals of the fixed assets mentioned herein include transfer of some asset interests, but do not include guarantee provided by pledge of fixed assets.

The effectiveness of the Bank's disposal of the fixed assets shall not be affected by any breach of Paragraph 1 of this article.

Article 187 After the Board adopts the resolution with the minimum voting rights required for making the relevant resolution, it may authorize the president of the Bank to exercise the right of decision-making over the implementation of relevant matters. Such authorization may be cancelled by the Board by the same resolution, or cancelled according to relevant laws and regulations or the contract on employment of president.

Article 188 Board meetings may be held on site and off site.

If a Board meeting is held on site, telephone, video or other instant communication methods may be used to facilitate the directors in attending the Board meeting. Any director who attends the Board meeting via the abovementioned methods shall be deemed as having attended the onsite meeting.

Where any director is unable to immediately sign a resolution of the meeting held by telephone, video or other instant communication, an oral vote shall be taken. A director's oral vote shall have the same effect as a written signature, provided that the subsequent written signature shall be consistent with the oral vote at the meeting. If there is a discrepancy between the two, the oral vote shall prevail. An oral vote shall take effect from the date on which it is made, but the director shall sign the written documents as soon as possible.

Article 189 Where a Board meeting is held off-site, if the Board has sent the proposal to all the directors, and the directors who have signed the proposal have reached the quorum required to make the resolution, the contents of the proposal shall be deemed to be the resolution of the Board after a written document signed and approved by such directors is served on to the secretary to the Board.

Article 190 Unless otherwise agreed by all the directors present at the meeting, the Board meetings shall be held in Chinese (with translation service available).

Article 191 Directors shall attend Board meetings in person. Directors shall attend Board meetings in a serious and responsible manner and express clear opinions on the matters under discussion. If any director is really unable to attend the Board meeting in person, he/she may entrust in writing other directors of the same class to attend and vote on his/her behalf according to his/her wishes, and the principal shall bear the legal liability independently.

The power of attorney shall specify the proxy's name, proxy matters, scope and term of authorization, and shall be signed or sealed by the principal.

The directors attending the meeting on behalf of other directors shall exercise rights of directors within the scope of authorization. A director who fails to attend a Board meeting or entrust any other director to attend the meeting shall be deemed to have waived his/her voting right at the meeting.

Article 192 The minutes of the Board meeting shall be prepared in Chinese by the secretary to the Board, and the directors present at the meeting shall have the right to request explanatory records of their statements made at the meeting. The minutes of the Board meeting shall be circulated to the directors and shall be signed and confirmed jointly by the directors attending the meeting in person or by proxy and the person who made the minutes, and shall be kept by the secretary to the Board in the archives of the Bank for not less than 10 years. The minutes of the Board meeting shall be submitted to the banking regulatory authorities for a record in a timely manner.

Article 193 The minutes of a Board meeting shall specify:

- (I) the notice, date, venue and name of the convener of the meeting;
- (II) the names of the attending directors and the directors (as proxies) attending the Board meeting on behalf of others;
- (III) the agenda of the meeting;
- (IV) proponents of various proposals;
- (V) highlights of the speeches of directors; and
- (VI) the voting method and result for each resolution (the voting result shall set out the numbers of pros, cons and abstentions).

Article 194 The directors shall sign and be responsible for the resolutions passed at Board meetings. If any resolution of the Board runs counter to the laws, regulations, these Articles or resolution of the Shareholders' general meeting, thereby incurring serious losses to the Bank, the directors participating in the resolution shall be liable for compensation to the Bank. However, if a director has been proved as having expressed dissenting opinions on the resolution during the voting and such opinions are recorded in the meeting minutes, the said director may be exempt from liability. The resolutions of the Board meeting shall be submitted to the banking regulatory authorities for a record in a timely manner.

Article 195 Resolutions of a Board meeting that run counter to laws and administrative regulations shall be null and void. If the convening procedure or voting method of Board meetings violates the laws, administrative regulations or these Articles or the contents of a resolution run counter to these Articles, the shareholders shall have the right to request the people's court to cancel such resolution within 60 days after adoption of the resolution.

Article 196 The reasonable travel and accommodation expenses incurred by directors attending the Board meeting shall be borne by the Bank.

Article 197 The Board shall set up such special committees as Risk Management Committee (and the affiliated Related Party Transactions Control Committee), Audit and Consumer Rights Protection Committee, Nomination and Remuneration Committee, Development Strategy and Inclusive Finance Committee. The Board may set up other special committees where necessary. The special committees shall, either expressly authorized by the Board or as required by laws and regulations, provide professional advice to the Board or make decisions on professional matters under the authority of the Board. The relevant special committees shall communicate regularly with senior management about the operation and risk profile of the Bank and make suggestions and recommendations.

Each special committee shall have not less than 3 members, and the same director may serve on several special committees at the same time. Members of the special committees shall be directors with expertise and experience commensurate with the functions of the special committees. Among them, the members of the Audit and Consumer Rights Protection Committee shall be all non-executive directors, most of whom shall be independent directors, and at least one of whom shall be an independent director with the appropriate professional qualifications required by the Hong Kong Listing Rules or with the appropriate accounting or related financial management expertise; and the majority of the Nomination and Remuneration Committee members shall be independent directors; the chairman of the Risk Management Committee shall have experience in judging and managing all kinds of risks.

Each special committee shall have one chairman who shall be responsible for convening the activities of its respective special committees. The chairmen of the Risk Management Committee (and the affiliated Related Party Transactions Control Committee), Audit and Consumer Rights Protection Committee, Nomination and Remuneration Committee are all independent directors. The chairmen of the special committees shall not, in principle, serve concurrently.

Article 198 Each special committee under the Board shall be accountable to the Board. The Bank shall provide necessary working conditions for the special committees to perform their functions. The Board shall, in accordance with laws and regulations, these Articles and the rules of procedure of the Board, formulate working rules of special committees, and clearly define their respective objectives, authorities, responsibilities and terms of office.

Article 199 The relevant matters to be resolved by the Board shall first be submitted to the relevant special committee for deliberation, which committee shall put forward the deliberations. Except as authorized by the Board according to laws, the deliberations of the special committee cannot be substituted for the voting opinions of the Board. The special committees may engage intermediary agencies to provide professional advice, with costs to be borne by the Bank.

Article 200 Risk Management Committee shall perform the following duties:

- (I) assisting the Board in performing its responsibilities in risk management of the Bank;
- (II) setting the basis and methods of the risk-taking level of the Bank;

- (III) reviewing the risk appetite of the Bank, including the level of the credit risk, market risk, liquidity risk, operational risk, compliance risk and reputation risk that the Bank can bear;
- (IV) reviewing the risk management systems and fundamental principles of the Bank, including the organizational and policy framework for risk management;
- (V) scrutinizing the Bank's disposal of assets and provision of external guarantees outside its ordinary course of business;
- (VI) considering and/or approving various risk management policies of the Bank which shall be considered and approved by the Board;
- (VII) supervising the senior management on the control of all kinds of risks, and putting forward suggestions to improve the risk management and internal control of the Bank;
- (VIII) hearing regularly (once every six months) senior management's reports on the risk and risk management profile of the Bank (including the due diligence of the Chief Risk Management Officer); analyzing the deviation between the actual level of risk and the predetermined acceptable risk of the Bank; evaluating the consistency between the risk-return ratio and the overall strategy of the Bank and the implementation of the Bank's risk management policies by senior management; studying the bad debts, expected losses, trading losses and transaction risks of the Bank and all other major risk issues based on reports from senior management; putting forward suggestions on improving the risk management and internal control of the Bank in a timely manner and taking appropriate risk mitigation measures; where necessary, hearing the Chief Risk Management Officer's reports separately and making suggestions and recommendations on the above-mentioned issues; reporting to the Board, as well as the senior management and the Board of Supervisors, so as to ensure that all risks of the Bank are controlled within the risk appetite of the Bank;
- (IX) where necessary, hearing the senior management's report on compliance with relevant laws and regulations, regulatory requirements, policies, rules and regulations of the Bank and the relevant arrangements of anti-money laundering work, as well as self-checking results; making a judgment report on senior management's compliance with the relevant provisions, submitting it to the Board for deliberation, and informing the senior management and the Board of Supervisors at the same time;
- (X) authorizing the Related Party Transactions Control Committee to exercise relevant functions and powers over the related party transaction control of the Bank; and
- (XI) performing other duties conferred by the Board.

- Article 201** The Audit and Consumer Rights Protection Committee shall perform the following duties:
- (I) assisting the Board in the management of the audit work of the Bank;
 - (II) reviewing the internal audit charter and medium-term and long-term audit plans of the Bank;
 - (III) as authorized by the Board, organizing and leading the internal audit work of the Bank, approving the Bank's audit policies and procedures, annual audit work plan and audit budget and supervising the implementation, and evaluating the audit department's working procedures and work results;
 - (IV) enabling communication between internal and external auditors;
 - (V) reviewing and approving appointment and removal of the head of internal audit department, and evaluating and supervising the performance of the head of the audit department and the audit department;
 - (VI) hearing the quarterly audit working reports (including the project audit reports) and annual audit working reports presented by the head of audit department, submitting quarterly and annual audit working reports to the Board, and informing the senior management and the Board of Supervisors;
 - (VII) hearing audit department's reports on major audit findings from internal, external and regulatory (including but not limited to the CBIRC) audit and on corresponding actions taken by the senior management; urging the senior management to take appropriate corrective measures in time against the control defects, illegal practices and other problems identified by the auditors in the audit report, reporting to the Board, as well as the senior management and the Board of Supervisors;
 - (VIII) examining the financial position, accounting policies & procedures and financial reporting procedures of the Bank, and organizing working bodies to conduct independent supervision and inspection on the implementation, and, if necessary, submitting the opinions for examination to the Board, and informing the senior management and the Board of Supervisors at the same time;
 - (IX) directing annual audit of the Bank, organizing the working bodies to audit the Bank's financial reports independently before they are submitted to the Board for deliberation, and making a judgment report on the authenticity, completeness and accuracy of the information in the audited financial report, reporting to the Board for consideration and informing the senior management and the Board of Supervisors at the same time;
 - (X) organizing the working bodies to independently review and evaluate the Bank's internal control and risk management system, supervising and inspecting the implementation and effectiveness of the system, and, if necessary, submitting opinions and suggestions to the Board, and informing the senior management and the Board of Supervisors;

