

Articles of Association of Industrial and Commercial Bank of China Limited

(Adopted at founding meeting of Industrial and Commercial Bank of China Limited and the first general meeting of shareholders on October 25, 2005; approved by China Banking Regulatory Commission on October 26, 2005; revised at 3rd extraordinary general meeting of shareholders in 2006 of Industrial and Commercial Bank of China Limited on June 13, 2006; approved by China Banking Regulatory Commission on July 14, 2006; revised at the 4th extraordinary general meeting of shareholders in 2006 of Industrial and Commercial Bank of China Limited on July 31, 2006; approved by China Banking Regulatory Commission on September 5, 2006; revised based on the authorization of related resolution of the 2nd extraordinary general meeting of shareholders in 2006 of Industrial and Commercial Bank of China Limited on December 6, 2006; approved by China Banking Regulatory Commission on February 3, 2007; revised at the annual general meeting of shareholders for the year 2008 of Industrial and Commercial Bank of China Limited on May 25, 2009; and approved by China Banking Regulatory Commission on August 28, 2009; revised based on the respective authorizations of related resolutions of the annual general meeting of shareholders for the year 2009, the 2nd extraordinary general meeting of shareholders in 2010, the 1st A shareholders class meeting in 2010 and the 1st H shareholders class meeting in 2010 of Industrial and Commercial Bank of China Limited and the results of issuances of A share convertible corporate bonds and rights issue on January 5, 2011; approved by China Banking Regulatory Commission on February 17, 2011; revised based on the authorization of related resolution of the 2nd extraordinary general meeting of shareholders in 2012 of Industrial and Commercial Bank of China Limited on November 5, 2012; approved by China Banking Regulatory Commission on February 20, 2013.)

The English version is for reference only. Should there be any inconsistency between the English and Chinese versions, the latter shall prevail.

Table of Contents

CHAPTER 1 GENERAL PROVISIONS	1
CHAPTER 2 PURPOSE AND SCOPE OF BUSINESS.....	3
CHAPTER 3 SHARES AND REGISTERED CAPITAL.....	4
SECTION 1 ISSUING OF SHARES.....	4
SECTION 2 INCREASE AND REDUCTION OF SHARES AND THEIR REDEMPTION	5
SECTION 3 SHARE TRANSFER.....	8
CHAPTER 4 FINANCIAL AID FOR PURCHASE OF SHARES OF THE BANK.....	9
CHAPTER 5 SHARE CERTIFICATE AND REGISTER OF SHAREHOLDERS.....	10
CHAPTER 6 SHAREHOLDERS AND GENERAL MEETING OF SHAREHOLDERS.....	13
SECTION 1 SHAREHOLDERS.....	13
SECTION 2 GENERAL MEETING OF SHAREHOLDERS	17
SECTION 3 RESOLUTIONS OF GENERAL MEETING OF SHAREHOLDERS	23
CHAPTER 7 SPECIAL PROCEDURES FOR THE VOTING OF CLASSIFIED SHAREHOLDERS	27
CHAPTER 8 DIRECTORS AND BOARD OF DIRECTORS	29
SECTION 1 DIRECTORS	29
SECTION 2 INDEPENDENT DIRECTORS.....	31
SECTION 3 BOARD OF DIRECTORS.....	35
SECTION 4 SECRETARY OF THE BOARD OF DIRECTORS	41
SECTION 5 SPECIAL COMMITTEES OF THE BOARD OF DIRECTORS	42
CHAPTER 9 PRESIDENT AND OTHER SENIOR MANAGEMENT PERSONNEL	46
CHAPTER 10 SUPERVISORS AND THE BOARD OF SUPERVISORS	48
SECTION 1 SUPERVISORS	48
SECTION 2 EXTERNAL SUPERVISORS	49
SECTION 3 THE BOARD OF SUPERVISORS	50
SECTION 4 SPECIAL COMMITTEES OF THE BOARD OF SUPERVISORS	53
CHAPTER 11 QUALIFICATIONS, OBLIGATIONS AND INCENTIVE MECHANISM FOR DIRECTORS, SUPERVISORS, PRESIDENT AND OTHER SENIOR MANAGEMENT PERSONNEL.....	54

CHAPTER 12	FINANCIAL AND ACCOUNTING SYSTEM AND PROFIT DISTRIBUTION ...	60
CHAPTER 13	INTERNAL AUDIT	63
CHAPTER 14	ENGAGEMENT OF ACCOUNTING FIRMS	63
CHAPTER 15	INFORMATION DISCLOSURE	66
CHAPTER 16	EMPLOYEES MANAGEMENT	66
CHAPTER 17	MERGER, DIVISION, BANKRUPTCY, DISSOLUTION AND LIQUIDATION.	67
CHAPTER 18	NOTICE	70
CHAPTER 19	AMENDMENTS TO THE ARTICLES.....	71
CHAPTER 20	SETTLEMENT OF DISPUTES	71
CHAPTER 21	SUPPLEMENTARY PROVISIONS	72

Articles of Association of Industrial and Commercial Bank of China Limited

Chapter 1 General Provisions

Article 1 For the purpose of protecting the legitimate rights and interests of Industrial and Commercial Bank of China Limited (hereinafter referred to as the “Bank”), its shareholders and creditors, and of standardizing the organization and activities of the Bank, the Articles of Association of the Bank (hereinafter referred to as the “Articles”) are hereby formulated in accordance with the *Company Law of the People’s Republic of China* (hereinafter referred to as the “Company Law”), *Securities Law of the People’s Republic of China* (hereinafter referred to as the “Securities Law”), *Law of the People’s Republic of China on Commercial Banks* (hereinafter referred to as the “Commercial Banking Law”), *Special Regulations of the State Council concerning the Offering and Listing of Shares Overseas by Joint Stock Limited Companies* (hereinafter referred to as the “Special Regulations”), *Mandatory Provisions for Articles of Association of Companies Listing Abroad* (hereinafter referred to as the “Mandatory Provisions”) and *Guidelines on Articles of Association of Listed Companies* (hereinafter referred to as the “Guidelines”) as well as other relevant laws, administrative regulations and rules.

Article 2 The Bank was originally a wholly state-owned commercial bank founded on January 1, 1984 according to the approval of G.F. [1983] No. 146 document issued by the State Council. The Bank has been approved under Y.J.F. [2005] No. 272 document of the China Banking Regulatory Commission (hereinafter referred to as the “CBRC”) to be restructured wholly as a joint stock limited company and to succeed all the assets, liabilities and businesses of the former Industrial and Commercial Bank of China. The Bank has undertaken registration of changes with the State Administration for Industry and Commerce and obtained its new business license with the license number of 100000000003965 on October 28, 2005.

Article 3 Registered name of the Bank: 中国工商银行股份有限公司 or 中国工商银行
银行 for short;
English name: INDUSTRIAL AND COMMERCIAL BANK OF CHINA
LIMITED
or INDUSTRIAL AND COMMERCIAL BANK OF CHINA for short.
The English abbreviation is ICBC.

Article 4 Domicile of the Bank:
55 Fuxingmennei Street, Xicheng District, Beijing, 100140.
Telephone number: 86-10-6610 8608
Fax number: 86-10-6601 8522

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

Article 6 The legal representative of the Bank shall be the chairman of its board of directors.

Article 7 The Articles shall come into force on the date when approval from the banking regulatory authority of the State Council is granted. The original articles of the Bank shall become null and void automatically from the date on which the Articles become effective.

The Articles shall be a legally binding document that regulates the organization and acts of the Bank as well as the rights and obligations between the Bank and its shareholders and among the shareholders from the date when it becomes effective.

Article 8 The Articles shall be binding upon the Bank, its shareholders, directors, supervisors, presidents and other senior management personnel. The aforesaid personnel may claim their rights in relation to the Bank in accordance with the Articles.

According to the Articles, the shareholders shall have the right to take legal proceedings against the Bank; the Bank shall have the right to take legal proceedings against its shareholders; the shareholders shall have the right to take legal proceedings against other shareholders; and the shareholders shall have the right to take legal proceedings against directors, supervisors, presidents and other senior management personnel of the Bank.

The “legal proceedings” referred to in the previous item shall include filing suits to a court or applying for arbitration to an arbitration organization.

Article 9 The total capital of the Bank shall be divided into shares of equal value. The respective liability of the shareholders shall be limited to the shares held by them. The Bank shall be held liable for its debts with all its assets.

Article 10 In light of the need for business development and subject to approval of the banking regulatory authority of the State Council, the Bank may set up, change or cancel, according to laws, administrative regulations, rules and the Articles, such entities including but not limited to branches (branch companies), bank subsidiaries (subsidiary companies) and representative offices in China and abroad. Except the bank subsidiaries (subsidiary companies), other such entities shall not have the independent legal personality and shall carry out their operations within the authority granted by the Bank and be uniformly managed by the Bank.

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

- (1) The Bank has, directly or through its bank subsidiaries (subsidiary companies), owned more than half of the voting rights of shareholders’ meeting (the general meeting of shareholders) of the invested legal person corporation;
- (2) The Bank has owned half or less than half of the voting rights of shareholders’ meeting (the general meeting of shareholders) of the invested legal person

corporation, but has met one of the following conditions:

- (i) the Bank has owned more than half of the voting rights of the invested legal person corporation through agreement with other investors of the invested legal person corporation;
- (ii) the Bank has the right to decide the financial and operational policies of the invested legal person corporation based on the articles of association of the invested legal person corporation or other relevant investment agreements;
- (iii) the Bank has the right to appoint or dismiss more than half of the members of the board of directors or similar organ of the invested legal person corporation;
- (iv) the Bank has owned more than half of the voting rights at the board of directors or similar organ of the invested legal person corporation.

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

Article 11 The Bank may invest in other limited liability companies, joint stock limited companies and other legal persons and shall assume responsibilities to the invested corporation with limitation to its capital contribution or shares held.

Article 12 For the purpose of the Articles, “senior management personnel” shall include president, vice president, executive directors, board secretary, chief risk officer, chief financial officer and other senior management personnel appointed by board of directors.

Chapter 2 Purpose and Scope of Business

Article 13 The purpose of the Bank is to pursue a customer-focus and market-oriented policy, carry out operational activities in compliance with laws and regulations, strengthen internal control, improve corporate governance, provide customers with excellent services, create best returns for shareholders, continuously enhance operational performance and enterprise value and facilitate economic development and social progress.

Article 14 The business scope of the Bank covers RMB deposits and loans; inter-bank loans; domestic and overseas settlement; acceptance, discount and re-discount of bills; all kinds of exchange businesses; proxy for funds clearance; provision of L/C service and guarantee; proxy for distribution; proxy for issuance, proxy for underwriting, proxy for honoring of government bonds; collection and payment proxy services; proxy for securities funds clearance (Bank-Securities Transfer); proxy for insurance by-business; proxy for loans businesses of policy banks, foreign governments and international financial organizations; safety-deposit box service; issuance of financial bonds; transaction of government bonds and financial bonds; custodian of securities investment funds and enterprise annuity; management of deposited enterprise annuity and annuity account; registration, subscription, application and redemption of open-end funds; credit investigation, enquiry and attestation ; loans commitment; financial consultant service for enterprises and individuals; organizing or participating in syndicated loans; foreign exchange deposits; foreign exchange loans; foreign currency exchange; export collection and import collection; acceptance and discount of foreign exchange instruments; foreign exchange lending; foreign exchange guarantee;

issuance or proxy for issuance, transaction or proxy for transaction of securities in foreign currency except the stock; foreign exchange transactions of self-operation or on behalf of customers; foreign exchange financial derivative business; bank cards business; telephone banking, online banking, and mobile phone banking businesses; foreign exchange settlement and sales; and other businesses as approved by the banking regulatory authority of the State Council.

Chapter 3 Shares and Registered Capital

Section 1 Issuing of Shares

Article 15 The Bank shall have ordinary shares. It may have other kinds of shares if necessary, upon approval of the authorities authorized by the State Council.

Article 16 All the shares issued by the Bank shall have a par value and each share shall bear a par value of RMB 1.

Article 17 Upon approval of the banking regulatory authority of the State Council, the securities regulatory authority of the State Council and other relevant regulatory authorities, the Bank may issue shares to domestic investors and overseas investors.

The “overseas investors” aforesaid shall mean the investors from foreign countries or from Hong Kong, Macao and Taiwan who have subscribed the shares issued by the Bank. The “domestic investors” shall mean the investors other than those mentioned above who have subscribed the shares issued by the Bank and are located within People’s Republic of China ((hereinafter referred as the PRC).

Article 18 Shares issued by the Bank to the domestic investors which are subscribed in RMB shall be referred to as “domestic investment shares”. Shares issued by the Bank to the overseas investors which are subscribed in foreign currency shall be referred to as “foreign investment shares”. Foreign investment shares that are listed abroad shall be referred to as “overseas listed foreign shares”.

Shares that are approved offering by the authorities authorized by the State Council, and listed at domestic stock exchange upon the approval of the stock exchange shall be of the same category and collectively referred to as “domestic listed shares”; and shares that are approved offering by the authorities authorized by the State Council and listed at overseas stock exchange upon the approval of the stock exchange shall be of the same category and collectively referred to as “overseas listed shares”.

Article 19 Upon the approval of the authorities authorized by the State Council, as at 30 June 2012, the total amount of ordinary shares that the Bank may issue is 349,321,234,595. The number of shares issued to the promoters when the Bank was being restructured and incorporated as a joint stock limited company is 248,000,000,000 shares, representing 70.99% of the total ordinary shares that the Bank may issue.

Article 20 After being restructured and incorporated as a joint stock limited company, and upon the completion of the initial public issuance of domestic listed shares and overseas

listed shares, the Bank shall issue 86,018,850,026 ordinary shares, including 71,068,850,026 overseas listed shares, representing 21.28% of the total ordinary shares that the Bank may issue, and the Bank shall issue 14,950,000,000 domestic listed shares to the public.

In 2010, the Bank publicly issued convertible corporate bonds with a total nominal value of RMB 25,000,000,000 in aggregate and a term of 6 years. The holders of the convertible corporate bonds may exercise the conversion right according to the terms of the convertible corporate bonds during the period commencing from 1 March 2011 and ending on 31 August 2016.

In 2010, the Bank issued 14,999,695,801 ordinary shares, including 11,262,153,213 domestic listed shares and 3,737,542,588 overseas listed shares, pursuant to the rights issue.

As at 30 June 2012, the composition of the Bank's share capital shall be: 349,321,234,595 ordinary shares, of which the promoter Ministry of Finance of the People's Republic of China shall hold 123,316,451,864 domestic listed shares, the promoter Central Huijin Investment Ltd. shall hold 123,751,449,674 domestic listed shares, other shareholders of domestic listed shares shall hold 15,459,288,507 shares, and the shareholders of overseas listed shares shall hold 86,794,044,550 shares.