- (XI) organizing discussions between the working bodies and the senior management on the internal control system of the Bank, and reporting to the Board on related issues so as to urge the senior management to implement the effective internal control system and to comply with the provisions of relevant laws and regulations;
- (XII) for the purchase and disposal of fixed assets involved in the daily business activities, in case of projects involving over-budget approval or projects specifying budget limits without detailed contents, with a single expenditure of more than RMB40 million (exclusive) and less than RMB100 million (inclusive), the Committee shall review such expenditure, report it to the chairman of the Board for approval and to the Board for filing;
- (XIII) when deciding to outsource some internal audit projects, organizing the working bodies to review and supervise the independence, objectivity, professional competence and effectiveness of relevant audit procedures of the outsourcing agency;
- (XIV) making recommendations to the Board on matters relating to the appointment, renewal or dismissal of the external auditor responsible for the annual financial statements of the Bank and the relevant terms of employment and remuneration; where necessary, organizing working bodies to evaluate the independence, objectivity and work quality of the external auditor responsible for the Bank's annual financial report, and submitting the evaluation report and relevant recommendations to the Board;
- (XV) deciding, when necessary, to engage external agencies to evaluate the audit department's due diligence and to ensure that the external agencies hired are professionally competent and independent of the subject of evaluation and have no conflict of interest with the subject of evaluation;
- (XVI) drawing up strategies, policies and goals in relation to consumer rights protection work of the Bank;
- (XVII) urging the senior management to effectively carry out and execute the relevant work of consumer rights protection;
- (XVIII) regularly hearing special reports on the development of consumer rights protection work;
- (XIX) supervising and evaluating the comprehensiveness, timeliness and effectiveness of the Bank's consumer rights protection work, as well as the performance of the senior management;
- (XX) reviewing and making recommendations to the Board on proposals for consumer rights protection to be submitted to the Board for consideration; and
- (XXI) performing other duties conferred by the Board and required by laws and regulations.

- Article 202** The Nomination and Remuneration Committee shall perform the following duties:
- (I) reviewing the procedures and standards for the election and appointment of directors and senior management members, making comments and suggestions and submitting them to the Board for consideration;
 - (II) nominating directors and senior management members in accordance with the provisions of these Articles and the procedures and standards for the appointment of directors and senior management members; preliminarily examining the qualifications and conditions of directors and senior management members and making recommendations to the Board;
 - (III) reviewing the evaluation criteria for directors and senior management members and submitting them to the Board for consideration;
 - (IV) reviewing the evaluation reports of directors and senior management members and the mutual evaluation reports of independent directors, making comments and suggestions and submitting them to the Board for consideration;
 - (V) reviewing the remuneration plans of directors, senior management members and other personnel in key posts (Basel Guidelines), making suggestions and recommendations on the establishment of a formal and transparent procedure for developing remuneration policies, and submitting them to the Board for consideration;
 - (VI) reviewing the remuneration management policies (including basic remuneration, performance-based remuneration, subsidies, allowances and other welfare, medium-term and long-term incentives and special rewards) and retirement policies for employees of the Bank;
 - (VII) reviewing the business performance evaluation indicators and performance evaluation policies of the Bank; and
 - (VIII) performing other duties conferred by the Board and required by laws and regulations.

- Article 203** The Development Strategy and Inclusive Finance Committee shall perform the following duties:
- (I) reviewing the Bank's operation and development strategies and medium- and long-term development plans;
 - (II) periodically evaluating and reviewing the development strategies to ensure that the Bank's development strategies are in line with its operational conditions and changes in the market environment;
 - (III) reviewing proposals for material changes in shareholding, financial restructuring, merger, division and dissolution of the Bank;

- (IV) reviewing proposals concerning the Bank's capital management planning, listing or other fund raising, use of proceeds, increase or decrease of registered capital, and repurchase of shares of the Bank;
- (V) reviewing the Bank's plans for annual budget, final accounts, risk capital allocation, profit distribution, loss recovery and other financial plans that may materially affect its business operations and development, and making suggestions or recommendations on whether they conform to the Bank's development strategies;
- (VI) reviewing the Bank's annual business plans and investment plans and making suggestions or recommendations on whether they conform to the Bank's development strategies;
- (VII) reviewing the plans for the establishment of branches and sub-branches and plans for major adjustment in the establishment of internal management institutions of the Bank, and making suggestions or recommendations on whether they conform to the Bank's development strategies;
- (VIII) reviewing the risk management policies, capital management policies and other management policies that have a significant impact on the development of the Bank, and making suggestions or recommendations on whether they conform to and meet the Bank's development strategies;
- (IX) studying and making suggestions on the external investment of the Bank outside its ordinary course of business;
- (X) studying and making recommendations on other major issues affecting the development of the Bank;
- (XI) formulating the strategic plan and basic management system for the development of inclusive finance business;
- (XII) supervising the implementation of inclusive finance services of the Bank; and
- (XIII) performing other duties conferred by the Board.

Article 204

The Related Party Transactions Control Committee is subordinate to the Risk Management Committee and shall perform the following duties:

- (I) assisting the Board in performing its duties in the management of related party transactions of the Bank;

- (II) prior to the submission to the Board for deliberation of the management measures on related party transactions and connected transactions of the Bank, reviewing the management measures on related party transactions and connected transactions (including the identification of related parties (connected persons), information collection and management of related parties (connected persons), reports and commitments of related parties (connected persons), identification and confirmation, types of related party (connected) transactions and pricing policies, approval procedures and standards, avoidance system, internal audit supervision, information disclosure, supervision of related party (connected) transactions by the Board and operation and management institutions, etc.), and submitting their deliberations to the Board;
- (III) evaluating and approving the Bank's lists of related parties (connected persons), and making relevant reports to the Board and Board of Supervisors;
- (IV) examining related party (connected) transactions in accordance with laws and regulations, requirements of the stock exchange where our securities are listed, and fair dealing commercial principles;
- (V) major related party transactions shall be reviewed by the Related Party Transactions Control Committee and approved by the director and deputy director of the Related Party Transactions Control Committee and submitted to the Board for approval;
- (VI) examining the disclosure of information on related party (connected) transactions of the Bank, and supervising the authenticity, accuracy and completeness of the disclosure of information on related party (connected) transactions in the Bank's financial reports and public announcements;
- (VII) preparing a special report to the Board each year on the implementation of the related party (connected) transaction management system and related party (connected) transactions; and
- (VIII) performing other duties conferred by the Board or the Risk Management Committee of the Board.

Section IV Secretary to the Board

Article 205 The Bank has set a secretary to the Board, who is a senior management member of the Bank and shall be accountable to the Board.

Article 206 The secretary to the Board shall be a natural person with the requisite professional knowledge and experience, whose qualifications shall be examined by the competent regulatory authorities. The circumstances for qualifying and disqualifying a person as director of the Bank as stipulated in these Articles shall apply to the secretary to the Board.

- Article 207** The main duties of the secretary to the Board are as follows:
- (I) to ensure that the Bank has a complete set of constitutional documents and records;
 - (II) to ensure that the Bank prepares and submits the reports and documents required by relevant departments of the State in accordance with laws;
 - (III) to prepare Board meetings and Shareholders' general meetings, and be responsible for the minutes of meetings and the safekeeping of meeting documents and records;
 - (IV) to be responsible for the information disclosure of the Bank, and ensure the timely, accurate, legal, truthful and complete disclosure of the Bank's information;
 - (V) to receive visitors, answer inquiries and contact shareholders, ensuring that the relevant documents and records of the Bank are duly received by persons who are entitled to receive them;
 - (VI) to ensure the proper establishment of the Bank's share register and be responsible for keeping the share register, the seal of the Board and relevant materials; and
 - (VII) to perform other duties stipulated by the laws and regulations and the Articles of Association.

Article 208 The Board shall have an office under it to assist the secretary to the Board in the organization of shareholders' general meetings, meetings of the Board and its special committees, the arrangement of meetings, notice of meetings, resolution of meetings, minutes of meetings, the collation of meeting minutes, and the keeping and filing of meeting documents; and to be responsible for the daily affairs of the Board and its special committees, the information disclosure of the Bank, the keeping of share register, the seal of the Board and relevant materials, the collection, collation and submission of information on the equity pledge of the Bank.

Article 209 Directors or other senior management members of the Bank may concurrently serve as secretary to the Board of the Bank. The supervisors of the Bank, the accountants of the accounting firm, and the lawyers in the law firm engaged by the Bank may not concurrently serve as secretary to the Board of the Bank.

Article 210 The secretary to the Board shall be nominated by the Chairman of the Board and appointed or dismissed by the Board. Where a Director concurrently serves as the secretary to the Board, if any act needs to be done separately by a Director and the secretary to the Board, the person serving concurrently as Director and the secretary to the Board shall not take such action in both capacities.

Chapter VII Senior Management

Article 211 The senior management shall consist of the president, vice presidents, secretary to the Board, Chief Financial Officer, Chief Risk Management Officer and such other members as determined by the Board of the Bank. The Bank shall have one president and several vice presidents. The president shall be selected by the Nomination and Remuneration Committee under the Board, nominated by the chairman of the Board, and appointed or dismissed by the Board. The vice presidents and other senior management members shall be nominated by the president and submitted to the Board for appointment or dismissal. A director may serve concurrently as president, vice president or other senior management members.

The president shall exercise his/her functions and powers in accordance with relevant laws and regulations and the provisions of these Articles. The vice presidents and other senior management members shall assist the president in his/her work and perform their duties in accordance with relevant authority.

The senior management conducts operation and management activities in accordance with these Articles and the authorization of the Board, to ensure that the Bank's operations are consistent with the development strategies, risk appetites and other policies as established and approved by the Board. The senior management is accountable to the Board and subject to the supervision of the Board of Supervisors. The operation and management activities of the senior management within the scope of their functions and powers shall not be interfered.

Article 212 A senior management member may serve a term of three years and may serve consecutive terms upon reappointment.

Article 213 The Bank shall sign an appointment contract with senior management members to clarify the rights and obligations of both parties.

Article 214 The president shall be accountable to the Board and shall perform the following functions and powers:

- (I) to take charge of the operation and management of the Bank, and report work to the Board;
- (II) to organize the implementation of the resolutions of the Board;
- (III) to draw up the business development strategies and medium-and long-term development plans of the Bank;
- (IV) to organize the implementation of the annual business plans and investment plans of the Bank;
- (V) to draw up annual budget plans, final account plans and risk capital distribution plans of the Bank;
- (VI) to draw up the profit distribution plans and loss recovery plans of the Bank;

- (VII) to draw up the capital management plans and capital management policies of the Bank;
- (VIII) to propose to the Board to appoint or dismiss the vice president, Chief Financial Officer, Chief Risk Management Officer and other senior management members of the Bank;
- (IX) to authorize other senior management members and the persons in charge of internal functional departments and branches to conduct operation and management activities in accordance with relevant authorizations, management policies and rules;
- (X) to appoint or dismiss the Bank's staff members other than those to be appointed or dismissed by the Shareholders' general meetings or the Board, and to decide their remuneration, benefits and rewards and punishments;
- (XI) to draw up a plan for the establishment of internal management bodies of the Bank and to, in accordance with the authorization of the Board, decide on matters in relation to the establishment of internal management bodies and branches of the Bank;
- (XII) to draft the Bank's basic management system;
- (XIII) to formulate the Bank's specific regulations and supervise their effective implementation;
- (XIV) to propose the convening of interim Board meetings;
- (XV) to take emergency measures and immediately report to the relevant regulatory authorities of the State, the Board of Directors and the Board of Supervisors in case of any material emergencies such as a run on the Bank; and
- (XVI) to exercise other functions and powers conferred by the Articles of Association or the Board.

Article 215 The president shall be present at Board meetings, but shall not have voting rights thereat unless he/she is also a director.

Article 216 The president shall, in accordance with the requirements of the Board, timely, accurately and completely report to the Board on the Bank's business performance, important contracts, financial position, risk profile and business prospects.

Article 217 When the president decides on major business issues and makes important rules and regulations, he/she shall first listen to the opinions of the labor union or the employee representative meeting.

Article 218 The president shall formulate the working rules for the senior management and submit them to the Board for approval before implementation.

- Article 219** The working rules of the senior management shall specify:
- (I) the conditions and procedure for convening president office meetings, and attendants;
 - (II) specific responsibilities of senior management members and their division of labor;
 - (III) the right to use funds and assets and conclude important contracts of the Bank, and the system of reporting to the Board and the Board of Supervisors; and
 - (IV) other matters which the Board deems necessary.

Article 220 Senior management members shall abide by laws and regulations and these Articles, fulfill their obligations of good faith and diligence, and shall not seek business opportunities belonging to the Bank for themselves or others, nor accept any interests related to the Bank's transactions. If any member of the senior management causes economic losses to the Bank due to violation of laws and regulations, malpractices and other serious dereliction of duty, he/she shall bear economic and legal liabilities.

The senior management members shall accept the supervision of the Board of Supervisors, and shall regularly provide the Board of Supervisors with information on the Bank's business performance, important contracts, financial position, risk profile and business prospects, and shall not obstruct or hinder such activities as inspection and supervision conducted by the Board of Supervisors in accordance with its authority.

The senior management members shall have the right to request the Board of Supervisors to raise objections and report to the banking regulatory authorities for any acts of the Board that interfere with the operation and management activities in violation of regulations.

Article 221 Senior management members may resign before the expiration of their term of office. Specific procedures and methods for the resignation of senior management members shall be stipulated in the appointment contract between senior management members and the Bank. The senior management members shall not leave office before the off-office auditing is completed.

In case the new president's qualification has not been approved or the president's position is temporarily vacant due to other reasons, the Bank shall appoint a person who meets the corresponding qualifications to perform the duties on his/her behalf, and shall report to the decision-making organ for qualification examination within three days from the date of appointment. The time for performing duties on his/her behalf shall not exceed six months.

Article 222 The Bank shall, on the premise of openness and transparency, select and recruit senior management members mainly through open market recruitment and shareholder recommendation, following the principle of equality of opportunity and selective recruitment.

Chapter VIII Supervisors and Board of Supervisors

Section I Supervisors

- Article 223** The Bank's supervisors include shareholder supervisors, employee supervisors and external supervisors. Among them, the proportion of employee supervisors and external supervisors shall not be less than one-third.
- Article 224** The Directors, president and other senior management of the Bank shall not concurrently serve as Supervisors of the Bank.
- Article 225** Each session of Supervisors take office for three years. Shareholder supervisors and external supervisors are elected or replaced by the Shareholders' general meeting, and employee supervisors are elected or replaced by the employee representative meeting of the Bank. Supervisors can be re-elected to serve another term.
- Article 226** Supervisors shall faithfully perform their supervisory duties in accordance with laws and regulations and the provisions of these Articles. Supervisors shall attend at least two-thirds of the meetings of the Board of Supervisors in person each year. If a supervisor cannot attend in person for any reason, he or she may entrust other supervisors in writing to attend on his/her behalf, but one supervisor shall not accept the entrustment of more than two supervisors at a meeting of the Board of Supervisors. The supervisors attending the meeting on their behalf shall exercise their rights within the scope of authorization. If a supervisor fails to attend a meeting of the Board of Supervisors or entrust other supervisors to attend the meeting, he or she shall be deemed as having waived his/her voting right at that meeting. If a supervisor cannot attend the meeting of the Board of Supervisors in person for two consecutive times, nor entrust other supervisors to attend the meeting of the Board of Supervisors, or fails to attend at least two-thirds of the meetings of Board of Supervisors in person each year, he or she shall be deemed as failure to perform his/her duties and shall be replaced by the Shareholders' general meeting or the employee representative meeting.
- Article 227** Supervisors may attend Board meetings, meetings of special committees under the Board and senior management meetings, and shall be entitled to make inquiries or suggestions on matters resolved at such meetings but shall not have voting rights. Supervisors attending a Board meeting shall report on the meeting to the Board of Supervisors.
- Article 228** Supervisors have the right to understand the Bank's operations and undertake corresponding confidentiality obligations. The Bank shall take measures to protect supervisors' right to know and provide necessary assistance for supervisors in performing their duties normally. No one shall interfere or obstruct. Reasonable expenses required by supervisors to perform their duties shall be borne by the Bank.

Article 229 The supervisors shall conduct supervisory work for the Bank for no less than 15 working days each year, and the shareholder supervisors and external supervisors shall work for the Bank for no less than 15 working days each year. Supervisors shall actively participate in the supervision and inspection activities organized by the Board of Supervisors, have the right to conduct independent investigations and obtain evidence according to laws, and put forward questions and supervision opinions in a practical manner.

Article 230 Employee supervisors shall have the right to participate in the formulation of rules and regulations concerning the vital interests of employees, and shall actively participate in the supervision and inspection of their implementation. Employee supervisors shall also accept the supervision of the employee representative meeting and report regularly to the employee representative meeting.

Article 231 The Board of Supervisors shall regularly train supervisors to improve their ability to perform duties. For supervisors who are unable to perform their duties in accordance with laws and regulations and these Articles, the Board of Supervisors shall hold them accountable, and require them to resign as supervisors and report to the regulatory authority if necessary.

Article 232 A supervisor may submit his/her resignation before his/her term expires.

A supervisor shall submit a written resignation report to the Board of Supervisors for resignation. The Shareholders' general meeting authorized the Board of Supervisors to make a decision on whether to agree with the resignation of the supervisor and report to the Shareholders' general meeting. The provisions on the resignation of directors in Chapter VI of these Articles shall apply to supervisors.

Section II External Supervisors

Article 233 The Bank's external supervisors refer to those supervisors who do not hold any positions other than supervisors of the Bank and have no relationship with the Bank and its substantial shareholders that may affect their independent judgment. The Bank has at least two external supervisors.

External supervisors are entitled to the rights of supervisors, supervise the Board and senior management of the Bank and their members, and organize and carry out supervision and inspection work in accordance with these Articles and the resolutions of the Board of Supervisors. While performing duties and paying attention to the interests of the shareholders of the Bank, the external supervisors shall pay particular attention to the interests of the depositors and the Bank as a whole.

The external supervisors' cumulative tenure with the Bank shall not exceed six years, shall not serve concurrently for more than two commercial banks, and shall not concurrently serve as external supervisors in financial institutions where conflicts of interest may occur.

In addition to the special provisions on external supervisors in this section, external supervisors shall also comply with the general provisions of these Articles on supervisors. If the general provisions are inconsistent with the special provisions, the special provisions shall prevail.

Article 234 The provisions on qualifications and conditions for independent directors in Section II of Chapter VI of these Articles shall apply to the qualifications and conditions for external supervisors.

Article 235 External supervisors whose qualifications have been cancelled by the relevant regulatory authorities due to serious dereliction of duty shall not serve as external supervisors of the Bank. His/her post shall automatically be removed from the date of disqualification.

If the number or proportion of external supervisors in the Board of Supervisors of the Bank is lower than the minimum number or required proportion as prescribed by relevant laws and regulations and these Articles due to the disqualification or dismissal of external supervisors, the Bank shall convene a Shareholders' general meeting as soon as possible to elect and make up the vacancy.

Article 236 The external supervisors shall be deemed to have committed a "serious dereliction of duty" as mentioned in the preceding article in one of the following situations:

- (I) leaking the Bank's commercial secrets and damaging the Bank's legitimate interests;
- (II) accepting improper benefits in the course of performing their duties;
- (III) making use of the status of external supervisors for personal gain;
- (IV) the problems that should be discovered during the supervision and inspection failed to be found or the problems were concealed and not reported, which resulted in major losses to the Bank; and
- (V) committing other serious misconduct identified by the relevant regulatory authorities.

Article 237 The external supervisors shall attend the meeting of the Board of Supervisors in person. If they are unable to attend in person due to special circumstances, they may entrust other external supervisors to attend the meeting on their behalf. The minimum standards concerning the number of independent directors' personal attendance at Board meetings and working hours specified in these Articles are applicable to external supervisors. External supervisors may resign before the expiration of their terms of office. The provisions of these Articles on the resignation of independent directors shall be applied with reference.