Article 21 After the Bank's plan on issuing overseas listed shares and domestic listed shares being approved by the securities regulatory authority of the State Council, the board of directors of the Bank may arrange for implementation of such plan by means of separate issuing.

The Bank's plans on issuing overseas listed shares and domestic listed shares separately in accordance with the provision aforesaid may be implemented respectively within fifteen (15) months upon the date of approval by the securities regulatory authority of the State Council.

Article 22 Where the Bank issues the overseas listed shares and domestic listed shares within the total shares defined in the issuance plan, every such issue of shares shall be fully subscribed at one time. Where special circumstances make it impossible for full subscription at one time, the shares may be issued in several stages, subject to approval of the securities regulatory authority of the State Council.

Article 23 The issuing of shares shall be conducted on the principle of fairness and justness, each share of the same category bearing equal rights.

The issuing conditions and price for each share of the same category issued at the same time shall be the same. The same price shall be paid by any entities or individuals to subscribe for each share.

Article 24 The registered capital of the Bank shall be RMB 349,321,234,595.

Section 2 Increase and Reduction of Shares and Their Redemption

Article 25 Upon the demands of operation and business development and in accordance with relevant laws and regulations, the Bank may, subject to resolutions of the general

meeting of shareholders and approval of relevant competent authorities, increase its registered capital in the following ways:

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

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

Article 26 The Bank may reduce its registered capital in accordance with the provisions of the Articles.

The Bank shall prepare a balance sheet and a detailed inventory of assets when it is to reduce its registered capital.

The Bank shall notify its creditors within ten (10) days of adopting the resolution to reduce its registered capital and shall publish an announcement of the resolution in newspaper at least three (3) times within thirty (30) days. Creditors shall, within 30 days of receiving a written notice or within 90 days since the date of the first public announcement for those who have not received a written notice, be entitled to require the Bank to repay its debts in full or to provide a corresponding guarantee for repayment.

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

Article 27 After being approved under the procedures stipulated by the Articles and obtaining approvals from relevant competent authorities of the State, the Bank may repurchase its shares in the following circumstances:

- (1) canceling shares for the purpose of reducing the registered capital of the Bank;
- (2) merging with any other companies holding shares of the Bank;
- (3) giving the shares to employees of the Bank as a reward;
- (4) being requested to repurchase the shares held by the shareholders who object to the resolutions adopted at the general meeting of shareholders concerning merger and division of the Bank;
- (5) other circumstances permitted by laws, administrative regulations and rules.

Where the Bank repurchases its shares under circumstance (1), it shall cancel the shares within ten (10) days from the date of repurchase. Where the Bank repurchases its shares under circumstances (2) and (4), it shall transfer or cancel the shares within six (6) months.

The shares repurchased under circumstance (3) shall not exceed five percent (5%) of the total issued shares of the Bank. The funds for repurchase shall be paid from the after-tax

profits of the Bank. The shares redeemed shall be transferred to the employees within one (1) year.

Article 28 The Bank may repurchase its shares in any of the following ways after being approved by relevant competent authorities of the State:

- (1) making a repurchase offer pro rata to all shareholders;
- (2) repurchase by means of open transaction at a stock exchange;
- (3) repurchase by means of contractual agreement outside a stock exchange;
- (4) other methods as permitted by relevant competent authorities or by laws and administrative regulations.

Article 29 When the Bank is to repurchase shares by a contractual agreement outside a stock exchange, prior approval shall be obtained from the general meeting of shareholders in accordance with the procedures provided in the Articles. Upon the prior approval of the general meeting of shareholders in the same way, the Bank may rescind or change the contract concluded in the manner set forth above or waive any of its rights under such contract.

For the purposes of the above paragraph, contracts for the share redemption shall include (but not limited to) agreements whereby redemption obligations are undertaken and redemption rights are acquired.

The Bank shall not assign the contracts for share redemption or any of its rights hereunder.

Article 30 The Bank shall apply for the registration of registered capital change to the Administration for Industry and Commerce when the Bank repurchases its shares and cancels such shares.

The amount of the Bank's registered capital shall be reduced by the total par value of the shares cancelled.

Article 31 Unless the Bank has already entered into the liquidation stage, it shall comply with the following stipulations when repurchasing its issued and outstanding shares:

- (1) Where the Bank repurchases its shares at the par value, the amount thereof shall be deducted from the book balance of the distributable profits of the Bank and the proceeds from the new shares to be issued for purpose of repurchasing the original shares;
- (2) Where the Bank repurchases its shares at a price higher than the par value, the portion corresponding to the par value shall be deducted from the book balance of the distributable profits of the Bank and the proceeds from the new shares issuance for purpose of repurchasing the original shares. The portion beyond the par value shall be handled in accordance with the following methods:
 - (i) Where the shares repurchased are issued at the par value, such portion shall be deducted from the book balance of the distributable profits of the Bank;
 - (ii) Where the shares repurchased are issued at a price higher than the par value, such portion shall be deducted from the book balance of the distributable

profits of the Bank and the proceeds from the new shares issuance for purpose of repurchasing the original shares. However, the amount deducted from the proceeds from the new shares issuance shall neither exceed the total premium of the original shares issuance, nor exceed the balance of the Bank's capital reserve account (including the premium from the new shares issuance) at the redemption;

- (3) The payment for the following purposes by the Bank shall be paid from the Bank's distributable profits:
- (i) obtaining the right to repurchase its shares;
 - (ii) modifying any contract concerning shares repurchase;
 - (iii) relieving itself from its obligations under any repurchase contract;
- (4) After the total par value of the shares cancelled is deducted from the registered capital of the Bank in accordance with relevant regulations, the amount deducted from the distributable profits and used to repurchase the shares at the par value shall be included in the capital reserve account of the Bank.

If there are other stipulations with respect to the aforementioned repurchases and the accounting treatment of the same required by laws, administrative regulations and rules or relevant regulations of securities regulatory authorities of the locality where shares of the Bank are listed, these stipulations shall prevail.

Section 3 Share Transfer

Article 32 Unless otherwise specified by laws, administrative regulations and rules or relevant regulations of securities regulatory authorities of the locality where shares of the Bank are listed, the shares of the Bank may be transferred freely without any lien attached. To transfer the overseas listed shares listed in Hong Kong, the transferor shall deal with the registration procedures at the Hong Kong stock registration organization appointed by the Bank.

Article 33 All full-paid overseas listed shares listed in Stock Exchange of Hong Kong Limited (hereinafter referred as SEHK) may be freely transferred in accordance with the Articles. However, the board of director may refuse to recognize any transfer documents without stating any reason unless the following conditions are met:

- (1) transfer documents and other documents that are related to any share ownership or may affect such share ownership shall be registered and fees and charges regarding registration as specified in the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited* (hereinafter referred to the "Listing Rules") shall be paid to the Bank;
- (2) transfer documents only involve the overseas listed shares that are listed in SEHK;
- (3) the stamp duty as required by laws of Hong Kong has been paid for transfer documents;
- (4) relevant stocks, as well as the evidence reasonably required by the board of

- director certifying that the transferor has the right to transfer the shares, shall be provided;
- (5) if shares are to be transferred to joint holders, the number of shareholders jointly registered shall not exceed four (4);
 - (6) relevant shares of the Bank are not attached to any lien.

If the board of director refuses to register the shares transfer, the Bank shall send a notice concerning refusal to register such shares transfer to the transferor and the transferee within two (2) months from the date on which the transfer application is officially filed.

Article 34 For all transfers of the overseas listed shares that are listed in Hong Kong, the written transfer documents in general or ordinary form or in a form accepted by the board of director shall be adopted. The written transfer document may be signed by hand. If the shareholders are the authorized clearing house as defined in the Securities and Futures Ordinance of Hong Kong or its proxy, the written transfer document may be signed in the machine printing form.

Article 35 The Bank shall not accept any pledge with its shares as the objectives.

Chapter 4 Financial Aid for Purchase of Shares of the Bank

Article 36 The Bank or the bank subsidiaries (subsidiary companies) shall not offer any financial aid at any time by any means to purchasers or prospective purchasers of the Bank's shares. Such purchasers of the Bank's shares as mentioned above shall include those who directly or indirectly assume the obligations due to purchase of the shares of the Bank.

The Bank or the bank subsidiaries (subsidiary companies) shall not offer any financial aid at any time by any means in order to reduce or relieve the obligations of the aforesaid purchasers due to their purchase or intention of purchase of the shares of the Bank. This clause does not apply to the circumstances as defined in Article 38 of this chapter.

Article 37 The "financial aid" referred to in this chapter shall include but not limited to the following means:

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

The obligations referred to in this chapter shall include the obligations of the obligator by signing a contract or making an arrangement or changing its financial status in any other

ways, regardless of whether or not the aforesaid contract or arrangement is enforceable, or whether or not such obligations are assumed by the obligator individually or jointly with other persons.

Article 38 The following acts shall not be deemed as the acts forbidden under Article 36 of this chapter:

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

Chapter 5 Share Certificate and Register of Shareholders

Article 39 The shares of the Bank shall be in registered form.

Share certificate shall state the following major items:

- (1) the name of the Bank;
- (2) the incorporation date of the Bank;
- (3) the category of the share, par value, and the number of shares represented by the certificate;
- (4) the serial number of the share certificate; and
- (5) other items that should be stated pursuant to the Company Law and regulations of securities regulatory authorities of the locality where the Bank's shares are listed.

The overseas listed shares issued by the Bank may adopt the foreign depository receipt or other derivative forms of share certificate in accordance with the laws of the locality of listing and the practices for securities registration and deposit.

Article 40 The share certificate shall be signed by the chairman of the board. Where the signatures of the president or other senior management personnel of the Bank are required by the securities regulatory authorities of the locality where the Bank's shares are listed, the share certificate shall also be signed by the president or such other senior management personnel. The signature of the chairman of the board, the president or other senior management personnel on the share certificates may also be in printed form.

The share certificate of the Bank shall come into force after the Bank seal is affixed thereto or printed thereon. Affixing the seal of the Bank on the share certificates shall be authorized by the board.

Stipulations of the securities regulatory authority of the locality where the Bank's shares are listed shall be applicable in the case where shares of the Bank are issued and transacted in a paperless manner.

Article 41 The names of shareholders of the Bank, as well as the following items, shall be recorded in the register of shareholders:

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

Unless proved to the contrary, the register of shareholders is the sufficient proof showing that the shareholder holds the shares of the Bank.

Article 42 The Bank may deposit the register of shareholders of the overseas listed shares abroad and entrust a foreign proxy to manage it in accordance with the understanding and agreement reached between the securities regulatory authority under the State Council and the overseas securities regulatory authorities.

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

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

Article 43 The Bank shall keep a complete register of shareholders.

The register of shareholders shall include the following parts:

- (1) a register of shareholders deposited at the domicile of the Bank other than those as defined in Items (2) and (3) of this Article;
- (2) the register of shareholders of the overseas listed shares of the Bank kept at the locality of the overseas stock exchange; the original register of shareholders of the overseas listed shares of the Bank that are listed in SEHK shall be kept in Hong Kong;
- (3) the register of shareholders kept in such other places as the board of directors may decide necessary for listing purposes.

Article 44 Each part of the register of shareholders shall not overlap each other. In case of the transfer of certain registered shares in the register of shareholders, such shares shall not be registered into other parts of the register of shareholders during the period of

continued existence of such shares.

Change or correction of each part of the register of shareholders shall be conducted in accordance with laws of the locality where each part of the register of shareholders is deposited.

Article 45 Registration of change in the register of shareholders due to shares transfer shall not be allowed within thirty (30) days before the general meeting of shareholders is held or within five (5) days prior to the base day on which the Bank decides to distribute dividends.

Other rules stipulated by the securities regulatory authority of locality where the Bank's shares are listed shall prevail.

Article 46 If the Bank intends to hold general meeting of shareholders, distribute dividends, conduct liquidation or other activities where the equity interests need to be confirmed, the board of directors or the convener of the general meeting of shareholders shall decide the date of record. When the date of record expires, the shareholders in the register shall be the ones who have rights to participate in the above matters.

Article 47 Anyone who has dissidence over the register of shareholders and requests to register his/her name in the register of shareholders or to delete his/her name from the register of shareholders may apply to the competent court for correction of the register of shareholders.

Article 48 If the share certificate (i.e. the "original share certificate") held by any shareholder registered in the register of shareholders or by any person who requests to register his/her name in the register of shareholders is stolen, lost or destroyed, the shareholders may apply to the Bank for reissuing of new share certificate concerning such shares (i.e. the "relevant shares").

Application for reissuing of the share certificate from shareholders of domestic listed shares whose share certificate is stolen, lost or destroyed shall be dealt with in compliance with relevant provisions of the Company Law.

Applications for reissuing of the share certificate from shareholders of overseas listed shares whose share certificate is stolen, lost or destroyed shall be dealt with in compliance with laws of the locality where the original register of shareholders of the overseas listed shares is deposited, rules of the stock exchange or other relevant regulations.

Where the share certificates held by shareholders of overseas listed shares listed in Hong Kong are stolen, lost or destroyed, the application for reissuing shall comply with the following requirements:

- (1) the applicant shall file the application in the standard form specified by the Bank and enclose the notarial deed or the statutory declaration documents. The notarial deed or the statutory declaration documents shall include the reason for the application, how the share certificate is lost and the proof, and the declaration that

- no one else may request to register as shareholder of the relevant shares.
- (2) before the Bank decides to reissue the new share certificate, the Bank has not received any declaration that anyone except the applicant has requested to register as the shareholder of such shares.
 - (3) if the Bank decides to reissue the new share certificate to the applicant, it shall publish the notice on reissuing such share certificate on the newspapers specified by the board. The period of notice shall be ninety (90) days and the notice shall be republished at least once every thirty (30) days.
 - (4) before the Bank publishes the notice on its intention to reissue the new share certificate, it shall submit a copy of the notice to be published to the stock exchange where its shares are listed. After the stock exchange gives its reply confirming that such notice has been displayed in the stock exchange, the notice may be published. The display period of the notice in the stock exchange is ninety (90) days.

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

- (5) if the ninety (90)-day period for the publish and display as defined in Items (3) and (4) of this article expires and the Bank has not received any objection against such reissuing of new share certificate, then the Bank may reissue such new share certificate in accordance with the application of the applicant.
- (6) when the Bank reissues the new share certificate according to this provision, it shall immediately cancel the original share certificate and shall record such cancellation and reissuing in the register of shareholders.
- (7) all the costs and expenses incurred by the Bank's cancellation of the original share certificate and reissuing of new share certificate shall be borne by the applicant. The Bank shall have the right to refuse to take any action before the applicant provides any reasonable guarantee.