Article 238 The basic obligations, replacement and dismissal, employment and resignation, working conditions, allowances and expenses of external supervisors shall be performed with reference to that of independent directors.

Article 239 The corporate governance information disclosed by the Bank shall include the number of times the external supervisors have personally attended meetings of the Board of Supervisors, the organization or participation in the audit work of the Board of Supervisors, and the performance of supervisory duties. The working hours of the external supervisors for the Bank and their minimum number of attendance of meetings of the Board of Supervisors in person shall be performed with reference to that of independent directors.

Section III Board of Supervisors

Article 240 The Bank has a Board of Supervisors. The Board of Supervisors is composed of seven Supervisors, including one shareholders' representative Supervisor, who is nominated by the Nomination Committee of the Board of Supervisors of the Bank, and Shareholders who individually or collectively hold more than three percent of the Bank's voting shares, and is elected by the Shareholders' general meeting; three external Supervisors, who are nominated by the Nomination Committee of the Board of Supervisors of the Bank, and Shareholders who individually or collectively hold more than one percent of the Bank's voting shares, and are elected by the Shareholders' general meeting; three employees' representative Supervisors, who are nominated by the Nomination Committee of the Board of Supervisors of the Bank and the Labor Union, and are elected by the employee representative meeting.

The Board of Supervisors has one chairman and may have a vice chairman elected by a majority of all supervisors. The Chairman of the Board of Supervisors shall be served by a full-time person, and shall have at least professional knowledge and working experience in such aspects as accounting, audit, finance, and law.

The Chairman of the Board of Supervisors exercises the power of convener of the Board of Supervisors and performs the following duties:

- (I) to convene and preside over the meetings of the Board of Supervisors;
- (II) to organize the performance of the duties of the Board of Supervisors;
- (III) to sign the report of the Board of Supervisors and other important documents;
- (IV) to report to the Shareholders' general meeting on behalf of the Board of Supervisors; and
- (V) other duties stipulated by laws and regulations and these Articles.

If the Chairman of the Board of Supervisors is unable to perform his/her duties or fails to perform his/her duties, the vice Chairman of the Board of Supervisors shall convene and preside over the meeting of the Board of Supervisors; if the vice Chairman of the Board of Supervisors is unable to perform his/her duties or fails to perform his/her duties, more than half of the Supervisors shall jointly recommend a Supervisor to convene and preside over the meeting of the Board of Supervisors.

Article 241 The Board of Supervisors is the Bank's internal supervisory organization and is responsible for the Shareholders' general meeting. With the goal of protecting the legitimate rights and interests of the Bank, Shareholders, employees, creditors and other stakeholders, it shall exercise the following powers and functions:

- (I) to supervise the Board to establish a sound business philosophy, value standards and formulate the development strategies in line with the Bank's actual situation;

- (II) to regularly evaluate the scientificity, rationality and effectiveness of the development strategy formulated by the Board, and form an evaluation report;
- (III) to supervise and inspect the Bank's financial activities, operating decisions, risk management and internal control, and supervise the rectification;
- (IV) to supervise the election and appointment process of Directors;
- (V) to supervise the violation of laws and regulations or these Articles by the Directors and senior management members when performing their duties, and comprehensively evaluate the performance of the Directors, Supervisors and senior management members. When the behaviors of the Directors and senior management members harm the interests of the Bank, the Directors and senior management members are required to make corrections; the Directors and senior management members who have violated laws and regulations, these Articles or resolutions of Shareholders' general meetings are proposed to be removed;
- (VI) to supervise scientificity and reasonability of remuneration management system and policies of the Bank and remuneration plan of senior management personnel;
- (VII) to regularly communicate with the banking regulatory authority about the Bank's condition;
- (VIII) to review the regular reports prepared by the Bank and produce written opinions thereon;
- (IX) to verify financial information such as financial reports, business reports, and profit distribution plans, etc. that the Board of Directors intends to submit to the Shareholders' general meeting and, if any doubt is found, it may, in the name of the Bank, entrust a certified accountant or practicing auditor to assist in reviewing such information;
- (X) to propose the convening of extraordinary general meetings and, in case the Board does not perform the obligations to convene and preside over the Shareholders' general meetings in accordance with these Articles, to convene and preside over the Shareholders' general meetings;
- (XI) to submit proposals to the Shareholders' general meeting (including the supervisors' remuneration plan);
- (XII) to communicate with Directors on behalf of the Bank in accordance with laws and regulations and these Articles, and to bring lawsuits against Directors and senior management members; and
- (XIII) other functions and powers conferred by laws and regulations, these Articles and the Shareholders' general meeting.

Article 242 The Bank shall be responsible for the reasonable expenses incurred in hiring professionals such as lawyers, certified public accountants, and practicing auditors when the Board of Supervisors is exercising its functions and powers.

Article 243 The Board of Supervisors has an Office of the Board of Supervisors, which is equipped with full-time staff and responsible for the daily work of the Board of Supervisors.

Article 244 The Board of Supervisors shall establish a Nomination Committee and a Supervision Committee.

The Nomination Committee is responsible for formulating the procedures and standards for selecting and appointing supervisors, conducting a preliminary review of the qualifications and conditions of supervisors and making recommendations to the Board of Supervisors; it supervises the selection process for directors and conducts comprehensive evaluation of the performance of duties of directors, supervisors and senior management; it conducts off-office audits on directors and senior management members; it monitors the scientificity and rationality of the Bank's remuneration management system and policies and the remuneration plan of senior management. In principle, the chairman of the Nomination Committee shall be served by an external supervisor.

The Supervision Committee is responsible for formulating a supervision plan for the Bank's financial activities and carrying out relevant inspections, supervising the Board to establish a sound business philosophy, value standards and formulating development strategies that are in line with the Bank's actual situation. It supervises and inspects the Bank's operating decisions, risk management and internal control. In principle, the chairman of the Supervision Committee shall be served by an external supervisor.

Article 245 The audit results of the internal audit department of the Bank over the internal functional departments and branches shall be reported to the Board of Supervisors in a timely and comprehensive manner. The Board of Supervisors shall have the right to request the president of the Bank or the audit department for an explanation if the Board of Supervisors has any doubt about the audit results submitted by the audit department of the Bank. The Board of Supervisors shall actively guide the internal audit department of the Bank to independently perform audit supervision functions and effectively implement the business management and work evaluation of the internal audit department.

The Bank shall provide necessary working conditions for the Board of Supervisors to perform its duties. The Board of Supervisors shall have an independent expense budget. The Board of Supervisors has the right to independently control budget expenses according to work needs. The cost of exercising the powers of the Board of Supervisors shall be borne by the Bank. The Board of Supervisors may make written or oral suggestions, prompts, interviews, inquiries, and request responses to the Board of Directors and senior management and their members or other personnel as required. The Board of Supervisors has the right to use all operating management information systems of the Bank in accordance with the needs of performing its duties.

The Board of Supervisors has the right to request the Board and senior management to provide necessary information in terms of information disclosure and auditing during the performance of their duties. The Board of Supervisors can independently hire external organizations to provide professional assistance in related work.

Article 246 The Board of Supervisors of the Bank is responsible for supervising and evaluating the performance of due diligence of the Board and senior management in the data governance.

Article 247 The Board of Supervisors of the Bank is responsible for supervising and evaluating the performance of due diligence of the Board and senior management in the management of the behavior of employees.

Article 248 The Board of Supervisors of the Bank shall be responsible for the supervision of money laundering risk management. It shall be responsible for supervising the performance of due diligence of the Board and senior management in money laundering risk management and supervising rectification, and making recommendations and opinions on the bank's money laundering risk management.

Article 249 The Board of Supervisors shall convene at least one regular meeting every quarter, which shall be convened and chaired by the Chairman of the Board of Supervisors.

Article 250 The Supervisors may propose to convene an interim meeting of the Board of Supervisors, and the Chairman of the Board of Supervisors shall convene the interim meeting of the Board of Supervisors within five working days.

Article 251 A meeting of the Board of Supervisors shall serve written notice to all supervisors ten working days before the meeting. The notice of the interim meeting of the Board of Supervisors shall be served at least four working days before the meeting.

Article 252 The notice of the meeting of the Board of Supervisors includes the following:

- (I) the date and venue of the meeting;
- (II) the duration of the meeting;
- (III) the matters and topics submitted to the meeting for consideration;
- (IV) name and telephone number of the permanent contact person for the meeting; and
- (V) the date on which the notice was given.

Article 253 The meeting of the Board of Supervisors shall be attended by the supervisor in person. If the supervisor cannot attend in person for any reason, he or she may entrust other supervisors in writing to attend it on his/her behalf.

The power of attorney shall specify the name, agency matters, authority and validity period of the acting supervisor, and shall be signed or sealed by the principal.

The supervisors attending the meeting on others behalf shall exercise their rights of supervisors within the scope of authorization. If a supervisor fails to neither attend a meeting of the Board of Supervisors nor authorize other supervisors to attend, it shall be deemed to have waived his/her voting right at that meeting.

Article 254 The deliberation mode of the Board of Supervisors: the Chairman of the Board of Supervisors or a supervisor designated by him/her shall confirm the number of attending supervisors and explain the reasons and topics for convening the meeting, and the supervisors shall discuss, make speeches, and vote on the proposal to form meeting records.

Article 255 Meetings of the Board of Supervisors may be convened on-site or off-site. Where the meeting of the Board of Supervisors adopts on-site manner, telephone, video or other instant messaging methods may be used to facilitate the participation of the supervisors in the meetings of the Board of Supervisors. If the supervisors participate in the meeting of the Board of Supervisors through the above methods, they shall be deemed to have attended the meeting.

Article 256 Where a meeting of the Board of Supervisors is held in an off-site manner, if the Board of Supervisors has sent a proposal to all supervisors and the number of signatory supervisors has reached the quorum required to make a decision, the content of the proposal shall have become a resolution of the Board of Supervisors since the written documents signed and agreed by the supervisors are delivered to the office of the Board of Supervisors.

Article 257 The meeting of the Board of Supervisors shall only be held when more than half of the Supervisors are present. Resolutions of the Board of Supervisors shall be vote by open ballot or by show of hands. Each of the Supervisors present at the meeting shall have one vote. A resolution of the Board of Supervisors shall be passed by more than half of all Supervisors.

Article 258 The supervisors shall sign the resolution of the Board of Supervisors and bear responsibility for the resolution of the Board of Supervisors. If the resolution of the Board of Supervisors violates laws and regulations and these Articles and causes losses to the Bank, the supervisors participating in the resolution shall be liable for compensation to the Bank. However, a supervisor may be exempted from liability if it is proved that he objected to the vote and it is recorded in the minutes of the meeting.

Article 259 There shall be records for the meeting of the Board of Supervisors, and the supervisors and recorders attending the meeting shall sign the minutes of the meeting. Supervisors have the right to require some declarative records of their speeches at the meetings on the records. The minutes of the meeting of the Board of Supervisors shall be kept as archives of the Bank for no less than ten years.

Article 260 The minutes of the meetings of Board of Supervisors include the following:

- (I) the date and place of the meeting and the name of the convener;
- (II) the names of the attending supervisors and the names of the supervisors (agents) entrusted by others to attend meetings of the Board of Supervisors;
- (III) the agenda of the meeting;
- (IV) the main points of the supervisor's speech; and
- (V) Voting methods and results of each matter for decision (voting results shall indicate the number of votes for, against or abstaining from voting).

Article 261 The resolutions and minutes of the meetings of the Board of Supervisors of the Bank shall be submitted to the banking regulatory authorities for record in a timely manner.

Chapter IX Qualifications and Obligations of Directors, Supervisors and Senior Management Members

Article 262 Directors of the Bank shall meet the following criteria:

- (I) shall have full civil capacity;
- (II) shall have good records of compliance with laws and regulations;
- (III) shall be of good character and reputation;
- (IV) shall possess knowledge, experience and abilities required to hold the designated position;
- (V) shall have good practical records in economic and financial industry;
- (VI) shall have sound personal and family financial position;
- (VII) shall have the independence required to hold the designated position;
- (VIII) shall perform the duty of loyalty and diligence to the Bank;
- (IX) shall have more than 5 years of legal, economic, financial, accounting or other work experience conducive to the performance of directors' duties;

- (X) shall be able to use the Bank's financial statements and statistical statements to judge the Bank's operating management and risk profile;
- (XI) shall understand the corporate governance structure, the Articles of Association and the duties of the Board of the Bank; and
- (XII) other criteria required by the laws and regulations.

Article 263

No person shall hold the position of director, supervisor and senior management member of the Bank in one of the following circumstances:

- (I) a non-natural person;
- (II) a person without or with limited capacity for civil conduct;
- (III) a person with intentional or gross negligence criminal records;
- (IV) a person who has been penalized or sentenced due to corruption, bribery, embezzlement, appropriation of property or the disruption of the socialist market economy, and five years have not elapsed from which the punishment or deprivation of political rights for the crimes committed was carried out;
- (V) a person under investigation by judicial authorities for suspected violations of criminal law and the investigation is still ongoing;
- (VI) a person judged by the relevant regulatory authorities as having violated the provisions of relevant securities laws and regulations, the violation involves fraudulent or dishonest acts, and less than five years have elapsed since the ruling;
- (VII) a person with misconducts in violation of social morality, resulting in baneful impact;
- (VIII) a person who was personally liable or had direct leadership responsibility for the operation activities in violation of laws and regulations or material losses of the entity which he/she worked for, and the case was serious;
- (IX) a person who serves or served as a director or senior management member of an entity which is taken over, cancelled, declared bankrupt or having its business license revoked, unless the person could prove that he/she is not personally liable for such issues;
- (X) a legal representative of companies or enterprises which were compulsorily closed down due to a violation of laws in which such person was personally liable, and three years have not elapsed from which the business license of the company or enterprise was revoked;
- (XI) a person whose breach of professional ethics or conduct, or serious dereliction of duty has led to material losses or baneful impact;

- (XII) a person who instigates the entity in which he/she serves not to cooperate in legal supervision or case investigation, or participates in such non-cooperation;
- (XIII) a person disqualified as a director or senior management member for a lifetime, or punished for more than twice by regulatory authorities or other financial regulatory departments;
- (XIV) a person identified by the CBIRC as being banned from entering the market and whose ban has not been lifted;
- (XV) a person who lacks the qualification as required in these Articles and takes improper means to obtain approval for his/her qualification;
- (XVI) a person or his/her spouse who is still in default on a relatively large amount of overdue debt, including but not limited to overdue loans with the Bank;
- (XVII) a person and his/her close relatives who jointly holding more than 5% of the Bank's shares, with the total credits from the Bank significantly exceeding the net equity of the Bank held by him/her/them;
- (XVIII) a person and the shareholder entity controlled by him/her who/which jointly holding more than 5% of the Bank's shares, with the total credits from the Bank significantly exceeding the net equity of the Bank held by him/her/them;
- (XIX) a person or his/her spouse who works in the shareholder entity holding more than 5% of the Bank's shares, with the total credits obtained by such shareholder entity from the Bank significantly exceeding the net equity of the Bank held by it, unless it can be proven that such credit has no relationship with him/her or his/her spouse;
- (XX) circumstances in which a person's other positions have obvious conflicts of interest with his/her proposed position and current position in the Bank, or obviously disperse his/her time and energy for performing duties in the Bank;
- (XXI) a person banned from holding leadership positions as stipulated by the laws and regulations; and
- (XXII) a person banned from serving as a director, supervisor and senior management member of the Bank as stipulated by the laws and regulations.

The election of directors, supervisors and senior management members in contravention to the provisions under the preceding paragraph shall be null and void. Upon any contravention of the above by the directors, supervisors or senior management members during their term of office, the Bank shall remove them from their position.

The term “close relatives” in these Articles includes spouses, parents, children, siblings, grandparents, maternal grandparents, grandchildren and maternal grandchildren.

Article 264 Save as specified in these Articles or duly authorized by the Board, no director shall act on behalf of the Bank or the Board in his/her personal name. If a director acts in his/her own name but a third party may reasonably think the said director is acting on behalf of the Bank or the Board, the said director shall make a prior statement of his/her standpoint and capacity.

The validity of any act by a director and senior management member made on behalf of the Bank towards a third party acting in good faith shall not be affected by any non-compliance in regulations of that persons’ position, election procedure or qualifications.

Article 265 In exercising the functions and powers conferred by the Bank, directors, supervisors and senior management members shall fulfill the following obligations to each shareholder in addition to the obligations as required by laws and regulations:

- (I) to comply with the requirements of laws and regulations and various state economic policies in terms of business operations, and not to let the Bank operate beyond the business scope specified in its business license;
- (II) to act in good faith and in the best interest of the Bank;
- (III) not to deprive the Bank of its assets in any form, including but not limited to the opportunities that are advantageous to the Bank; and
- (IV) not to deprive shareholders of their personal interests, including but not limited to any distribution rights or 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.

Article 266 In exercising their rights or fulfilling their obligations, the directors, supervisors and senior management members of the Bank have the duty to act with due discretion, diligence and skill that a reasonably prudent person would exercise under similar circumstances.

Article 267 In fulfilling duties, the directors, supervisors and senior management members of the Bank shall observe the principle of honesty, shall not set themselves in a position where their own interests may conflict with their obligations and shall exercise the rights conferred by the Bank with due discretion, care and diligence, including but not limited to performing the following obligations:

- (I) to act in good faith and in the best interest of the Bank;
- (II) to exercise their rights within the scope of their powers and not act in excess of those powers;

- (III) to exercise personally the management and discretion right vested in them and not to allow themselves to be controlled by others and, save as permitted by laws or administrative regulations or with the informed consent given at a Shareholders' general meeting, not to transfer the exercise of their management and discretion right to others;
- (IV) to carefully read various business and financial reports of the Bank and keep informed of the operation and management conditions of the Bank;
- (V) to be equitable towards shareholders of the same class and fair towards shareholders of different classes;
- (VI) not to conclude any contract, conduct any transaction or make any arrangement with the Bank saved as specified in these Articles or with the informed consent given at a Shareholders' general meeting;
- (VII) not to seek personal gains by using the property of the Bank in any form without the informed consent given at a Shareholders' general meeting;
- (VIII) not to abuse official powers to accept bribes or other unlawful income, and not to expropriate the Bank's property in any form, including but not limited to opportunities favorable to the Bank;
- (IX) not to conduct for themselves or others any businesses similar to those of their company without the informed consent given at a Shareholders' general meeting;
- (X) not to accept commissions in connection with the Bank's transactions without the informed consent given at a Shareholders' general meeting;
- (XI) to comply with these Articles, to perform his/her duties faithfully, to protect the interests of the Bank and not to exploit his/her position and power in the Bank for his/her own interests;
- (XII) not to compete with the Bank in any form without the informed consent given at a Shareholders' general meeting;
- (XIII) not to appropriate the monies of the Bank, and not to open any account in their own or others' names for the purpose of depositing the assets of the Bank;
- (XIV) without the consent given at a Shareholders' general meeting or from the Board, not to lend the Bank's funds to others, and not to use the Bank's assets as security for the personal debts of the shareholders of the Bank or others in violation of the provisions of these Articles;

- (XV) without the informed consent given at a Shareholders' general meeting, not to disclose any confidential information related to the Bank acquired by them during their terms of office; not to use the said information even for the interest of the Bank; however, they may disclose such information to a court or other governmental authorities in the following circumstances: (1) required by law; (2) required for public interests; and (3) required for the interests of the said directors, supervisors and senior management members; and
- (XVI) to accept the lawful supervision and rational suggestions of the Board of Supervisors on their performance of duties.

Earnings obtained by a director counter to the provisions herein shall belong to the Bank.

Article 268 Directors, supervisors and senior management members of the Bank shall not direct the following persons or institutions ("connected persons") to do anything that the directors, supervisors and senior management members cannot do:

- (I) spouses or minor children of directors, supervisors and senior management members of the Bank;
- (II) trustees of directors, supervisors and senior management members of the Bank or persons set out in (I) of this article;
- (III) partners of directors, supervisors and senior management members of the Bank or persons set out in (I) and (II) of this article;
- (IV) companies under the de facto exclusive control of directors, supervisors and senior management members of the Bank or under de facto joint control of the persons set out in (I), (II) and (III) of this article or other directors, supervisors and senior management members of the Bank; and
- (V) directors, supervisors, managers and other senior management members of the controlled companies as set out in (IV) of this article.