Article 49 After the Bank reissues the new share certificate in accordance with the Articles, the names of the bona fide purchasers who obtain the aforesaid new share certificate or the shareholders who subsequently register as the owner of such shares (provided that he/she is a bona fide purchaser) shall not be deleted from the register of shareholders.

Article 50 The Bank shall assume no obligation to compensate those who suffered loss due to the Bank's cancellation of the original share certificate or reissuing of new share certificate, unless such persons can prove fraud on the part of the Bank.

Chapter 6 Shareholders and General Meeting of Shareholders

Section 1 Shareholders

Article 51 Shareholders of the Bank shall be persons who lawfully hold the shares of the Bank and whose names are registered in the register of shareholders.

Shareholders shall enjoy rights and undertake obligations according to the class and number of shares held by them. Shareholders who hold the same class of shares shall enjoy the

equal rights and undertake the equal obligations.

If more than two persons are registered as the joint shareholders of any shares, they shall be regarded as the common owners of the relevant shares, but shall be subject to the following provisions:

- (1) the Bank shall not register more than four (4) persons as the joint shareholders of any shares;
- (2) all joint shareholders of any shares shall assume the joint and several liabilities for all the amount payable for the relevant shares;
- (3) if one of the joint shareholders dies, then only other living persons of the joint shareholders shall be deemed by the Bank as the owners of the relevant shares, but the board of directors shall have the right to request them to provide the death certification documents that it deems appropriate for the purpose of amending the register of shareholders;
- (4) for joint shareholders of any shares, only the joint shareholder who ranks first in the register of shareholders shall have the right to receive the relevant share certificate from the Bank, to receive the notice from the Bank, to attend the general meeting of shareholders of the Bank or to exercise all the voting rights concerning the relevant shares. The notice delivered to the aforesaid shareholder shall be deemed to have been delivered to all the joint shareholders of the relevant shares.

Article 52 Shareholders of ordinary shares of the Bank shall have the following rights:

- (1) collecting dividends and other forms of benefits distributed on the basis of the number of shares held by them;
- (2) attending or entrusting proxy to attend meetings of shareholders and exercise the voting rights;
- (3) supervising business operation of the Bank and putting forward suggestions or inquiries accordingly;
- (4) transferring shares in accordance with laws, administrative regulations, rules, relevant regulations of the securities regulatory authority of the locality where shares of the Bank are listed as well as the Articles;
- (5) obtaining relevant information in accordance with the Articles, including:
 - (i) obtaining the Articles after paying relevant cost;
 - (ii) reviewing and making copies of the following documents after paying reasonable costs:
 - a) all parts of the register of shareholders;
 - b) personal information of the director, supervisor, president and other senior management personnel of the Bank;
 - c) status of share capital of the Bank;
 - d) report on the aggregate par value, quantity, highest price and lowest price of each class of shares repurchased by the Bank since the last fiscal year, as well as all the expenses paid by the Bank therefore;
 - e) minutes of general meeting of shareholders.
- (6) participating in the distribution of the Bank's remaining property in proportion to the number of shares held by the shareholders when the Bank is terminated or liquidated; and

- (7) other rights conferred by laws, administrative regulations, rules and the Articles.

Article 53 Shareholders shall submit to the Bank the written documents certifying the class and quantity of shares of the Bank held by them when they intend to review the information or documents stated in Item (5) of Article 52. After the Bank verifies the identity of such shareholders, it shall provide the information and documents as required by such shareholders.

Article 54 Shareholders of ordinary shares of the Bank shall undertake the following obligations:

- (1) abiding by the Articles;
- (2) paying share capital according to the number of shares subscribed by them and the method of capital injection;
- (3) shareholders who have received loans from the Bank shall repay the loans due immediately and shall repay those undue in advance when the Bank is likely to suffer liquidity difficulties. Regarding the criterion used to determine such liquidity difficulties referred to herein, relevant regulations of the banking regulatory authority of the State Council concerning the payment risks of commercial banks shall apply;
- (4) Shareholders shall support the reasonable measures proposed by the board to raise the capital adequacy ratio when such ratio of the Bank is below the legal standard;
- (5) other obligations imposed by laws, administrative regulations, rules and the Articles.

Shareholders shall not assume any responsibility for further capital contribution other than the conditions agreed to by the subscriber of the relevant shares on subscription.

Article 55 The controlling shareholders of the Bank have a fiduciary duty to the Bank and other shareholders. The controlling shareholders shall strictly comply with laws, administrative regulations, rules and the Articles when exercising their rights as investors, and shall not abuse their position to gain improper benefits, or cause detriments to the legitimate rights and interests of the Bank or other shareholders.

Except for the obligations as required by laws, administrative regulations, rules or relevant regulations of the stock exchange of the locality where shares of the Bank are listed, the controlling shareholders shall not make any decisions that impair the interests of all or some of the shareholders concerning the following aspects when they exercise their rights as shareholders by exercising their voting rights:

- (1) exempting the responsibility of the director and the supervisor to act in good faith for the maximum benefit of the Bank;
- (2) approving the director and the supervisor to deprive the property of the Bank (including but not limited to the opportunities favorable to the Bank) in any form for their own benefits or for the benefits of others;
- (3) approving the director and the supervisor to deprive the individual rights and interests of other shareholders (including but not limited to any distribution rights, voting rights, but excluding the restructuring of the Bank which is submitted to the general meeting of shareholders for approval in accordance with the Articles) for

their own benefits or for the benefits of others.

Article 56 The controlling shareholders shall strictly comply with laws, administrative regulations, rules, relevant regulations of the securities regulatory authority at the locality where the shares of the Bank are listed and the conditions and procedures defined by the Articles when they nominate candidates for the director and the supervisor of the Bank. The candidates for the director and the supervisor nominated by the controlling shareholders shall have relevant professional knowledge as well as decision-making and supervision capacity. The resolution on the election by the general meeting of shareholders or the engagement by the board of director does not require to obtain the approval procedure of any shareholder. The appointment and removal of senior management personnel by shareholders superseding the general meeting of shareholders and board of director shall be deemed as invalid.

Article 57 The controlling shareholders of the Bank shall not directly or indirectly interfere with the decision-making of the Bank as well as the management and operation activities conducted in accordance with laws, and shall not impair the rights and interests of the Bank and other shareholders.

Article 58 The "controlling shareholder(s)" herein shall refer to the person(s) satisfying any of the following conditions:

- (1) The person may elect more than half of the directors when acting alone or in concert with others;
- (2) The person may exercise or control the exercise of more than thirty percent (30%) of the total voting shares of the Bank when acting alone or in concert with others;
- (3) The person holds more than thirty percent (30%) of issued and outstanding shares of the Bank when acting alone or in concert with others;
- (4) The person may de facto control the Bank in any other manner when acting alone or in concert with others.

The term "acting in concert" herein shall mean the act where two or more persons, through legal means such as agreement (verbal or written), cooperation, related party relations, expand their control proportion in the shares of the Bank or reinforce their control in the Bank and express the same declaration of will when exercising the voting rights of the Bank.

The circumstances with the "same declaration of will" as referred to above shall include joint presentation of proposals, joint nomination of directors, entrusting to exercise the voting rights which do not state the voting intention but excluding the circumstance where polling power is publicly collected.

Article 59 The loans conditions that the Bank offer to the shareholders shall not be superior to those of the same type of loans that the Bank offers to other borrowers.

Article 60 The balance of loans granted to one shareholder of the Bank shall not exceed ten percent (10%) of the balance of the capital of the Bank.

Article 61 Shareholders who hold more than five percent (5%) of voting shares of the

Bank and owe overdue loans to the Bank shall be disqualified from exercising voting rights during the overdue period and the shares held by them shall not be included in the total voting shares of the shareholders present at the general meeting of shareholders. The Bank shall have the right to withhold the dividends of such shareholders as repayment of their overdue loans. Any assets to be distributed to such shareholders in the Bank's liquidation process shall also be used in priority for repayment of their outstanding loans to the Bank.

Article 62 Shareholders who hold more than five percent (5%) voting shares of the Bank shall serve a prior notice to the board if they use their share certificate as guarantee for themselves or others.

Article 63 Shareholders who hold more than five percent (5%) of voting shares of the Bank shall not pledge the Bank's share certificate if the balance of loans they borrowed from the Bank exceeds the audited net book value of shares held by them in the previous year and they have not provided any certificate of deposit or treasury bonds as pledge.

Article 64 The Bank shall not offer any financing guarantee for the debts of the shareholders who hold more than five percent (5%) of voting shares of the Bank and their related parties, except that the shareholders provide the certificate of deposit or treasury bonds as the counter guarantee.

Article 65 The written agreement shall be signed for the transaction between the Bank and the shareholders. The agreement shall be signed based on the principle of equality, willingness and equivalence and for valuable consideration, and the content of the agreement shall be clear and specific.

Section 2 General Meeting of Shareholders

Article 66 The general meeting of shareholders is the organ of power of the Bank and shall legally exercise the following duties and powers:

- (1) deciding on the business policies and significant investment plans of the Bank;
- (2) electing and replacing directors and deciding on matters concerning their compensation;
- (3) electing and replacing supervisors appointed from the shareholder representatives and external supervisors, and deciding on matters concerning their compensation;
- (4) examining and approving work report of the board of directors;
- (5) examining and approving work report of the board of supervisors;
- (6) examining and approving the Bank's annual financial budget and final account proposals;
- (7) examining and approving the Bank's plans for profit distribution and loss make-up;
- (8) adopting resolutions concerning the increase or decrease of the Bank's registered capital;
- (9) adopting resolutions on merger, division, dissolution, liquidation or change of corporate form of the Bank;
- (10) adopting resolutions on plans for issuance of corporate bonds or other securities and public listing;

- (11) adopting resolutions on repurchase of the shares of the Bank;
- (12) amending the Articles;
- (13) adopting resolutions on the engagement or dismissal of accounting firms by the Bank;
- (14) examining and approving or authorizing the board of directors to approve the establishment of legal persons, material merger and acquisition, material investment, material assets disposal and material guarantee and other matters;
- (15) examining and approving the issues regarding changing the use of proceeds;
- (16) examining and approving the share incentive plans;
- (17) examining and approving proposals raised by the shareholders who individually or jointly hold more than three percent (3%) of the voting shares of the Bank;
- (18) examining and approving the related party transactions that shall be approved by the general meeting of shareholders as stipulated by laws, administrative regulations, rules and relevant regulations of the securities regulatory authority of the locality where the shares of the Bank are listed;
- (19) examining and approving other issues that shall be approved by the general meeting of shareholders as stipulated by laws, administrative regulations, rules and relevant regulations of the securities regulatory authority of the locality where the shares of the Bank are listed as well as the Articles.

Article 67 The above matters within the scope of powers of the general meeting of shareholders shall be discussed and decided by the general meeting of shareholders, but the general meeting of shareholders may authorize the board of directors to decide such matters under circumstances that are necessary, reasonable and legal. The content of authorization shall be clear and specific.

For the authorization to the board of directors by the general meeting of shareholders, if matters authorized are those that shall be adopted by the general meeting of shareholders by means of general resolution as specified in the Articles, they shall be adopted by more than half (1/2) of the voting rights held by the shareholders (including shareholder proxies) present at the meeting. If matters authorized are those that shall be adopted by the general meeting of Shareholders by means of special resolution as specified in the Articles, they shall be adopted by more than two thirds (2/3) of the voting rights held by the shareholders (including shareholder proxies) present at the meeting.

Article 68 The board of directors shall draft the rules of procedures for the general meeting of shareholders, and the rules shall be executed after being examined and approved by the general meeting of shareholders.

Article 69 Unless the Bank is in crisis or under other special circumstances, it shall not sign a contract with any person other than directors, supervisors, presidents and other senior management personnel of the Bank for the delegation of the whole business management or the important business management of the Bank to such person without the prior approval through a resolution of the general meeting of shareholders or of an organ authorized by the general meeting of shareholders.

Article 70 There are two types of general meeting of shareholders: annual general meeting of shareholders and extraordinary general meeting of shareholders. The general

meeting of shareholders is generally convened by the board.

The annual general meeting of shareholders shall be held once a year within six (6) months after the end of the previous fiscal year. If the meeting has to be postponed due to special reasons, it shall be reported to the banking regulatory authority of the State Council in time with the reasons stated.

An extraordinary general meeting of shareholders shall be convened within two (2) months from the occurrence date of any of the following events:

- (1) the number of directors is less than two thirds (2/3) of the number of the board of the Bank or is less than the minimum quorum;
- (2) the amount of the Bank's loss that have not been made up reaches one- third of the Bank's total paid-in share capital;
- (3) shareholders holding more than ten percent (10%) of the voting shares of the Bank, either individually or jointly, (hereinafter referred to the “proposing shareholders”) request in writing the convening of a general meeting of shareholders;
- (4) the board deems it as necessary;
- (5) the board of supervisors proposes that such a meeting be convened;
- (6) other situations, as stipulated in laws, administrative regulations, rules and the Articles.

The number of shares held by shareholders as mentioned in Item (3) shall be calculated as of the date of the written request.

Article 71 When the Bank is to convene a general meeting of shareholders, a written notice shall be sent forty-five (45) days prior to the meeting. Shareholders to be present in the general meeting of shareholders shall send a written reply of attendance to the Bank twenty (20) days before the meeting is convened.

Article 72 Shareholders who hold more than three percent (3%) of shares of the Bank, either individually or jointly, may prepare an interim proposal and submit it in writing to the board ten (10) days before the general meeting of shareholders is convened. The board shall issue a supplementary notice for the general meeting of shareholders within two (2) days upon receipt of the proposal and submit such proposal to the general meeting of shareholders for approval. The content of the interim proposal shall be within the scope of authority of the general meeting of shareholders and there shall be clear and definite topics and specific matters to be determined.

Article 73 The Bank shall calculate the number of voting shares based upon the written reply received twenty (20) days prior to the general meeting of shareholders. Where the number of voting shares held by shareholders who plan to attend the meeting does not reach more than half (1/2) of the total of voting shares of the Bank, the Bank shall inform the shareholders again within five (5) days in form of an announcement about the matters to be examined, the place, date and time of the meeting to be held. The Bank may convene such a general meeting of shareholders after such announcement has been made.

The general meeting of shareholders shall not vote and make a resolution on proposals not specified in the notice or the supplementary notice or not in compliance with the previous provision.