Article 269 The honesty obligations of the directors, supervisors and senior management members of the Bank shall not necessarily end with the expiry of their terms of office, and their confidential obligations in respect of any commercial secrets of the Bank shall survive after expiry of their terms of office. Other duties may continue for such period as the principle of fairness may require depending on the amount of time which has lapsed between the termination and the act concerned and the circumstances and conditions under which the relationship with the Bank was terminated.

Article 270 The liability of directors, supervisors and senior management members of the Bank for breaching a given obligation may be exempted through an informed resolution given by shareholders at a Shareholders' general meeting, save for the circumstances specified in Article 74(1) of these Articles.

Article 271 The directors, supervisors and senior management members of the Bank having any 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 members), regardless of whether such interests are usually subject to the approval or consent of the Board, such persons shall disclose the nature and extent of the conflict of interests to the Board as soon as possible.

Unless the directors, supervisors and senior management members of the Bank with conflict of interests have disclosed their interests to the Board in accordance with the requirements of this article, and the Board has approved the matter at the meeting 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 members are in breach of their obligations.

The directors shall provide a written statement to the Related Party Transactions Control Committee on the relevant circumstances when performing the above obligations, and the Related Party Transactions Control Committee shall determine whether the directors constitute related parties in the relevant transactions. Directors constituting related parties shall not vote at Board meetings.

If the connected persons of a director, supervisor and senior management member of the Bank have any conflict of interests with any contracts, transactions or arrangements, the director, supervisor and senior management members shall be deemed to have a conflict of interests as well.

Article 272 Before the Bank considers entering into contracts, transactions or arrangements for the first time, and if the interested directors, supervisors and senior management members of the Bank have provided a written notice to the Board of Directors stating that they have a 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 directors, supervisors and senior management members concerned shall be deemed to have made the disclosure as specified in Article 271 of these Articles to the extent as set out in the notice.

Article 273 The Bank shall not pay taxes in any form for its directors, supervisors and senior management members.

Article 274 The Bank shall not, directly or indirectly, provide any loan or loan guarantee to the directors, supervisors and senior management members of the Bank or its parent company, nor shall the Bank provide the same to their connected persons.

The requirements contained in preceding paragraph shall not apply in the following circumstances:

(I) loans or loan guarantees provided by the Bank to its subsidiary companies;

- (II) loans, loan guarantees or other funds provided by the Bank to the directors, supervisors and senior management members of the Bank pursuant to their employment contracts which were adopted by the 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 for the Bank; and
- (III) loans and loan guarantees provided by the Bank to the relevant directors, supervisors and senior management members of the Bank and their connected persons, provided that the loans and loan guarantees are provided on normal commercial terms and conditions.

If the Bank provides a loan in breach of the provision above, regardless of the terms of the loan, the person who has received the loan shall repay it immediately.

Article 275 The Bank shall not be forced to perform the loan guarantee it provides in breach of the first paragraph of the preceding article, except in the following circumstances:

- (I) the loan provider does not know that it has provided the loan to the connected persons of the directors, supervisors, and other senior management members of the Bank or its parent company; and
- (II) the collateral provided by the Bank has been legally sold by the loan provider to a goodwill buyer.

Article 276 The guarantee as referred to in the preceding articles of this chapter includes the act of the guarantor to assume the liability or provide assets to secure the performance of obligations by the obligor.

Article 277 If the directors, supervisors or other senior management members fail to fulfill the obligations to the Bank, the Bank shall be entitled to take the following actions in addition to the rights and remedial measures under the relevant laws and regulations:

- (I) require relevant directors, supervisor and other senior management members to compensate the Bank for the losses arising from their neglect of duty;
- (II) cancel the contracts or transactions concluded between the Bank and relevant directors, supervisors and other senior management members, and between the Bank and a third person (if the third person knows or is supposed to know that the directors, supervisors and other senior management members representing the Bank have breached their obligations to the Bank);
- (III) require the relevant directors, supervisors and senior management members to surrender gains arising from breach of obligations;

- (IV) recover monies, including but not limited to commissions, received by the relevant directors, supervisors and senior management members but receivable by the Bank; and
- (V) require the relevant directors, supervisors and senior management members to surrender interests earned or likely to be earned from monies payable to the Bank.

Article 278 The Bank shall enter into written contracts with its directors and the supervisors regarding remunerations which are subject to the prior approval from the Shareholders' general meeting. The aforesaid remunerations include:

- (I) remunerations for the directors, supervisors or senior management members of the Bank;
- (II) remunerations for the directors, supervisors or senior management members of the subsidiary companies of the Bank;
- (III) remunerations for those providing other services for managing the Bank and its subsidiary companies; and
- (IV) 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 for benefits due to them in respect of the matters mentioned above.

Article 279 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 mentioned in the preceding paragraph refers to one of the following circumstances:

- (I) a takeover offer made by any person to all shareholders; and
- (II) 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 sold 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 X Financial Accounting System, Profit Distribution and Audit

Section I Financial Accounting System

Article 280 The Bank shall formulate its financial accounting system in accordance with the laws and regulations.

Article 281 Our Bank shall publish its financial report twice each financial year, i.e. publish the interim financial report within 60 days after the end of the first six months of each financial year and publish its annual financial report within 120 days after the end of each financial year.

If the securities regulators in the place where the Shares are listed have regulations otherwise, such regulations shall prevail.

Article 282 At the end of each financial year, the Bank shall prepare an annual financial report which shall be examined and verified in a manner prescribed by the laws. At each annual general meeting, the Board shall submit an annual financial report prepared by the Bank in accordance with the relevant laws and regulations to the shareholders.

Article 283 The Board shall make the Bank's legally audited annual financial reports available at the Board office of the Bank 20 days or earlier before the convening of the annual general meeting for inspection by shareholders. Each shareholder of the Bank shall be entitled to obtain the financial reports mentioned in this chapter.

The aforesaid financial reports shall include: the report of the Board along with the balance sheet (including all documents to be attached to balance sheet as required by the laws and regulations) and income statement or income and expenditure statement or abstract of financial report approved by the Hong Kong Stock Exchange (subject to relevant laws and regulations).

Except as otherwise provided in these Articles, the Bank shall send the aforesaid reports to each registered holder of H Shares by pre-paid post at least twenty-one days prior to the convening of the annual general meeting. The address of the recipients shall be the address registered in the share register. For holders of overseas listed foreign shares who meet the requirements of laws and regulations, the notice may be published on the website of the Bank, website of the Hong Kong Stock Exchange and other websites specified by the Hong Kong Listing Rules from time to time.

Article 284 The fiscal year of the Bank shall begin on January 1 and end on December 31 of the Gregorian calendar.

Article 285 The Bank's annual financial report shall include the following:

- (I) a balance sheet;
- (II) a statement of profits;

- (III) a profit distribution statement;
- (IV) cash flow statement; and
- (V) notes to the accounting statements.

Article 286 The Bank shall prepare its financial statements in accordance with PRC accounting standards and regulations; as well as in accordance with international accounting standards or the accounting standards of the overseas listing place. If there are any material differences between the financial statements prepared in accordance with the two accounting standards, such differences shall be stated in the notes to the financial statements. When distributing the after-tax profits for the relevant fiscal year, the Bank shall adopt the one with the lower after-tax profits out of the aforesaid two financial statements.

Article 287 The interim results or financial information published or disclosed by the Bank shall be prepared in accordance with the PRC accounting standards and regulations, as well as the international accounting standards or the accounting standards of the overseas listing place.

Article 288 The Bank shall not establish account books other than the statutory account books. No assets of the Bank may be kept in any account opened in the name of any individual.

Article 289 The after-tax profits of the Bank shall be distributed in the following order of priority:

- (I) to make up for the losses of the previous year;
- (II) to set aside 10% to statutory reserve fund;
- (III) to set aside general (risk) reserve;
- (IV) to set aside discretionary reserve fund; and
- (V) to pay dividends to shareholders.

The Bank shall not be entitled to any distribution of profits in respect of shares held by it.

Article 290 If the accumulated statutory reserve fund of the Bank is more than 50% of the registered capital of the Bank, the statutory reserve fund may be set aside no more. After setting aside the statutory reserve fund, whether or not to set aside any discretionary reserve fund shall be determined at the Shareholders' general meeting. The Bank shall not distribute profits to shareholders before making up for the losses of the Bank and setting aside the statutory reserve fund and general (risk) reserve.

Article 291 Upon the resolution of the Shareholders' general meeting to convert the reserve fund into share capital, new shares shall be distributed according to the original share proportion of shareholders, provided, however, that when the statutory reserve fund is converted to share capital, the balance of the fund shall not be less than 25% of the registered capital.

Article 292 The capital reserve fund shall include:

- (I) the premium resulting from issuance of shares at a price above par value; and
- (II) other revenues required by the competent financial authorities under the State Council to be stated as capital reserve fund.

Article 293 After the profit distribution plan is adopted at the Shareholders' general meeting, the Board of the Bank shall finish distributing dividends (or shares) within 2 months after conclusion of the Shareholders' general meeting.

Article 294 The Bank may distribute dividends in cash or by Shares.

Article 295 Monies paid for any shares before dunning by the Bank shall have interests, but the holders of shares are not entitled to dividends declared subsequently for the prepaid monies.

Article 296 The Bank shall appoint for Shareholders of overseas listed foreign shares receiving agents. The receiving agents shall receive 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 receiving agents appointed by the Bank shall comply with the laws of the locality in which the Bank's shares are listed or the relevant requirements of the stock exchange. The receiving agents appointed by the Bank for Shareholders of H-shares shall be a company which is registered as a trust company under the Trustee Ordinance of Hong Kong.

Article 297 Subject to the laws and regulations, the Bank may exercise the power to seize dividends not claimed, but the said power shall only be exercised after expiry of the applicable validity period after dividend declaration.

The Bank shall have the right to cease delivering dividend notice to the holders of H Shares by mail, but such right can only be exercised after the dividend notice has not been drawn twice consecutively. If a dividend notice fails to reach the expected recipient in the initial mail delivery and is returned, the Bank may exercise the right promptly.

Article 298 Subject to the laws and regulations, the Bank shall have the right to sell the shares of the unreachable holders of H Shares through the methods the Board deems appropriate and subject to the following conditions:

- (I) the Bank has distributed dividends on such shares at least three times in a period of 12 years and the dividends are not claimed by anyone during that period; and

- (II) after the expiration of the twelve-year period, the Bank makes a public announcement in one or more newspapers in the place where the Bank's shares are listed, stating its intention to sell such shares and notifies the securities regulatory authority of the place where the Bank's shares are listed of such intention.

Section II Internal Audit

Article 299 The Bank shall implement 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 300 The internal audit system and the duties of the audit personnel shall be implemented upon approval by the Board. The person in charge of audit shall be responsible to and report works to the Audit and Consumer Rights Protection Committee of the Board.

Section III Appointment of Accounting Firms

Article 301 The Bank shall appoint an independent accounting firm which meets the relevant requirements of the State to audit the Bank's annual financial reports and review the Bank's other financial reports.

Article 302 The appointment of the accounting firm to audit for the Bank shall be determined at the Shareholders' general meeting. The Bank shall not appoint any accounting firm controlled by any related party to audit the Bank.

Article 303 The accounting firm appointed by the Bank shall hold office for one year from the conclusion of the annual general meeting at which it is appointed to the conclusion of the next annual general meeting and may be re-appointed.

Article 304 The accounting firm appointed by the Bank shall be entitled to the following rights:

- (I) to inspect the financial statements, books, records or vouchers of the Bank at any time, and to request the directors, senior management members of the Bank to provide relevant information and explanation;
- (II) to request the Bank to provide other information and explanation as are necessary for the accounting firm to perform its duties, including requesting the Bank to take all reasonable measures to obtain from its subsidiary companies such information and explanation as are necessary for the accounting firm to perform its duties; and
- (III) to attend the Shareholders' general meetings, and to obtain the notice of, and other information relating to, the Shareholders' general meetings which any shareholder is entitled to receive, and to speak at any Shareholders' general meeting in relation to matters concerning its role as the accounting firm appointed by the Bank.

Article 305 If a vacancy occurs on the post of accounting firm, the Board may appoint an accounting firm to fill such vacancy before the convening of the Shareholders' general meeting. Any other accounting firm which has been appointed by the Bank may continue to act during the period during which a vacancy arises. The accounting firm appointed by the Board to fill the vacancy shall be ratified at the Shareholders' general meeting.

Article 306 The remuneration of the accounting firm or the manner in which such firm is to be remunerated shall be determined by the Shareholders' general meeting. The remuneration of the accounting firm appointed by the Board to fill the vacancy shall be determined by the Board and submitted to the Shareholders' general meeting for approval.

Article 307 The appointment, dismissal or non-reappointment of an accounting firm by the Bank shall be determined by the Shareholders' general meeting, and shall be filed with the securities regulatory authorities of the State Council.

The Shareholders' general meeting shall abide by the following provisions when proposing to pass a resolution to appoint an accounting firm which is not currently serving the Bank to fill the vacancy of an accounting firm, or renew the term of office of an accounting firm appointed by the Board to fill the vacancy, or dismiss an accounting firm before the expiry of its term:

- (I) The proposal in relation to the appointment or dismissal shall be delivered prior to the issue of notice of the Shareholders' general meeting to the accounting firm to be appointed, the accounting firm leaving office, or the accounting firm which has left office in the relevant fiscal year. Leaving office includes dismissal, resignation and retirement.
- (II) If an accounting firm leaving office makes a written statement and requests the Bank to inform shareholders of such statement, the Bank shall take the following measures, unless the written statement is received too late: 1. to state in the notice which is issued for the purpose of adopting a resolution that the accounting firm which is leaving office has made a statement; 2. to send a copy of the statement in the form of an attachment to the notice to each shareholder entitled to receive the notice of Shareholders' general meeting in the manner prescribed in these Articles.
- (III) If the Bank fails to dispatch the statement of the relevant accounting firm in accordance with (II) above, the relevant accounting firm may request such statement to be read at the Shareholders' general meeting and may make further appeals.
- (IV) The accounting firm leaving office shall have the right to attend the following meetings: 1. the Shareholders' general meeting at which its term of office would have expired; 2. the Shareholders' general meeting held to fill the vacancy as a result of its dismissal; 3. the Shareholders' general meeting held as a result of its voluntary resignation.

The accounting firm leaving office shall have the right to receive all notices of, or other information relating to, the abovementioned meetings, and may express its views at the aforementioned meetings on matters in relation to its previous appointment as the accounting firm of the Bank.

Article 308 The Bank shall notify the accounting firm 15 days before the dismissal or non-reappointment of such accounting firm. The accounting firm shall have the right to present its views at the Shareholders' general meeting. In the event the accounting firm proposes to resign from its position, it shall explain to the Shareholders' general meeting whether there has been any impropriety on the part of the Bank.

An accounting firm may resign by depositing at the legal address of the Bank a written resignation notice which shall become effective on the date of such deposit or on such later date as stipulated in such notice. Such notice shall contain the following statements:

- (I) a statement to the effect that there are no circumstances in connection with its resignation which it considers should be brought to the notice of the shareholders or creditors of the Bank; or
- (II) a statement of any other circumstances requiring an explanation.

The Bank shall send a copy of the written notice referred to in the preceding paragraph to the relevant regulatory authorities within 14 days upon receipt of such written notice. If the notice contains a statement mentioned in (II) above, a copy of such statement shall be placed at the Bank for inspection by shareholders. The Bank shall also send a copy of such statement by prepaid mail to every holder of overseas listed foreign shares at the address registered in the register of members; or the Bank shall, within the aforesaid period, issue or publish such statement through the website of the stock exchange where the shares of the Bank are listed or on one or more newspapers designated thereby and stipulated in these Articles, subject to compliance with the laws and regulations and Hong Kong Listing Rules.

In the event the accounting firm's notice of resignation contains a statement of any other circumstances requiring an explanation, the accounting firm may require the Board to convene an extraordinary general meeting to allow the accounting firm to explain the circumstances in connection with its resignation.

Article 309 Notwithstanding what was agreed in the contract concluded between an accounting firm and the Bank, the Shareholders' general meeting may, before the term of office of the accounting firm expires, decide to dismiss the accounting firm by way of an ordinary resolution. Such decision shall not affect any right of the accounting firm to claim compensation from the Bank, which arises from its dismissal.

Chapter XI Notice and Announcement

- Article 310** Notice of the Bank shall be given in one of the following ways unless otherwise provided by these Articles:
- (I) by personal delivery;
 - (II) by courier or post;
 - (III) by fax;
 - (IV) by announcement on the newspaper or other media;
 - (V) by announcement on the website designated by the Bank and the securities regulatory authorities at the place where the Bank's shares are listed in accordance with the laws, regulations and rules of the securities regulatory authorities of the place where the Bank's shares are listed;
 - (VI) by other means agreed before between the Bank and the recipient or approved by the recipient upon receipt of notice; and
 - (VII) by other means approved by the securities regulatory authorities of the place where the Bank's shares are listed or specified in these Articles.
- Article 311** Unless otherwise provided by these Articles, where a notice of the Bank is served by announcement, the said notice shall be deemed as received by the relevant persons once the said notice is announced.
- Article 312** Except as otherwise provided in these Articles, notices of meetings of the Board of Directors, its special committees, the Board of Supervisors, and its special committees convened by the Bank shall be delivered in writing by personal delivery, courier, post, fax, and information publishing platforms designated by the Bank.
- Article 313** Unless otherwise provided in these Articles, if the notice of the Bank is sent by personal delivery or by express, the recipient shall affix signature (or seal) on the service return receipt and the signing date shall be the date of service; if the notice is sent by post, the fifth workday after handover to the post office shall be the date of service; if the notice is sent by announcement, the date of first announcement shall be the date of service; if the notice is sent by fax, the date when the fax is sent shall be the date of service. If the notice is sent by the information publishing platform designated by the Bank, the date of publication shall be the date of service.
- Article 314** These Articles do not prohibit any issuance of notice to shareholders registered outside Hong Kong.
- Article 315** Matters that must be announced in accordance with laws and regulations shall be announced in accordance with laws.

Article 316 Subject to laws and regulations and these Articles, as long as the Bank uses electronic form to send or otherwise provide relevant corporate communications to the relevant holders of the Bank's securities, the Bank has complied with any requirement in the Hong Kong Listing Rules for the Bank to send, mail, distribute, issue, publish or otherwise provide any corporate communications; in addition, as long as the Bank's corporate communications are prepared in electronic format, it has already complied with any requirements in the Hong Kong Listing Rules that require the Bank's corporate communications to be in printed form.

Article 317 If the securities regulatory authorities of the place where the Bank's shares are listed stipulate that the Bank shall send, post, distribute, deliver, announce or otherwise provide the related documents of the Bank in English and Chinese, if the Bank has made appropriate arrangement to confirm whether the shareholders hope to receive only the English version or the Chinese version, the Bank may (as per the intent stated by the shareholders) send only the English version or the Chinese version to the related shareholders within the range allowed by the applicable laws and regulations and pursuant to the applicable laws and regulations.

Chapter XII Merger, Division, Dissolution and Liquidation

Section I Merger or Division

Article 318 The Bank may merge or divide according to law. The division and merger of the Bank shall comply with the Company Law, the Law on Commercial Banks and other laws and regulations.

Article 319 In respect of the merger or division of the Bank, the Board shall propose a plan and have it adopted following the procedure specified in these Articles, and go through relevant examination and approval formalities pursuant to laws. Any shareholder objecting to the merger or division of the Bank shall have the right to require the Bank or the shareholders approving the merger or division of the Bank to purchase his/her shares at a fair price. The resolution of merger or division of the Bank shall be made as a special document for inspection by shareholders. For holders of H Shares, the Bank shall deliver the aforementioned documents by mail.

Article 320 Merger of the Bank may be in two forms: merger by absorption and merger by consolidation.

Article 321 The merger or division of the Bank shall be handled in accordance with the following procedures:

- (I) The Board draws up a merger or division plan;
- (II) The Shareholders' general meeting makes a resolution in accordance with the provisions of these Articles;
- (III) The parties sign a merger or division contract;
- (IV) Going through relevant approval procedures in accordance with law;

- (V) Dealing with various matters relating to mergers or divisions such as claims and debts; and
- (VI) Going through registration for dissolution or change.