Article 74 The meeting notice for the general meeting of shareholders shall satisfy the following requirements:

- (1) in written form;
- (2) specifying the location, date and time of the meeting;
- (3) describing the matters to be discussed at the meeting;
- (4) providing shareholders with materials and explanations necessary for them to make sensible decisions regarding the matters to be discussed, including (but not limited to) specific terms and contract (if any) for a proposed transaction, and a detailed explanation of its causation and consequence where the Bank proposes a merger, repurchase of shares, restructuring of share capital or other form of restructuring;
- (5) where any director, supervisor, president and other senior management personnel have an important interest with regard to matters to be discussed, then the nature and extent of that interest shall be disclosed. Where the impact of the matters to be discussed on such director, supervisor, president and other senior management personnel who are shareholders is different from the impact on other shareholders of the same type, then that difference shall be illustrated;
- (6) containing the full text of any special resolution proposed to be passed at the meeting;
- (7) providing a clear description stating that all shareholders who have the right to attend and vote at the general meeting of shareholders have the right to entrust one (1) or more proxies, as necessary, who do not need to be shareholders of the Bank, to attend and vote at the meeting;
- (8) stating the deadline and place for the delivery of proxy letter of the meeting.

Article 75 Except as otherwise provided in the Articles, the notice of the general meeting of shareholders shall be delivered by hand or by pre-paid post to all shareholders (whether or not such shareholder has a voting right at the general meeting of shareholders). The address of the recipient shall be the address registered in the register of shareholders. The notice of a general meeting of shareholders may be in the form of an announcement for shareholders of domestic listed shares.

The announcement mentioned above shall be published in one or more newspapers designated by the securities regulatory authority of the State Council forty-five (45) to fifty (50) days prior to the meeting. All shareholders of domestic listed shares shall be deemed as having received the notice of general meeting of shareholders upon the publication of the announcement.

Article 76 Any shareholder who has the right to attend and vote at a general meeting of shareholders shall have the right to appoint one or more persons (not necessarily shareholder(s)) as his/her proxy to attend and vote at the meeting. Such proxy may exercise the following rights in accordance with the shareholder's appointment:

- (1) the right to speak at the general meeting of shareholders;
- (2) the right to require by himself/herself or jointly with others to request for voting by poll;
- (3) the right to vote by a show of hands or ballot, in case the shareholder has appointed more than one proxy, such proxies can only exercise the voting right by poll.

Article 77 Shareholders shall appoint proxy in writing. The proxy form shall be signed by the appointer or its authorized representative who has been authorized in writing. If the appointer is a legal person or other organization, the document shall be affixed with the legal person's seal or signed by its director, or legal representative or duly authorized representative.

Where the shareholder is a legal person or other organization, the legal representative or the person authorized by the resolution of its board of directors or other decision-making organ shall attend the general meeting of shareholders of the Bank.

Article 78 The proxy form for voting shall be placed at the domicile of the Bank, or at other place designated in the notice of meeting, at least twenty-four (24) hours prior to convening of the meeting which the relevant matters will be voted on, or twenty-four (24) hours prior to the designated voting time. If the proxy form is signed by a person authorized by the appointer, the power of attorney or other authorization document shall be notarized. The notarized power of attorney or other authorization document shall be placed together with the proxy form authorizing the proxy to vote at the domicile of the Bank or other place designated in the notice of meeting.

Article 79 Any format of blank proxy form issued by the board of the Bank to the shareholders for the appointment of proxies shall give the shareholder free choice to instruct their proxies to cast an affirmative or, negative vote or abstain from voting, and to give separate instructions on each matter to be voted at the meeting. The proxy form shall state that the proxy may vote at his/her discretion if the appointer does not give any instruction.

Article 80 If, before voting, the appointer has passed away, lost his/her ability to act, withdrawn the appointment, withdrawn the authorization to sign the proxy form, or transferred all his/her shares, the vote cast by the proxy in accordance with the proxy form shall remain valid so long as the Bank has not received the written notice regarding such matters before the commencement of relevant meeting.

Article 81 More than half (1/2) of the independent directors may jointly propose to the board of directors in writing to convene extraordinary general meeting of shareholders. For such proposal, the board of directors shall, in accordance with laws, administrative regulations, rules and the Articles hereof, make a response in writing on whether or not it agrees to convene an extraordinary general meeting of shareholders within ten (10) days upon receipt of such proposal.

If the board of directors agrees, a notice shall be issued within five (5) days after the resolution of the board of directors is passed. If the board of directors refuses, it shall give an explanation and issue an announcement in accordance with relevant regulations.

Article 82 The board of supervisors shall have the right to propose to the board of directors to convene an extraordinary general meeting of shareholders. Such proposal shall be made in writing. The board of directors shall make a written response as to whether or not it agrees to convene such an extraordinary general meeting of shareholders within ten (10) days upon receipt of the proposal in accordance with laws, administrative regulations, rules and the Articles hereof.

If the board of directors agrees, a notice shall be issued within five (5) days after the resolution of the board of directors is passed. Changes made to the original proposal in the notice shall be approved by the board of supervisors.

In case the board of directors refuses, or does not give any response within ten (10) days upon receipt of the proposal, the board of directors shall be deemed to be unable or have failed to perform its duty to convene general meeting of shareholders, and the board of supervisors may convene and preside over the meeting by itself.

Article 83 Proposing shareholders shall have the right to request the board of directors to convene an extraordinary general meeting of shareholders. Such request shall be made in writing to the board of directors. The board of directors shall make a written response as to whether or not it agrees to convene such a meeting within ten (10) days upon receipt of the request in accordance with laws, administrative regulations, rules and the Articles hereof.

If the board of directors agrees, a notice shall be issued within five (5) days after the resolution of the board of directors is passed. Changes made to the original request shall be approved by the proposing shareholders.

If the board of directors refuses or does not give any response within ten (10) days upon receipt of the request, the proposing shareholders shall have the right to propose to the board of supervisors to convene such an extraordinary general meeting of shareholders. Such proposal shall be made in writing.

If the board of supervisors agrees thereto, a notice of such meeting shall be issued within five (5) days upon receipt of the proposal. Changes made to the original proposal shall be approved by the proposing shareholders.

If the board of supervisors fails to give the notice of such a meeting within the specified time limit, it shall be deemed to have failed to convene or preside over the meeting, in which case, shareholders who either individually or jointly hold more than ten percent (10%) of the Bank's shares for more than ninety (90) consecutive days (hereinafter referred as the "convening shareholders") shall have the right to convene and preside over the meeting by themselves.

Article 84 When the board of supervisors or the convening shareholders decide to convene an extraordinary general meeting of shareholders by themselves, they shall notify the board of directors in writing, and issue a notice convening the extraordinary general meeting. The content of the notice shall comply with the following requirements and the provision in Article 74:

- (1) no new content shall be added to the proposal, otherwise, the convening shareholders or the board of supervisors shall make a new request to the board of directors for convening of the extraordinary general meeting of shareholders according to the aforesaid procedures;
- (2) the extraordinary general meeting of shareholders shall be held at the domicile of the Bank.

Before the resolution of general meeting of shareholders is announced, the proportion of shares held by the convening shareholders should not be less than ten percent (10%).

Article 85 Reasonable expenses incurred by shareholders who convene the meeting by themselves due to the failure of the board of directors to convene the meeting as required by this section of the Articles, shall be borne by the Bank, and deducted from the payment to those negligent directors.

Article 86 Where the general meeting of shareholders is convened by the board of directors, the Chairman of the board of directors shall preside over and be the chairman of the meeting; if the Chairman is unable or fails to perform his/her duties, the Vice Chairman of the board of directors shall convene and preside over the meeting; if the Vice Chairman is unable or fails to perform his/her duties, the board of directors may appoint one director of the Bank to convene and preside over the meeting on its behalf; if no chairman is appointed, shareholders present at the meeting may elect one to preside over the meeting; if shareholders fail to elect a chairman due to certain reason, the shareholder (including proxy) holding the most voting shares shall preside over the meeting.

If the meeting is convened by the board of supervisors itself, the chief supervisor shall preside over the meeting; if the chief supervisor is unable or fails to perform his/her duties, the board of supervisors may appoint one supervisor of the Bank to convene and preside over the meeting on its behalf.

The general meeting of shareholders convened by shareholders themselves shall be presided over by the one elected by the conveners.

Section 3 Resolutions of General Meeting of Shareholders

Article 87 The resolution of general meeting of shareholders shall be divided into two types: (i) general resolutions, and (ii) special resolutions.

General resolutions made by the general meeting of shareholders shall be adopted by more than half (1/2) of voting shares held by the shareholders (including their proxies) present at the meeting.

Special resolutions made by the general meeting of shareholders shall be adopted by more than two thirds (2/3) of voting shares held by the shareholders (including their proxies) present at the meeting.

Article 88 Resolutions on the following matters shall be adopted by general resolution by the general meeting of shareholders:

- (1) business policy and significant investment plan of the Bank;
- (2) election and replacement of directors, supervisors appointed from the shareholder representatives and external supervisors, and decision on matters concerning compensation of directors and supervisors;
- (3) work report of the board of directors and the board of supervisors;
- (4) annual financial budget proposal, final accounts, balance sheet, profits statement and other financial reports of the Bank;
- (5) examination and approval of changes in the way of using proceeds raised;
- (6) profit distribution and loss make-up plan of the Bank;
- (7) engagement and dismissal of accounting firms;
- (8) matters other than those stipulated by laws, administrative regulations, rules and the Articles that shall be adopted by special resolutions.

Article 89 The following items shall be adopted by the general meeting of shareholders by special resolutions:

- (1) increase or decrease of the Bank's registered capital;
- (2) merger, division, dissolution, liquidation or change of corporate form of the Bank;
- (3) plans for issuance of corporate bonds or other securities and public listing;
- (4) redemption of the Bank's shares;
- (5) revision of the Articles;
- (6) examination and approval or authorization to the board of directors to approve the establishment of legal persons, material merger and acquisition, material investment, material assets disposal and material guarantee and so on;
- (7) examination and approval of the shares incentive plan;
- (8) other matters stipulated by laws, administrative regulations, rules and the Articles, or deemed by the general meeting of shareholders in a general resolution as it will have material impact on the Bank and require the adoption by a special resolution.

Article 90 When related party transactions are examined by the general meeting of shareholders, those related shareholders shall be excused from voting, and the voting shares held by them shall not be counted within the valid voting shares.

If any shareholder cannot exercise his/her voting right regarding a certain proposal, or is restricted to cast either affirmative or negative vote, the vote cast by such shareholder or his/her proxy, which violates the aforesaid provisions or restrictions, shall not be counted into the voting result.

Article 91 When voting at a general meeting of shareholders, shareholders (including their proxies) shall exercise their voting rights according to the voting shares held by them, with each share representing one vote.

Shares held by the Bank do not represent voting rights, which shall not be counted into the total voting shares held by the shareholders present at the general meeting of shareholders.

Article 92 Shareholders shall vote by show of hand at a general meeting of shareholders, unless relevant regulations of the securities regulatory authority of the locality where the shares of the Bank are listed require voting by poll, or the following persons require voting by poll before or after voting by show of hand:

- (1) chairman of the meeting;
- (2) at least two shareholders or two proxies of shareholders with voting rights;
- (3) one or several shareholders (including their proxies) holding more than ten percent (10%) (including 10%) of the voting shares at the meeting, individually or jointly.

Unless someone proposes voting by poll, chairman of the meeting shall announce whether or not the proposal is adopted according to the result of voting by a show of hands, and record it in the meeting minutes as the final evidence. It shall be not necessary to demonstrate the number of affirmative or negative votes or their proportion for the resolution adopted at the meeting.

The request for voting by poll can be withdrawn by the proposer.

Article 93 Voting by poll requested for matters concerning the election of chairman or suspension of the meeting shall be conducted immediately; for other matters, the chairman of the meeting shall decide when to conduct voting by poll. The meeting may continue to discuss other matters, and the voting result shall still be deemed as the resolution adopted at the said meeting.

Article 94 In the case of voting by poll, shareholders (including their proxies) with two or more votes need not cast all their votes as affirmative, negative or abstained from voting.

Article 95 Votes on each matter proposed to be examined at the meeting shall be counted on the spot and the voting result shall be announced on the spot as well.

Article 96 The resolutions of a general meeting of shareholders shall be in writing. The chairman of the meeting shall be responsible for announcing resolutions of the meeting according to the Articles and the voting result, which shall be recorded into the meeting minutes.

Article 97 If the chairman of the meeting has any doubt about the voting result, he/she may count the votes. If the chairman does not count the votes, and the shareholders or their proxies present at the meeting want to challenge the resolutions announced by the chairman, they shall have the right to request for the counting of the votes immediately after the announcement, and the chairman shall agree to count the votes immediately.

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

Article 98 If the resolution of a general meeting of shareholders violates laws or administrative regulations, it shall be deemed as invalid.

If the convening procedure or voting method of a general meeting of shareholders violates laws, administrative regulations or the Articles, or resolution contents violate the Articles, shareholders may, within sixty (60) days upon the date of adopting the resolution, request the people's court to rescind the resolutions.

If shareholders file lawsuit in accordance with the aforesaid term, the Bank may apply to the people's court to request the shareholders to provide corresponding guarantee.

If the Bank has registered the change in accordance with resolution of the general meeting of shareholders, and the people's court declares such resolution be void or rescinded, the Bank shall apply to the company registration authority for rescission of such registration of change.

Article 99 The general meeting of shareholders shall be recorded in minutes, and the minutes shall include the contents set forth below:

- (1) location, date, time, agenda and name of the convener of the meeting;
- (2) name of the chairman, directors, supervisor, president and other senior management personnel present or present as a nonvoting attendee at the meeting;
- (3) number of shareholders or their proxies present at the meeting, the proportion of voting shares held by them in the total number of shares;
- (4) discussion on the process, key points of the speech and voting result of the proposal;
- (5) inquiries, advices or proposals of the shareholders and related reply or explanation;
- (6) name of the lawyer(s), vote calculator(s) and person(s) who supervise(s) the calculating of the votes;
- (7) other contents required to be recorded in the minutes by law, administrative regulations, rules and the Articles.

Article 100 Minutes of the general meeting of shareholders shall be signed by the directors present at the meeting and chairman of the meeting, and shall be kept in the registered domicile of the Bank together with the signature list of shareholders attending the meeting and the proxy form as archive of the Bank.

Article 101 Shareholders may review the duplicates of meeting minutes free of charge during office hours of the Bank. If any shareholder requests for duplicates of relevant meeting minutes, the Bank shall deliver the duplicates within seven (7) days upon receipt of reasonable fees.

Article 102 When the general meeting of shareholders is held, the Bank shall engage lawyers to provide legal opinions on the follow issues:

- (1) whether the procedures of convening and holding the general meeting of shareholders comply with laws, administrative regulations, rules and the Articles;
- (2) whether the qualification of attendees and convener is legal and valid;
- (3) whether the procedure and result of voting is legal and valid;
- (4) other legal opinions requested by the Bank.