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

Article 323 Where the Bank is divided, its properties shall be divided accordingly. In the event of division of the Bank, the parties concerned shall conclude a division agreement and prepare balance sheets and property inventories. The Bank shall notify its creditors within 10 days after adoption of the division resolution and shall make announcements in newspapers within 30 days.

Article 324 In the event of merger or division of the Bank, the Board of the Bank shall take necessary action to protect the legitimate rights and interests of the shareholders who are opposed to the merger or division of the Bank.

Article 325 The assets, claims and debts of the parties to the merger or division of the Bank shall be specified in contracts.

After merger of the Bank, the claims and debts of parties to the merger shall be inherited by the company subsisting after merger or by the newly established company.

The companies after division shall bear the debts of the Bank before division according to the agreement reached.

Article 326 Change in registered particulars arising from a merger or division of the Bank shall be registered with the company registration authority according to law. If the Bank is dissolved, it shall be deregistered according to law. If a new company is established, such establishment shall be registered according to law.

Section II Dissolution and Liquidation

Article 327 The Bank shall be dissolved and liquidated according to law in any of the following circumstances:

- (I) if the Shareholders' general meeting resolves to do so;
- (II) if a dissolution is necessary as a result of a merger or division;
- (III) if the Bank is declared bankruptcy according to law because it is unable to pay its debts when they fall due;

- (IV) if the Bank is ordered to close due to violation of laws and regulations;
- (V) if the Bank gets into serious trouble in operations and management and continuation may incur material losses to the interests of the shareholders, and no solution can be found through any other channel, the shareholders holding more than 10% of the total voting rights of all the shareholders of the Bank may request the people's court to dissolve the Bank; and
- (VI) the term of operation specified in these Articles expires or any other circumstance for dissolution specified in these Articles arises.

The Bank's liquidation and dissolution matters shall comply with the requirements of the Company Law, the Commercial Banking Law and the exchange where the Bank's securities are listed, and shall be approved by relevant regulatory authorities, if required.

Article 328 Where the Bank is dissolved pursuant to (I), (V) and (VI) of the preceding article, a liquidation committee shall be set up within 15 days and the members thereof shall be decided by an ordinary resolution at a Shareholders' general meeting. If no liquidation committee is established after the said timeframe, the creditors may apply to the people's court for appointment of relevant persons to establish a liquidation committee to commence liquidation.

Where the Bank is dissolved pursuant to (II) of the preceding article, the liquidation work shall be handled by the parties to the merger or division in accordance with the contract signed at the time of the merger or division.

Where the Bank is dissolved pursuant to (III) of the preceding article, a liquidation committee comprising shareholders, relevant authorities and professionals shall be established by the people's court in accordance with relevant laws to carry out the liquidation.

Where the Bank is dissolved pursuant to (IV) of the preceding article, the relevant competent authorities shall organize shareholders, relevant authorities and relevant professionals to set up a liquidation committee for liquidation.

Article 329 After the establishment of the liquidation committee, the functions and powers of the Board and the president shall immediately be ceased. During the liquidation period, the Bank shall not carry out new business activities.

Article 330 If the Board 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 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 12 months following the commencement of the liquidation.

After the resolution on liquidation is adopted at the Shareholders' general meeting, the functions and powers of the Board of the Bank shall be terminated immediately.

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

Article 331 During liquidation, the liquidation committee shall exercise the following functions and powers:

- (I) to inform creditors by notice or announcement;
- (II) to liquidate the assets of the Bank and prepare a balance sheet and a property inventory separately;
- (III) to deal with the outstanding businesses of the Bank relating to liquidation;
- (IV) to pay off the outstanding taxes;
- (V) to settle creditor's rights and debts;
- (VI) to dispose of the remaining assets of the Bank after repayment of debts;
and
- (VII) to represent the Bank in civil proceedings.

Article 332 The liquidation committee shall notify the creditors within 10 days after its establishment and shall make announcements in newspapers within 60 days.

Article 333 The creditors shall declare their creditor's rights to the liquidation committee within 30 days after receipt of the notice or within 45 days after announcement if the creditors have not received the notice. When declaring their creditor's rights, the creditors shall explain matters relating to their rights and provide relevant evidential documents. The liquidation committee shall register the creditor's rights.

Article 334 After the liquidation committee has liquidated the assets of the Bank and prepared a balance sheet and a property inventory, it shall formulate a liquidation proposal and submit it to the Shareholders' general meeting or the relevant competent authorities for confirmation.

Article 335 The assets of the Bank shall be liquidated in the following order of priority:

- (I) to pay liquidation expenses;
- (II) to pay employees' salaries, social insurance expenses and statutory compensations of the Bank;
- (III) to pay principal and interests of personal savings deposits;
- (IV) to pay outstanding taxes;

- (V) to pay debts of the Bank; and
- (VI) to distribute as per the types of the shares held by the Shareholders and their shareholding percentages.

Before liquidation as specified in (I) to (V) of the preceding paragraphs, the assets of the Bank shall not be distributed to shareholders.

Article 336 In the event of liquidation due to dissolution of the Bank, after the liquidation committee has liquidated the assets of the Bank and prepared a balance sheet and a property inventory, if it discovers that the Bank's assets are insufficient to repay its debts in full, it shall apply to the people's court to declare bankruptcy upon the approval of the banking regulatory authority. Once the people's court makes a ruling declaring the Bank bankruptcy, the liquidation committee shall hand over the liquidation matters to the people's court.

Article 337 After completion of liquidation, the liquidation committee shall prepare a liquidation report and income and expenditure statements and account books in respect of the liquidation period and, after verification of the Chinese certified public accountants, shall submit the same to the Shareholders' general meeting or the relevant competent authority for confirmation.

The liquidation committee shall, within 30 days after obtaining confirmation on the liquidation report from the Shareholders' general meeting or the relevant competent authority, submit the aforesaid documentation to the company registration authority, and apply to cancel registration of the Bank and announce termination of the Bank.

Article 338 Members of the liquidation committee shall faithfully perform their duties and carry out their liquidation obligations according to the laws, and shall not abuse their official powers to seek bribes or other illegal income or expropriate the properties of the Bank.

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

Chapter XIII Amendments to these Articles

Article 339 The Bank may amend these Articles in accordance with the provisions of laws and regulations and these Articles.

Article 340 The Bank shall amend these Articles in any of the following circumstances:

- (I) after the Company Law or other relevant laws and regulations are amended, if any term contained in these Articles becomes inconsistent with the mandatory provisions of the amended laws and regulations;
- (II) the conditions of the Bank have changed, and such change is inconsistent with matters contained in these Articles; and

(III) the Shareholders' general meeting decides to amend these Articles.

Article 341 If any amendment approved by the Shareholders' general meeting to these Articles requires approval of the competent authorities, it shall be submitted to the original competent authority for approval; if the amendment involves registration of the company, the involved change shall be registered pursuant to law.

Article 342 The Board shall amend these Articles in accordance with the resolution to amend these Articles passed at the Shareholders' general meeting and examination and approval opinions from relevant competent authorities. If the Bank changes its name, domicile, equity, registered capital or business scope, it shall modify the corresponding articles of these Articles within six months after the decision of the competent authorities and report to the China Banking and Insurance Regulatory Commission.

Article 343 Where the amendments to these Articles constitute information that shall be disclosed under the laws and regulations, the Bank shall disclose such amendments according to the regulations.

Article 344 Any amendment approved by the Shareholders' general meeting to these Articles shall be submitted to the competent authorities for approval; if the amendment involves registration of the company, the involved change shall be registered pursuant to law.

Chapter XIV Settlement of Disputes

Article 345 The Bank shall observe the following rules for settlement of disputes:

- (I) Where any disputes or claims arise between a holder of overseas listed foreign shares and the Bank; between a holder of overseas listed foreign shares and a Director, Supervisor or senior management member of the Bank; or between a holder of overseas listed foreign shares and a holder of domestic shares, in relation to the Bank's business and arising from the rights and obligations under the Articles of Association, the Company Law and other relevant laws and administrative regulations, the parties concerned shall submit such disputes or claims to arbitration.
- (II) The aforesaid disputes or claims submitted to arbitration shall be the entire claims or disputes; all the persons who complain for the same reason or persons whose participations are required for the settlement of such disputes or claims shall, if they are in the capacity of the Bank or the Bank's Shareholders, Directors, Supervisors or senior management members, comply with the result of the arbitration.
- (III) Disputes with respect to the definition of Shareholders and disputes concerning the register of Shareholders need not to be resolved by arbitration.

- (IV) The applicant for arbitration may choose 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 the applicant for arbitration submits a dispute or claim to arbitration, the other party must carry out the arbitration at the arbitration institution selected by the applicant. If the applicant for arbitration 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.
- (V) For the arbitration of any disputes or claims described in item (I) under this Article, the laws of the PRC shall apply, unless otherwise provided in the laws and administrative regulations.
- (VI) The decision made by the arbitral body shall be final and binding on all parties.

Chapter XV Supplementary Provisions

- Article 346** These Articles are written in Chinese. In case of any inconsistency between these Articles and the Articles of Association in any other language or of different versions, the latest Chinese version of the Articles of Association approved by and registered with the administrative authority for Industry and Commerce shall prevail.
- Article 347** Except as otherwise provided herein, for the purpose of these Articles, references to “above”, “within”, “below”, “before”, and “expiry” shall include the actual figures, while references to “less than”, “other than”, “short of”, “more than”, “lower than”, “exceeding”, and “over” shall exclude the actual figures.
- Article 348** The meaning of the “accounting firm” mentioned in these Articles is the same as that of “auditors” as referred to in the Hong Kong Listing Rules.
- Article 349** “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.
- Article 350** After adoption by the Shareholders’ general meeting and approval by the banking regulatory authorities, these Articles shall become effective from the date of listing of the H Shares publicly offered by the Bank on the Hong Kong Stock Exchange. The original Articles of Association of the Bank shall automatically become invalid from the date when these Articles take into effect.
- Article 351** The Board of the Bank shall be responsible for the interpretation of these Articles.