Chapter 7 Special Procedures for the Voting of Classified Shareholders

Article 103 Shareholders holding different types of shares shall be classified shareholders.

Classified shareholders shall enjoy the rights and assume the obligations in accordance with laws, administrative regulations, rules and the Articles.

Except shareholders of other types of shares, shareholders of domestic listed shares and shareholders of overseas listed shares shall be considered as shareholders of different types.

Shares of the Bank held by the promoters shall be domestic listed shares, and can be converted to overseas listed shares with the approval of securities regulatory authority of the State Council or securities approval authority authorized by the State Council. Such conversion is not necessarily approved by other shareholders of the Bank for the converting.

Article 104 If the Bank intends to change or abrogate the rights of classified shareholders, it may do so only after such change or abrogation has been approved by a special resolution of the general meeting of shareholders and by the meetings of shareholders convened separately by the affected classified shareholders in accordance with Article 106 to Article 110 respectively.

Article 105 In the following conditions, rights of a certain classified shareholder shall be deemed to be changed or abrogated:

- (1) an increase or decrease in the number of shares of such type or an increase or decrease in the number of shares of a type having voting rights, distribution rights or other privileges that is equal or superior to those of the shares of such class;
- (2) a conversion of all or part of the shares of such class into shares of another type, a conversion of all or part of the shares of another type into shares of such type or the grant of the right to such conversion;
- (3) a cancellation or reduction of rights to gain accrued dividends or accumulated dividends attached to shares of such class;
- (4) a reduction or cancellation of the priority attached to shares of such class in dividend distribution or property distribution during liquidation of the Bank;
- (5) an increase, cancellation or reduction of share conversion rights, options, voting rights, transfer rights, preemptive rights or rights to acquire securities of the Bank attached to shares of such type;
- (6) a cancellation or reduction of rights to receive amounts payable of the Bank in a particular currency attached to shares of such class;
- (7) a creation of a new type of shares with voting rights, distribution rights or other privileges equal or superior to those of the shares of such class;
- (8) an imposition of restrictions or increase of restrictions on the transfer or ownership of shares of such class;
- (9) a right to subscribe for such class or another class of shares, or convert into another class of shares;
- (10) an increase in the rights and privileges of shares of another class;

- (11) restructuring plan of the Bank will cause shareholders of different categories to bear liability disproportionately during the restructuring;
- (12) an amendment or cancellation of the provisions of the Articles.

Article 106 Classified shareholders affected, whether or not originally having voting rights at the general meeting of shareholders, shall have voting right in classified shareholders' meeting when the matters stated in Article 105 (2) to (8), (11) to (12) are concerned, except for the interested shareholders.

The aforesaid interested shareholders have the following meanings:

- (1) when the Bank makes repurchase offer to all shareholders equally pro rata or repurchases shares of the Bank by means of open transaction at the stock exchange in accordance with Article 28 hereof, "interested shareholders" refer to the controlling shareholders defined in Article 58 hereof;
- (2) when the Bank repurchases shares of the Bank by means of agreement outside the stock exchange in accordance with Article 28 hereof, "interested shareholders" refer to the shareholders related to the agreement;
- (3) in the restructuring plan of the Bank, "interested shareholders" refer to those shareholders who assume responsibilities at a lower proportion than other shareholders of the same class or those shareholders who have different rights and interests from other shareholders of the same class.

Article 107 Resolution of classified shareholders' meeting shall be adopted by more than two thirds (2/3) of voting shares held by the shareholders present at the meeting of shareholders according to Article 106.

Article 108 When the Bank convenes the meeting of classified shareholders, it shall issue a written notice forty-five (45) days prior to the meeting, to inform all shareholders of that class who are listed in the register of the matters to be examined, time and place of the meeting. Shareholders who intend to attend the meeting shall send a written reply of attendance to the Bank twenty (20) days prior to the meeting.

When the voting shares held by the shareholders who intend to attend the meeting reach more than half (1/2) of the total voting shares of such type at the meeting, the Bank may convene the meeting of classified shareholders. Otherwise, the Bank shall, within five (5) days, inform the shareholders of the matters to be examined, and the time and place of the meeting through public announcement. After issuing such a public announcement, the Bank may convene the meeting of classified shareholders.

Article 109 The notice of meeting of classified shareholders shall only be served on shareholders who have right to vote at the meeting.

Unless otherwise specified herein, the procedure to convene a meeting of classified shareholders shall resemble that of general meeting of shareholders as far as possible. Terms in the Articles which are related to the procedure to convene a general meeting of shareholders shall apply to meeting of classified shareholders.

Article 110 Special voting procedures of classified shareholders shall not apply in the following cases:

- (1) upon approval of the general meeting of shareholders by special resolution, the Bank issues domestic listed shares and overseas listed shares every other twelve (12) months, either separately or simultaneously, and the domestic listed shares and overseas listed shares to be issued do not exceed twenty (20%) of the total number of such class of shares already issued to the public;
- (2) the plan on issuing domestic listed shares and overseas listed shares at the incorporation of the Bank is accomplished within fifteen (15) months from the date of obtaining approval from the securities regulatory authority of the State Council;
- (3) shares of the Bank held by its promoters are converted into overseas listed shares upon approval by the securities regulatory authority of the State Council or the securities approval authority authorized by the State Council.

Chapter 8 Directors and Board of Directors

Section 1 Directors

Article 111 A director is a natural person, who does not necessarily hold the shares of the Bank. Directors of the Bank comprise executive directors, non-executive directors, and non-executive directors including independent directors. The term “executive director” refers to person who holds a position in the Bank other than director, or member or chairman of special committee of the board of directors.

Article 112 Directors shall be elected by the general meeting of shareholders. The term of a director shall be three (3) years, effective from the date of approval of the banking regulatory authority of the State Council. A director may serve consecutive terms if he/she is re-elected when his/her term expires. Any re-election shall become effective from the date of approval of the general meeting of shareholders.

Article 113 Directors shall be entitled to obtain information related to various business conditions and financial status of the Bank in accordance with laws, and have the right to supervise the performance of duty by other directors and senior management personnel.

The Bank shall adopt measures to protect directors’ right of information, and ensure the authenticity and completeness of the information provided. The Bank shall, in accordance with the stipulations hereof, inform all directors of all matters which need to be decided by the board of directors and provide relevant materials, adopt measures to protect the rights of the directors to attend board meeting and provide working conditions necessary for the directors to perform their duties. When directors are exercising their duties and powers, relevant personnel of the Bank shall cooperate positively and should not reject, hinder or hide any matter, or interfere with the directors in their exercising of such duties and powers.

Article 114 Directors shall abide the laws, administrative regulations, rules and the Articles, and shall assume the following diligent duties:

- (1) exercising the rights vested by the Bank prudentially, carefully and diligently to ensure that commercial operations of the Bank conform to the laws, administrative regulations and various requirements of economic policies, and that commercial activities of the Bank will not go beyond the business scope specified in the Business License;
- (2) treating all of the shareholders equally;
- (3) well informed of the Bank's business operation and management status;
- (4) accepting the supervision over their performance of duty by the board of supervisors, providing relevant information and materials faithfully to the Board of Supervisors, and not hindering the board of supervisors or the supervisors from exercising their duties and powers;
- (5) other diligent duties vested by laws, administrative regulations, rules and the Articles.

Article 115 Methods and procedures to nominate directors are as follows:

- (1) candidates for directors shall be nominated by the board of directors or shareholders who individually or jointly hold more than five percent (5%) of total voting shares of the Bank, and directors shall be elected by the general meeting of shareholders;
- (2) before the convening of general meeting of shareholders, candidates for directors shall make written commitments stating their acceptance of the nomination, undertaking that their information disclosed to the public is true and complete, and promising to faithfully perform the duties of directors if elected;
- (3) written notice concerning the intention to nominate candidates for directors and the nominees' statement for acceptance of the nomination, as well as relevant written information of the nominees, shall be sent to the Bank at least seven (7) days prior to the general meeting of shareholders. Nominators shall provide resumes and basic information of the candidates to shareholders;
- (4) the period given by the Bank to relevant nominators and nominees to submit the aforesaid notices and documents (which is counted from the next day when the notice of general meeting of shareholders is issued) shall be seven (7) days at least.

Article 116 No director can act on behalf of the Bank or the board of directors in his/her own name, unless otherwise provided herein or legally authorized by the general meeting of shareholders or the board of directors. When any director acts in his/her own name, if there is a possibility that a third party may reasonably believe that the director is representing the Bank or the board of directors, the director shall state his/her stand and capacity in advance.

Article 117 Directors shall attend at least two thirds (2/3) of board meetings in person each year.

If a director fails to attend board meeting in person or by entrusting any other director as his/her proxy for two consecutive times, or attends less than two thirds (2/3) of total board meetings in person within one year, he/she shall be deemed as unable to perform his/her duties, and the board of directors shall propose the general meeting of shareholders to

dismiss him/her.

The attendance in person in the Articles refers to the relevant attendee attends the meeting in person, and entrusted attendance refers to the relevant attendee entrusts others in writing to attend the meeting on his/her behalf.

Article 118 The general meeting of shareholders shall not dismiss any director without cause prior to the expiry of his/her service term. However, the general meeting of shareholders may dismiss any director before expiration of his/her service term by adopting a general resolution in accordance with relevant laws and administrative regulations (but the director's right to raise any claim in accordance with any contract shall not be affected).

Article 119 A director may resign prior to the expiry of his/her service term. When a director intends to resign, he/she shall submit a written resignation to the board of directors. The board of directors shall disclose this fact within two (2) days.

If the number of directors falls below the quorum because reelection is not timely conducted upon expiry of the term of office of a director, or resignation of a director during his term of office, then such director shall continue to perform his/her duties in accordance with laws, administrative regulations, rules and the Articles until a new director is elected and assumes his/her office.

Except in the aforesaid situation where the resignation of any director results in the number of directors to fall below the quorum, the resignation of a director shall become effective when it is served upon the board of directors. The resignation of independent director shall be dealt with in accordance with Section 2 of this Chapter.

Section 2 Independent Directors

Article 120 The term "independent director(s) of the Bank" refers to director(s) who do not hold any position in the Bank other than director, or member or chairman of special committee of the board of directors, and those who have no relation with the Bank and its major shareholders that may affect their independent and objective judgment. Independent directors of the Bank shall include at least one financial or accounting professional.

Independent directors shall be with high professional qualities and good reputation, and shall, meanwhile, satisfy the following requirements:

- (1) satisfying the qualification requirements set forth by laws and administrative regulations and rules for persons holding the position of director in a listed company;
- (2) independently performing their duties without any interference from the major shareholders, actual controllers, or other entities or individuals with a material interest with the Bank;
- (3) with bachelor degree or above, or holding relevant senior technical title;
- (4) having basic knowledge about the operation of a listed company and familiar with relevant laws, administrative regulations and rules;
- (5) having more than eight (8) years experiences in law, economy, finance,

- accounting or other working experiences which are helpful for performing the duties of an independent director;
- (6) being familiar with operation and management of commercial banks and relevant laws and administrative regulations and rules;
 - (7) being able to read, understand and analyze credit statistical report and financial report of commercial banks;
 - (8) ensuring enough time and energy to effectively perform duties and promising to duly perform duty of loyalty and diligence.

Article 121 In addition to the persons prohibited from serving as directors of the Bank, the following persons may not serve as independent directors of the Bank:

- (1) persons who directly or indirectly hold more than one percent (1%) of the shares of the Bank or hold positions in entities of shareholders of the Bank in the previous year;
- (2) persons who hold positions in the Bank or in the controlling shareholders of the Bank or in entities with majority shares held by the Bank or actually controlled by the Bank (other than as an independent director) or connected parties of the Bank in the three years before assuming their office;
- (3) persons who hold positions in entities in the areas of law, accounting, audit, management consultancy, etc. that have business connections with or interests in the Bank;
- (4) any other persons who may be controlled or materially influenced by the Bank through various ways;
- (5) close relatives of the persons stated in Items (1) to (4) above;
- (6) persons who work in government authorities;
- (7) other persons specifically provided in regulations specified as unqualified for serving as independent directors issued by the banking supervisory authority of the State Council, securities regulatory authority in the locality where the shares of the Bank are listed and other relevant regulatory authorities.

Close relatives in this Article refer to spouse, parents, children, siblings, grandparents and grandparents-in-law.

Article 122 The board of directors, board of supervisors and shareholders who individually or jointly hold more than one percent (1%) of total shares of the Bank may nominate candidates for independent directors, who shall be elected by the general meeting of shareholders. The term of service of independent directors shall be the same as that of other directors of the Bank. The qualification of persons who hold the position as independent director shall be subject to review and approval by the banking regulatory authority of the State Council.

Article 123 An independent director may resign prior to the expiry of his/her service term. Such independent director shall continue to perform his/her duties until the resignation is approved by the board of directors.

When an independent director resigns, he/she shall submit a written resignation to the board of directors, and submit a written statement to the most recently held general meeting of

shareholders to specify any circumstance related to the resignation or any fact that he/she believes necessary to draw the attention of the Bank's shareholders and creditors.

If the resignation of any independent director causes the number of independent directors to fall below the quorum, the resignation of such independent director shall only become effective when his/her successor has been elected to fill his/her vacancy.

Article 124 Independent directors shall work for the Bank for at least fifteen (15) working days each year.

An independent director may entrust another independent director to attend board meetings on his/her behalf, but he/she should attend at least two thirds (2/3) of total board meetings in person held within one (1) year.

Article 125 In addition to the duties and powers of a director vested by the Company Law and other relevant laws, administrative regulations, rules and the Articles, independent directors shall have the following duties and powers:

- (1) approving significant related party transactions before being submitted to the board of directors for discussion, and, engaging an intermediary institution to issue an independent financial advisory report as the basis for his/her judgment before making judgment;
- (2) proposing to the board of directors to convene an extraordinary general meeting of shareholders;
- (3) proposing to convene a board meeting;
- (4) appointing external auditing and consulting institutions independently;
- (5) proposing to the board of directors to appoint or dismiss an accounting firm;
- (6) publicly soliciting votes from shareholders before a general meeting of shareholders is convened.

The exercising of the aforesaid duties and powers by an independent director shall be approved by more than half (1/2) of all the independent directors.

Article 126 Independent directors shall give objective, impartial and independent opinions on the matters discussed at the general meeting of shareholders or board meeting of the Bank, especially shall address their opinions to the general meeting of shareholders and the board meeting on the following matters:

- (1) significant related party transactions;
- (2) profit distribution plan;
- (3) appointment and dismissal of senior management personnel;
- (4) matters deemed by independent director as such that may impair the rights and interests of depositors and minority shareholders;
- (5) matters deemed by independent director as such that may cause significant loss to the Bank;
- (6) nomination, appointment and dismissal of directors;
- (7) compensations of directors and senior management personnel;
- (8) other matters as stipulated by laws, administrative regulations, rules and the

Articles.

Article 127 To ensure effective performance of duties by independent directors, the Bank shall provide the following necessary conditions for independent directors:

- (1) ensuring that independent directors enjoy the same right of information as other directors;
- (2) providing the necessary working conditions for independent directors to perform their duties;
- (3) ensuring positive cooperation of the secretary of the board of directors and other relevant personnel when independent directors are performing their duties;
- (4) assuming reasonable expenses incurred from engaging intermediary institutions and performing their duties by independent directors.

Article 128 Independent directors shall be deemed as conducting a serious dereliction of duty in any of the following circumstances:

- (1) leaking commercial secret of the Bank and impairing the lawful interests of the Bank;
- (2) accepting illicit interests during the performance of their duties, or seeking private interests by taking advantage of the independent director status;
- (3) failing to raise an opposite opinion despite being fully aware that the resolution of the board of directors violates laws, administrative regulations, rules or the Articles;
- (4) failing to exercise the veto power to the related party transaction which has caused significant loss to the Bank;
- (5) other serious dereliction deemed by the banking regulatory authority of the State Council.

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

Article 129 The board of directors or the board of supervisors has the right to propose the general meeting of shareholders to dismiss the independent director in any of the following circumstances:

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

Article 130 If the board of directors and board of supervisors propose to the general

meeting of shareholders to dismiss an independent director, it shall issue written notice to the independent director him/her within one (1) month prior to the general meeting of shareholders. Such independent director shall have the right to express his/her opinion orally or in writing before voting, and shall have the right to submit such opinion to the banking regulatory authority of the State Council five (5) days prior to the general meeting of shareholders. The general meeting of shareholders shall vote after reviewing the opinion expressed by the independent director.

Article 131 The Bank shall pay compensation and benefit to independent directors. Payment standard shall be formulated by the board of directors, and reviewed and adopted by the general meeting of shareholders.

Section 3 Board of Directors

Article 132 The Bank shall establish a board of directors, which shall be responsible to the general meeting of shareholders. The board of directors shall be composed of five (5) to seventeen (17) directors. The number of directors shall be decided by the general meeting of shareholders, among whom the independent directors shall be no less than three (3) and no less than one third (1/3) of the total number of directors of the board of directors, and the directorship held by senior management personnel shall not exceed one third (1/3) of the total number of the directors.

Article 133 The board of directors shall have an office under its leadership, which shall be responsible for preparing for general meetings of shareholders, board meetings and meetings of special committees and relevant documents, taking minutes of such meetings, assisting the board of directors in enhancing corporate governance and conducting information disclosure properly, managing investor relations and other routine work of the board of directors and the special committees of the board of directors.

Article 134 The board shall have one (1) chairman, and may have one (1) vice chairman if necessary. The chairman and vice chairman shall be served by directors, and shall be elected or dismissed subject to approval of more than half (1/2) of all the directors.

The chairman of the board of directors and president of the Bank shall be separate individuals. The chairman should not concurrently hold the position of legal representative or chief responsible officer of the controlling shareholders.

Article 135 The board of directors shall exercise the following functions and powers:

- (1) being responsible for convening the general meeting of shareholders and reporting its work to the general meeting of shareholders;
- (2) implementing the resolutions of the general meeting of Shareholders;
- (3) deciding on the business plan, investment proposal and development strategies of the Bank;
- (4) formulating the annual financial budget and final accounts of the Bank;
- (5) formulating plans for profit distribution and loss make-up of the Bank;
- (6) formulating plans for the increase or decrease of the Bank's registered capital;
- (7) formulating plans for merger, division, dissolution and change of corporate form;

- (8) formulating plans for issuance of corporate bonds or other securities and public listing;
- (9) formulating plans for repurchase of the shares of the Bank;
- (10) drafting an amendment to the Articles;
- (11) approving issues regarding the establishment of legal persons, material merger and acquisition, material investment, material assets disposal, material guarantee and so on, according to the scope of authorization by the general meeting of shareholders;
- (12) engaging or dismissing president and the secretary of the board of directors and deciding on their compensation, bonus and penalty issues; studying and determining chairmen and members of special committees of the board of directors;
- (13) engaging or dismissing vice president and other senior management personnel (except the secretary of the board of directors) who shall be engaged or dismissed by the board of directors under relevant laws according to the nomination of the president and deciding on their compensation, bonus and penalty issues;
- (14) formulating basic management systems of the Bank such as risk management system and internal control system, and supervising the implementation of such systems;
- (15) deciding on or authorizing the president to decide on the establishment of tier-one departments of the head office, domestic tier-one branches, the branches and offices directly under the head office and branches and offices outside Mainland China;
- (16) approving the internal audit rules, medium and long term audit plans, annual work plans and internal audit system; deciding on or authorizing the audit committee of the board of directors to decide on audit budget, compensation of personnel and engagement and dismissal of the principals;
- (17) formulating and implementing throughout the Bank clearly defined responsibility system and accountability system; regularly evaluating and improving corporate governance of the Bank;
- (18) managing information disclosure of the Bank;
- (19) proposing the engagement or dismissal of accounting firm to the general meeting of shareholders;
- (20) formulating related party transaction management system, examining and approving or authorizing the related party transaction control committee to approve related party transactions (except for those related party transactions that shall be examined and approved by a general meeting of shareholders in accordance with laws); making special report to the general meeting of shareholders on the implementation of related party transaction management system and the status of related party transactions;
- (21) examining and approving proposals put forth by special committees;
- (22) according to relevant regulatory requirements, listening to the work report made by the president and other senior management personnel of the Bank so as to ensure the directors obtain sufficient information in a timely manner in relation to performance of their duties; supervising and ensuring the president and other senior management personnel to perform their management duties effectively;
- (23) exercising other functions and powers vested by laws, administrative regulations,

rules or the Articles as well as authorized by the general meeting of shareholders.

Article 136 The board of directors shall establish strict examination and approval procedures by setting the scope of authority for conducting investment, purchase of assets, sale of assets, asset pledge, guarantee, entrustment of wealth management and related party transactions. Matters regarded as material investments shall be examined by experts and other professionals, and be submitted to the general meeting of shareholders for approval if it is required according to the Articles of the Bank.

Article 137 When disposing of fixed assets, if the expected value of the fixed assets to be dispose of and the total value of the fixed assets already disposed of four (4) months before such disposal proposal jointly exceeds thirty-three percent (33%) of the fixed assets value shown in the most recent balance sheet reviewed by the general meeting of shareholders, the board of directors should not dispose of or approve the disposal of such fixed assets until it is approved by the general meeting of shareholders.

The disposal of fixed assets referred to in this article includes the transfer of some rights and interests of assets, but excludes the provision of guarantee with fixed assets.

The effectiveness of transaction conducted by the Bank to dispose of fixed assets shall not be subject to item (1) of this article.

Article 138 The board of directors shall formulate the rules of procedures for the board of directors, which shall be executed after being examined and approved by the general meeting of shareholders, to ensure the efficiency and scientific decision-making of the board of directors.

Article 139 The board of directors shall regularly listen to the report made by the internal auditing department and compliance department on internal audit and inspection result; regularly evaluate the operation situations of the Bank, and upon the result of such evaluation assess the performance of senior management personnel comprehensively.

Article 140 The board of directors shall, in the course of its performance of its duties, considers fully the opinions of the external auditors of the Bank, and may engage professional institutions or persons to give opinions with relevant fees borne by the Bank.

Article 141 The board of directors shall supervise the implementation of the development strategies of the Bank and regularly re-examine the development strategies so as to ensure such strategies are consistent with the operation of the Bank and changes of the market environment.

Article 142 The board of directors shall be ultimately responsible for the management of consolidated financial accounts and shall be responsible for establishing the Bank's overall strategic policies on consolidated financial accounts management, considering and approving the basic system of and measures for the management of consolidated financial accounts, and establishing the mechanism of regular review and assessment of consolidated financial accounts management.

Article 143 When dismissing the president of the Bank, the board of directors shall

inform the board of supervisors in time and make a written explanation.

Article 144 The board of directors shall accept the supervision from the board of supervisors, and should not prevent or hinder the board of supervisors from conducting activities such as inspection, auditing, etc. in accordance with duties and powers of the supervisors.

Article 145 The chairman of the board of directors shall exercise the following functions and powers:

- (1) presiding over the general meeting of shareholders and reporting to the general meeting of shareholders on behalf of the board of directors;
- (2) convening and presiding over the board meeting;
- (3) supervising and inspecting the implementation of resolutions of the board of directors;
- (4) signing certificates of shares, bonds and others securities of the Bank;
- (5) signing other documents that shall be signed by the legal representative of the Bank;
- (6) exercising other functions and powers vested by relevant laws, administrative regulations and rules as well as authorized by the board of directors.

When the chairman of the board cannot or fails to perform his/her duties and powers, the vice chairman shall act on his/her behalf; when the vice chairman cannot or fails to perform his/her duties and powers, a director elected by more than half (1/2) of all the directors shall act on his/her behalf.

Article 146 The board meeting shall include the regular board meeting or the interim board meeting. The board of directors shall inform the supervisors of the convening of board meeting.

Article 147 The regular board meetings shall be convened at least four (4) times a year. The board of directors shall inform all directors and supervisors with written notice fourteen (14) days prior to the regular board meeting.

Article 148 The chairman of the board of directors shall convene and preside over the board meeting within ten (10) days in one of the following circumstances:

- (1) when shareholders representing more than ten percent (10%) of the voting shares propose to do so;
- (2) when the chairman of the board of directors considers it necessary;
- (3) when more than one third (1/3) of the directors propose to do so;
- (4) when the board of supervisors proposes to do so;
- (5) when more than half (1/2) of the independent directors propose to do so;
- (6) when the president of the Bank proposes to do so.

A notice shall be issued within a reasonable time limit before an interim board meeting is convened.

Article 149 When more than two (2) independent directors consider the meeting

materials are insufficient or the discussion is ambiguous, they may jointly sign to propose the board of directors in writing to postpone the convening of board meeting or postpone the review of such matter, and the Board shall accept such proposal.

Article 150 A board meeting may be held by means of on-site meeting, telephone conference, video conference and adoption of written resolution.

If the board meeting is held by means of telephone conference or video conference, it shall be ensured that speeches by other directors can be heard clearly by the directors present at the meeting and the directors can interact with each other. The board meeting held by such means shall be audiotaped or videotaped. If the directors could not sign on the meeting minutes at such meeting, voice vote shall be used and signing on written minutes shall be performed as soon as possible. The effectiveness of the voice vote of the directors shall be equal to that of the signature. The signature should be the same as the voice vote made at the meeting. Should there be any inconsistency between the two, the voice vote shall prevail.

If the board meeting is held by means of adoption of written resolutions, namely serving the proposals on directors individually or circulating the resolutions among the directors for review, each director or its proxy shall express their opinions as affirmative, negative or abstained in writing. Once the number of the directors who express affirmative opinion reaches the quorum, the content of the proposal shall become a resolution of the board of directors.

Article 151 The board meetings shall be held only if more than half (1/2) of the directors are present. If some directors have material interest with the matters to be resolved in the board meeting, such board meeting shall be held only if more than half (1/2) of the directors without material interest with the matter are present.

Article 152 Resolutions of the board of directors shall be approved and adopted by more than half (1/2) of all directors, but for the following matters, the resolution shall be approved and adopted by more than two thirds (2/3) of all directors, and the board meeting should not be held by adoption of written resolutions:

- (1) formulating the annual financial budget and final accounts of the Bank;
- (2) profit distribution plans or deficiency coverage plans;
- (3) plans for the increase or decrease of registered capital;
- (4) plans for merger, division, dissolution and change of corporate form;
- (5) plans for issuance of corporate bonds or other securities and public listing;
- (6) plans for repurchase of the shares of the Bank;
- (7) amendments to the Articles;
- (8) establishment of legal persons, material merger and acquisition, material investment and material assets disposal and material guarantee matters and so on;
- (9) appointing or dismissing president and secretary of the board of directors and other senior management personnel of the Bank who shall be appointed or dismissed by the board of directors under relevant laws, deciding on their compensation, bonus and penalty matters; appointing chairmen and members of special committees of the board of directors;
- (10) proposing the engagement or dismissal of accounting firm to the general meeting of shareholders;

- (11) such other matters whereby more than half (1/2) of all directors consider will have a material adverse effect on the Bank and shall be approved and adopted by more than two-thirds (2/3) of all directors.

Article 153 If any director or any of its connected person (as defined in the Listing Rules) has material interest with the matter to be resolved in the board meeting, such director shall withdraw from reviewing such matter and should neither exercise his/her voting right on such matter, nor exercise voting right on behalf of other directors, nor be counted into the quorum of the meeting, unless otherwise specified by laws, administrative regulations, rules and other relevant regulations of the securities regulatory authority in the locality where the shares of the Bank are listed.

Resolutions of the board of directors shall be adopted only by more than half (1/2) of the directors without material interest in the matter to be resolved.

When directors with no significant material interest in the matter present at the board meeting are less than three (3), the board of directors shall submit such proposals in time to the general meeting of shareholders for review. The board of directors shall explain to the general meeting of shareholders the review of the board of directors on such proposal when submitting the proposal thereto, and shall record the opinions of the directors without material interest in the matter on such proposal.

Article 154 Directors may vote by show of hands or by disclosed ballot in the board meeting. Each director shall have one vote.

Article 155 Directors shall attend the board meeting in person. If a director cannot attend the meeting in person due to some reason, he/she may entrust another director in writing to attend the meeting on his/her behalf (if an independent director cannot attend the meeting in person due to some reason and intends to attend the meeting by means of entrustment, he/she shall entrust another independent director to attend the meeting on his/her behalf). The proxy letter shall specify the proxy's name, entrusted matters, the scope of the authority and the valid term, and shall be affixed with the signature or seal of the entrustor.

The director who attends the board meeting on behalf of another director shall exercise the right of the entrustor within the scope of authorization. If any director fails to attend the board meeting or entrusts a proxy to be present on his/her behalf, he/she shall be deemed to have waived his/her voting rights at that meeting.

Article 156 Minutes of the board meetings shall be taken for the matters discussed at such meetings. Directors present at the meeting and the recorder shall sign their names on the minutes. Minutes of the meeting shall include the contents required by laws, administrative regulations and rules.

Directors shall be responsible for the resolutions of the board of meetings. If any resolution of the board of directors violates any laws, administrative regulations, rules or the Articles and causes the Bank to suffer significant losses, the directors who voted for the resolution shall be liable for compensation to the Bank while the directors who are certified by the minutes of the meeting as having voted against the resolution are not liable for the losses.

Article 157 Resolutions of the board of directors in violation of laws or administrative regulations shall be deemed as invalid.

In cases where the convening procedure or voting method of Board meeting violates laws, administrative regulations or the Articles, or resolution contents violate the Articles, shareholders may, within sixty (60) days upon the date of making the resolution, request the people's court to rescind such resolution.

In cases where shareholders file lawsuit in accordance with the aforesaid term, the Bank may apply to the people's court for corresponding guarantee from the shareholders.

If the Bank has registered the change in accordance with resolution of the board of directors, and the people's court declares such resolution be void or rescinded, the Bank shall apply to the company registration authority for rescission of the registration of change.

Article 158 The minutes of the board meeting shall be kept as archives of the Bank in accordance with the archives management system of the Bank.

Section 4 Secretary of the Board of Directors

Article 159 The Bank shall have one secretary of the board of directors, who shall be appointed or dismissed by the board of directors.

Article 160 The secretary of the board of directors shall be a natural person who has necessary professional knowledge and experience, and shall exercise the following functions and duties:

- (1) assisting directors in handling daily work of the board of directors, providing directors with or reminding them of and ensuring that directors understand the regulations, policies and requirements of relevant regulatory authorities in relation to the Bank's operation, and assisting directors and the president in observing laws, administrative regulations, rules, relevant regulations of the securities regulatory authority of the locality where the Bank's shares are listed, the Articles and other relevant provisions in the performance of their duties;
- (2) organizing and preparing for the board meetings and the general meetings of shareholders, being responsible for taking minutes of board meetings and signing on the same and for the keeping of important documents such as resolutions and minutes of board meetings and the general meetings of shareholders, ensuring that decisions made at such meetings are in compliance with statutory procedures, and following up with the implementation of relevant resolutions, reporting in a timely manner to the board of directors on major issues identified in the implementation process and making suggestions on the same;
- (3) ensuring decisions made by the board of directors on major matters are in strict compliance with procedural requirements; participating and organizing consultations for and analyses of matter to be decided on by the board of directors as required, making suggestions on the same; and handling daily operation matters of the board of directors and special committees of the board of directors that are delegated to him or her;

- (4) being responsible, as the liaison officer between the Bank and relevant regulatory authorities, for organizing preparation and timely delivery of documents requested by relevant regulatory authorities and for receiving and arranging for implementation of relevant tasks from relevant regulatory authorities;
- (5) being responsible for organizing and coordinating the Bank's information disclosures, organizing establishment of and improvement on the management system in respect of the Bank's information disclosure matters, urging the Bank and relevant information disclosure obligors to act in compliance with relevant provisions governing information disclosure; keeping confidentiality of the Bank's price-sensitive information reporting and disclosing in a timely manner leaks of important information not disclosed to the public to securities regulatory authorities of the place where the Bank's shares are listed and arranging for disclosure;
- (6) coordinating public relations and being responsible for managing investors relations, coordinating between the Bank and relevant regulatory authorities, investors, securities services institutions and the media etc in respect of information communication;
- (7) being responsible for the Bank's securities management matters, ensuring proper management and keeping of the Bank's registers of shareholders and beneficiaries of the Bank's outstanding bonds, keeping information on holdings of the Bank's shares by its directors, supervisors, senior management officers, the Bank's controlling shareholder and its directors, supervisors and senior management officers, being responsible for disclosure in response to the request of relevant regulatory authorities of changes in shareholdings of the Bank's directors, supervisors and senior management officers; keeping the seal of the Bank's board of directors;
- (8) organizing training programmes for the Bank's directors, supervisors and senior management officers on relevant laws, administrative regulations and relevant provisions of securities regulatory authorities of the places where the Bank's shares are listed, and assisting them in understanding their respective duties in information disclosure;
- (9) performing other duties delegated to him or her by the board of directors and exercising such other powers and authorities as prescribed by securities regulatory authorities of the places where the Bank's shares are listed.

Article 161 A director or senior management personnel of the Bank may serve concurrently as the secretary of the board of directors (except as prohibited by laws, administrative regulations or rules), provided that he/she shall ensure that he/she has adequate energy and time required for effectively performing his/her duty as the secretary of the board of directors.

Article 162 If an action is required to be taken by a director and the secretary of the board respectively, a director who is also the secretary of the board shall not take such action in both capacities simultaneously.

Section 5 Special Committees of the Board of Directors

Article 163 The board of directors of the Bank shall have strategy committee, audit

committee, risk management committee, nomination committee, compensation committee and related party transactions control committee. The board of directors may set up other special committees and adjust the existing committees whenever necessary.

Each special committee shall be accountable to the board of directors, and upon the authorization by the board of directors, provide the board of directors with professional opinions or make decision on professional matters. Each special committee may engage an intermediary institution to issue professional advice and the reasonable expenses incurred shall be borne by the Bank.

Each special committee member shall be a director of the Bank and each special committee shall be composed of no less than three (3) directors. Independent directors shall form the majority of the audit committee, nomination committee, compensation committee and related party transactions control committee and act as the chairman in such committees. Members of the audit committee shall be non-executive directors.

Article 164 The strategy committee shall exercise the following functions and duties:

- (1) examining plans for strategic development and making suggestions in that respect to the board of directors;
- (2) examining annual financial budgets and final accounts, making suggestions in that respect to the board of directors;
- (3) examining the strategic capital allocation (such as capital structure and capital adequacy ratio) and asset-liability management targets, making suggestions in that respect to the board of directors;
- (4) preparing plans for the overall development of different kinds of financial business and making suggestions in that respect to the board of directors;
- (5) examining plans for significant restructuring and adjustments, making suggestions in that respect to the board of directors;
- (6) being responsible for examining the making of significant investment and financing plans and proposals in that respect as submitted by the management, making suggestions in that respect to the board of directors;
- (7) being responsible for examining the making of merger and acquisition plans and proposals in that respect as submitted by the management, making suggestions in that respect to the board of directors;
- (8) examining the strategic development plan of domestic and overseas branches and offices, making suggestions in that respect to the board of directors;
- (9) examining plans for strategic human resources development, making suggestions in that respect to the board of directors;
- (10) examining plans for IT development and other special strategic development plans, making suggestions in that respect to the board of directors;
- (11) examining and assessing whether the corporate governance structure is sound so as to ensure that the financial report, risk management and internal control of the Bank meet the Bank's standards for corporate governance;
- (12) other matters required by laws, administrative regulations, rules, relevant provisions of the securities regulatory authority of the locality where the shares of the Bank are listed, and as may be authorized by the board of directors.

Article 165 The audit committee shall exercise the following duties and powers:

- (1) supervising the Bank's internal control, reviewing the Bank's management rules and regulations and their implementation, and inspecting and evaluating the compliance and effectiveness of the Bank's significant business activities;
- (2) reviewing financial information of the Bank and its disclosure, reviewing the Bank's significant financial policies and their implementation, supervising financial operations, and monitoring the truthfulness of the Bank's financial reports and the effectiveness of the management's implementation of financial reporting procedures of the Bank;
- (3) inspecting, monitoring and assessing the performance of the Bank's internal audit functions, supervising the internal audit system and its implementation, and evaluating the work procedures and effectiveness of the internal audit departments;
- (4) proposing the engagement or replacement of the Bank's external auditors, adopting appropriate measures to supervise their performance, reviewing external auditors' reports, and ensuring external auditors bear responsibility for their audit work;
- (5) procuring that the Bank ensure the internal audit departments have sufficient resources for their operations and facilitating communications between the internal audit departments and the external auditors;
- (6) assessing the mechanism of reporting improprieties in financial reports, internal control or other matters by the Bank's employees, and the mechanism of conducting independent and fair investigation on the reported matters and taking appropriate follow up action by the Bank;
- (7) reporting its decisions and recommendations to the board of directors;
- (8) other duties and powers designated under laws, administrative regulations, rules, relevant provisions of the securities regulatory authority of the locality where the shares of the Bank are listed, and as may be authorized by the board of directors.

Article 166 The risk management committee shall exercise the following duties and powers:

- (1) examining and amending risk strategies, risk management policies, risk preference, overall risk management system and internal control procedures of the Bank, supervising and assessing the implementation and effectiveness thereof according to the overall strategy of the Bank, making suggestions in that respect to the board of directors;
- (2) supervising and assessing the establishment, organizational structure, working procedures and effectiveness of the risk management department and making suggestions for improvement;
- (3) supervising and assessing the risk control by the senior management in respect of credit, market and operation, and making suggestions for improving the Bank's risk management and internal control;
- (4) conducting regular assessments on the risk management policies, risk preference and overall risk management status of the Bank, making suggestions in that respect to the board of directors;
- (5) examining and approving significant risk management affairs or transactions that

are beyond the authority of the president or submitted by the president to the risk management committee for consideration, according to the authorization by the board of directors; and

- (6) other matters required by laws, administrative regulations, rules, relevant provisions of the securities regulatory authority of the locality where the shares of the Bank are listed, and as may be authorized by the board of directors.

Article 167 The nomination committee shall exercise the following duties and powers:

- (1) formulating standards and procedures for the election of directors and senior management personnel, and submitting the proposed procedures and standards to the board of directors for approval;
- (2) proposing to the board of directors the candidates for directors, president and the secretary of the board of directors;
- (3) examining the candidates for senior management personnel nominated by the president, making suggestions to the board of directors;
- (4) making suggestions to the board of directors on chairmen and members of special committees of the board of directors;
- (5) assessing the structure, size and composition of the board of directors annually based on the Bank's development strategy, making suggestions to the board of directors;
- (6) formulating development plans for senior management personnel and key reserve talents;
- (7) other matters required by laws, administrative regulations, rules, relevant regulations of the securities regulatory authority of the locality where the shares of the Bank are listed, and as may be authorized by the board of directors.

Article 168 The compensation committee shall exercise the following duties and powers:

- (1) formulating performance evaluation measures of directors and compensation plans for directors and supervisors (the compensation plans for supervisors shall be sent to the board of supervisors for comment), and submitting them to the board of directors for approval and then to the general meeting of shareholders for approval;
- (2) organizing performance evaluation on directors, proposing the distribution of compensation of directors, and submitting it to the general meeting of shareholders for resolution upon the approval of the board of directors;
- (3) according to the performance evaluation on supervisors conducted by the board of supervisors, proposing the distribution of compensation of supervisors, and submitting it to the general meeting of shareholders for resolution upon the approval of the board of directors;
- (4) formulating and examining evaluation measures and compensation plans for senior management personnel, evaluating the performances and acts of senior management personnel and submitting them to the board of directors for approval, and then to the general meeting of shareholders if the matter falls within the authority of the general meeting of shareholders;
- (5) other matters required by laws, administrative regulations, rules, relevant regulations of securities regulatory authorities of the locality where the shares of

the Bank are listed, and as may be authorized by the board of directors.

Article 169 The related party transactions control committee shall exercise the following duties and powers:

- (1) formulating the basic policies of the related party transactions management and supervising the implementation of the same;
- (2) identifying and reporting to the board of directors and the board of supervisors the related parties of the Bank, and informing relevant staff of the Bank in a timely manner of the identified related parties;
- (3) approving related party transactions and other matters relevant to related party transactions as authorized by the board of directors, and accepting statistical and information for record on related party transactions;
- (4) conducting an examination on related party transactions which are subject to the approval of the board of directors or the general meeting of shareholders, and submitting them to the board of directors or for the board of directors to submit to the general meeting of shareholders for approval;
- (5) reporting to the board of directors information on implementation of the related party transactions management system and the status of related party transactions;
- (6) other matters required by laws, administrative regulations, rules, relevant provisions of the securities regulatory authority of the locality where the shares of the Bank are listed, and as may be authorized by the board of directors.

Article 170 The rules of procedures for special committees of the board of directors shall be separately formulated by the board of directors.

Chapter 9 President and Other Senior Management Personnel

Article 171 The Bank shall have one president, several vice presidents and, if necessary, chief risk officer, chief financial officer and other senior management personnel. The president shall be engaged or dismissed by the board of directors.

Article 172 The president shall be responsible to the board of directors and shall perform the following functions and powers:

- (1) taking charge of the operation and management of the Bank and organizing the implementation of resolutions of the board of directors;
- (2) submitting operation and investment plans of the Bank to the board of directors, and organizing the implementation of the plans upon approval of the board of directors;
- (3) drafting basic management regulations of the Bank;
- (4) drafting the annual financial budget plan, final account plan, profit distribution plan, loss make-up plan, plans for increase or reduction of the registered capital, the issuance of bonds or other securities and listing, and making suggestions in that respect to the board of directors;
- (5) drafting plans for the establishment of tier-one departments of the head office, domestic tier-one branches, the branches and offices directly under the head

- office and branches and offices outside Mainland China;
- (6) formulating specific rules and regulations of the Bank;
 - (7) proposing the board of directors to engage or dismiss of vice presidents and other senior management personnel who shall be engaged or dismissed by the board of directors in accordance with laws, administrative regulations and rules (except the secretary of the board or directors);
 - (8) engaging or dismissing persons in charge of the internal departments and branches of the Bank other than those to be engaged or dismissed by the board of directors;
 - (9) conducting or authorizing the senior management personnel and persons-in-charge of the internal departments and branches to conduct daily operation and management activities according to the authorization of the board of directors;
 - (10) determining plans for performances evaluation and compensation levels of persons in charge of internal departments (except the internal audit department) and branches of the Bank; and assessing the performances and compensation levels of such persons;
 - (11) proposing convening interim board meetings;
 - (12) adopting emergency measures in favor of the interest of the Bank and promptly reporting them to the banking regulatory authority of the State Council, the board of directors and the board of supervisors, in the case where any significant unexpected incident or any other emergency happens at the Bank; and
 - (13) other functions and powers that should be exercised by the president according to laws, administrative regulations, rules, the Articles, and decisions of the general meeting of shareholders and of the board.

The vice presidents shall assist the president in his work and bear their respective responsibilities according to the authorization of the president; where the president is unable to exercise his functions and powers, such functions and powers shall be exercised by an executive director, a vice president or other senior management personnel designated by the board of directors.

Article 173 The president and other management personnel shall truthfully report to the board of directors or the board of supervisors on the business performance, important contracts, financial positions, risk status, prospects of the Bank and significant events regularly or as requested by the board of directors or the board of supervisors.

Article 174 The president shall formulate working rules of the president and implement such rules after being approved by the board of directors.

Article 175 The president and other senior management personnel shall be responsible to the board of directors and be supervised by the board of supervisors. The president and other senior management personnel shall perform their duties independently within their functions and powers.

The operational and management activities of the Bank conducted by the president and other senior management personnel within their functions and powers shall not be intervened.

Article 176 The president may, if necessary, set up relevant special committees, and

formulate rules of procedures for such special committees.

Article 177 The board of directors shall discuss and decide on matters submitted by the president for approval in a timely manner.

Article 178 The president and other senior management personnel shall perform their obligations of faithfulness and diligence according to the provisions of laws, administrative regulations, rules and the Articles herein in the course of exercising their functions and powers.

Article 179 The specific procedures and measures for resignation of the president and other senior management personnel shall be specified in the employment contract between the aforesaid persons and the Bank.

Chapter 10 Supervisors and the Board of Supervisors

Section 1 Supervisors

Article 180 Supervisors of the Bank include supervisors of shareholder representatives, external supervisors and supervisors of staff representatives. The proportion of staff supervisors shall not be less than one third (1/3) of total number of supervisors, and the Bank shall have at least two (2) external supervisors.

Article 181 Neither a director nor any senior management personnel may serve concurrently as a supervisor of the Bank.

Article 182 The method and procedures for nominating supervisors of shareholder representatives shall be as follows:

- (1) candidates for shareholder supervisors shall be nominated by the board of supervisors or the shareholder(s) holding individually or jointly five percent (5%) or more of the voting shares of the Bank, and elected by the general meeting of shareholders of the Bank;
- (2) before the convening of general meeting of shareholders, candidates for shareholder supervisors shall make written undertakings stating their acceptance of the nomination, undertaking that their information disclosed to the public is true and complete, and promising to faithfully perform the duties of supervisors if elected.

Article 183 Supervisors of staff representatives shall be elected and removed by the staff through democratic procedures.

Article 184 The term of office of the supervisors shall be three (3) years. A supervisor may serve consecutive terms if reelected upon expiry of his term of office. No supervisor may be removed without justification before his/her term of office expires.

Article 185 Supervisors shall attend meetings of the board of supervisors in person. If a supervisor is unable to attend a meeting for any reason, he/she may entrust in writing another supervisor to attend the meeting on his/her behalf. The proxy letter shall state the

name of proxy, entrusted matter, the scope of authority and effective period, and shall be signed by or affixed with the seal of the entrustor.

A supervisor who fails to attend two (2) consecutive meetings of the board of supervisors in person or entrust another supervisor to attend the meeting shall be deemed unable to perform his duties, and the board of supervisors shall propose the general meeting of shareholders to remove the supervisor or suggest that the supervisor be removed through democratic procedures.

Article 186 A supervisor may resign before the expiry of his/her term of office. A supervisor who intends to resign shall submit a written resignation report to the board of supervisors.

If the total number of supervisors on the board of supervisors falls below the minimum number required by law due to the failure to promptly re-elect a supervisor upon the expiry of his/her term of office or due to the resignation of a supervisor, such supervisor shall continue to perform his/her duties as a supervisor according to laws, administrative regulations, rules and the Articles until the re-elected supervisor takes office.

Save where the resignation of a supervisor will cause the total number of supervisors on the board of supervisors to fall below the minimum number required by law as aforesaid, a supervisor's resignation report shall become effective upon its delivery to the board of supervisors. The provisions concerning the resignation of independent directors shall apply to the external supervisors.

Article 187 Supervisors shall comply with laws, administrative regulations, rules and the Articles herein and perform the obligations of faithfulness and diligence.

Article 188 Supervisors may attend board meetings as non-voting attendees. Such supervisors who attend the board meeting may make inquiries or give opinions on the subject under discussion but shall not vote at the meeting. The supervisor who attends a board meeting as a non-voting attendee shall report on the meeting to the board of supervisors.

Article 189 The board of supervisors may designate supervisors to attend meetings of the senior management if it deems it necessary.

Section 2 External Supervisors

Article 190 An external supervisor of the Bank refers to a supervisor of the Bank who holds no post in the Bank except for the post of supervisor and has no relation with the Bank or any of its principal shareholders which may affect his/her independent and objective judgment.

External supervisors of the Bank shall be nominated by the board of supervisors or shareholder(s) holding individually or jointly one percent (1%) or more of shares of the Bank, and elected by the Bank's general meeting of shareholders.

The provisions herein concerning the qualifications, election, replacement and resignation

procedures for independent directors shall apply to the external supervisor.

Article 191 An external supervisor shall work for the Bank for at least fifteen (15) working days each year. An external supervisor may entrust another external supervisor to attend a meeting of the board of supervisors, provided that he/she shall attend in person at least two thirds (2/3) of all meetings of the board of supervisors each year.

If an external supervisor attends in person less than two thirds (2/3) of all meetings of the board of supervisors in a year or fails to attend two (2) consecutive meetings of the board of supervisors in person or entrust another external supervisor to attend, the board of supervisors shall propose the general meeting of shareholders to remove that external supervisor.

Article 192 External supervisors shall have the same rights as other supervisors and shall conduct supervision over the board of directors and senior management personnel and carry out activities within the authority according to resolutions of the board of supervisors.

Article 193 External supervisors shall be deemed as conducting a serious dereliction of duty in any of the following circumstances:

- (1) revealing any commercial secrets and impairing legitimate interests of the Bank;
- (2) accepting illicit interest when performing his/her duties;
- (3) seeking personal interest by taking advantage of the external supervisor status;
- (4) failing to discover a problem that he/she should have discovered during the supervision and inspection or concealing any problem found, which causes the Bank to suffer significant losses; or
- (5) conducting other serious derelictions of duty as may be determined by the banking regulatory authority of the State Council.

Article 194 The Bank shall pay compensation and benefits to external supervisors. The payment standards shall be determined by the compensation committee of the Bank in the light of the compensation and benefits for independent directors and be submitted to the general meeting of shareholders for approval after being approved by the board of directors.

Section 3 The Board of Supervisors

Article 195 The Bank shall have a board of supervisors. The board of supervisors shall be the supervisory body of the Bank and shall be responsible to the general meeting of shareholders.

Article 196 The board of supervisors of the Bank shall be composed of five (5) to seven (7) supervisors. The board of supervisors shall have one (1) chief supervisor. The chief supervisor shall be a full-time supervisor and have professional knowledge and work experience in at least one of the accounting, audit, financial and law fields.

The chief supervisor shall be elected or removed by two thirds (2/3) or more of all the supervisors.

Article 197 There shall be an office under the board of supervisors as its routine administrative body. This office is assigned by the board of supervisors to supervise and inspect matters such as corporate governance, financial activities, risk management and internal control of the Bank and shall be responsible for making preparations for meetings of the board of supervisors and its special committees and for preparing documents in relation to such meetings and taking minutes of such meetings.

Article 198 The board of supervisors shall exercise the following functions and powers:

- (1) supervising the performance and due diligence of directors and senior management personnel, and making inquiries to directors and senior management personnel;
- (2) supervising the performance of duties by the board of directors and the senior management;
- (3) requiring directors and senior management personnel to rectify their acts which are detrimental to the interest of the Bank;
- (4) proposing dismissal of directors or senior management personnel who violate laws, administrative regulations, rules, the Articles or resolutions of the general meeting of shareholders, or initiating legal proceedings according to laws;
- (5) conducting leave audits towards directors and senior management personnel when necessary;
- (6) inspecting and supervising financial activities of the Bank;
- (7) examining such financial information as financial report, business report and profit distribution plan to be submitted to the general meeting of shareholders by the board of directors, and in case of having any doubt, may engage certified public accountants and practicing auditors in the Bank's name to help re-examine the information;
- (8) inspecting and supervising the business decision-making, risk management and internal control of the Bank and guiding the internal audit department of the Bank in its work;
- (9) formulating performance evaluation measures of supervisors, and conducting the performance evaluation on supervisors, and reporting to the general meeting of shareholders for approval;
- (10) raising proposals to the general meeting of shareholders;
- (11) proposing to convene an extraordinary general meeting of shareholders, and convening and presiding over the extraordinary general meeting of shareholders in case the board of directors fails to perform its duty of convening general meeting of shareholders;
- (12) proposing to convene an interim meeting of the board of directors; and
- (13) other functions and powers as may be stipulated by laws, administrative regulations, rules or the Articles herein or authorized by the general meeting of shareholders.

Article 199 The board of supervisors shall formulate its rules of procedures, which shall be executed after being examined and approved by the general meeting of shareholders to ensure the efficiency and scientific decision-making of the board of supervisors.

Article 200 The audit results obtained by the internal audit department in respect of the

internal functional departments and branches of the Bank shall be submitted to the board of supervisors in a timely and complete manner. The board of supervisors shall have the right to request the board of directors or the internal audit department to give explanations if it has any doubt about the audit result submitted by the internal audit department.

The profit distribution plan formulated by the board of directors shall be submitted to the board of supervisors in advance. The board of supervisors shall give its opinions within five (5) working days, and it shall be deemed to be approved if no opinions were given within the time limit.

Article 201 During the performance of duties, the board of supervisors shall have the right to make inquiries to relevant personnel and departments of the Bank, and such personnel and departments shall be cooperative.

During the performance of its duties, the board of supervisors may engage professionals such as lawyers and certified public accountants to provide services and professional opinions, and the reasonable expenses thus incurred shall be borne by the Bank.

Article 202 The board of supervisors shall have the right to be informed, propose and report granted by laws and regulations. The Bank shall adopt measures to guarantee supervisors' right to be informed and provide the board of supervisors with relevant information and materials in a timely manner as required. The board of supervisors may make suggestions to the board of directors and senior management personnel, and may report to the general meeting of shareholders if necessary.

Article 203 The chairman of the board of supervisors shall exercise the following functions and powers:

- (1) convening and presiding over meetings of the board of supervisors;
- (2) organizing the performance of duties of the board of supervisors;
- (3) approving and signing reports, resolutions and other important documents of the board of supervisors;
- (4) reporting on the work of the board of supervisors to the general meeting of shareholders; and
- (5) other functions and powers that should be exercised by the chief supervisor according to laws, administrative regulations, rules or the Articles herein.

Article 204 The board of supervisors shall discuss official business through the meeting of the board of supervisors, which includes regular meetings and special meetings.

Meetings of the board of supervisors may be held in the same form as the board meeting.

Article 205 The board of supervisors shall regularly meet at least four (4) times a year. The board of supervisors shall give a written notice of a regular meeting to all supervisors ten (10) days prior to the meeting.

Article 206 The chairman of the board of supervisors shall convene and preside over a meeting of the board of supervisors within ten (10) days in one of the following

circumstances:

- (1) the chairman of the board of supervisors considers it necessary;
- (2) when more than one third (1/3) of the supervisors propose to do so;
- (3) when all external supervisors propose to do so.

The board of supervisors shall give a written notice of a special meeting to all supervisors within a reasonable period.

Article 207 The written notice of a meeting of the board of supervisors shall contain the place, date, time, duration, subject matter and topics of the meeting and the date of the notice.

Article 208 The chairman of the board of supervisors shall convene and preside over meetings of the board of supervisors. If the chairman of the board of supervisors is unable or fails to perform such duties, the meeting may be convened and presided over by a supervisor elected by more than half (1/2) of all the supervisors.

Article 209 The meeting of the board of supervisors shall be convened only if more than two thirds (2/3) of all the supervisors are present.

Article 210 All members of the board of supervisors shall have the right to speak at meetings of the board of supervisors; and the board of supervisors shall examine proposals put forward by any supervisor.

When examining a proposal or report at its meeting, the board of supervisors may request directors, president and other senior management personnel of the Bank to attend the meeting as non-voting attendees, make necessary statements with regard to relevant matters, and give answer to questions that the board of supervisors concerns.

Article 211 At meetings of the board of supervisors, votes shall be cast either through a show of hands or by open ballot.

Article 212 A resolution of the board of supervisors shall be passed by at least two thirds (2/3) of all the supervisors.

Article 213 Minutes shall be taken for all meetings of the board of supervisors and shall be signed by all supervisors present or their proxy and the recorder. Supervisors shall have the right to ask to keep their qualified opinions in the minutes. Meeting minutes of the board of supervisors shall be kept according to the archives management system of the Bank.

Section 4 Special Committees of the Board of Supervisors

Article 214 The board of supervisors of the Bank shall have a supervision committee. The board of supervisors may set up other special committees and adjust the existing special committee whenever necessary. A special committee shall perform its tasks according to the authorization by the board of supervisors and be responsible to the board of supervisors.

Article 215 The supervision committee shall be composed of at least three (3) supervisors, and perform the following functions and duties:

- (1) drafting plans for the inspection and supervision of the financial activities of the Bank;
- (2) drafting plans for the leave audits of directors, the president and other senior management personnel;
- (3) drafting plans for the audits of the business policies, risk management and internal control of the Bank when necessary; and
- (4) other functions and duties as may be authorized by the board of supervisors.

Article 216 Working rules, functions and duties of special committees of the board of supervisors shall be separately formulated by the board of supervisors.

Chapter 11 Qualifications, Obligations and Incentive Mechanism for Directors, Supervisors, President and Other Senior Management Personnel

Article 217 The qualifications for the directors, supervisors, president and other senior management personnel of the Bank shall conform to laws, administrative regulations, relevant provisions of banking regulatory authority of the State Council or other related regulatory authorities, and pertinent provisions of the Articles.

Article 218 None of the following persons may hold the position of director, supervisor, president or other senior management personnel of the Bank:

- (1) those without capacity or with limited capacity for civil conduct;
- (2) those sentenced to criminal punishment for embezzlement, bribery, seizure of property, appropriation of property or disrupting socialist market economic orders, where no more than five (5) years have elapsed since the expiration of the enforcement period, or those deprived of political rights for crimes committed, where no more than five years have elapsed since the expiration of the enforcement period;
- (3) directors or managers of bankrupt and liquidated companies or enterprises who were personally responsible for the bankruptcy of such companies or enterprises, where no more than three (3) years have elapsed since the date of completion of the bankruptcy liquidation;
- (4) legal representatives of companies or enterprises that had the business license revoked for violating the law, where such legal representatives bear personal liability therefore and no more than three (3) years have elapsed since the date of revocation of the business license;
- (5) those with relatively large amount of personal debts that have fallen due but have not been repaid;
- (6) those investigated by judicial authorities for crimes committed and the cases have not been closed;
- (7) those unable to assume the position of leadership in enterprises as provided by laws and administrative regulations;
- (8) non-natural persons; and
- (9) those judged by competent authorities as having violated the provisions of

relevant securities laws and regulations, and involving fraudulent or dishonest acts, where no more than five (5) years have elapsed since the date of judgment.

Persons assuming posts other than directors in the controlling shareholders or actual controllers of the Bank should not serve as senior management personnel of the Bank.

Article 219 When the director, president and other senior management personnel of the Bank acts in the name of the Bank, the effectiveness of such act against any third party acting in good faith shall not be affected by the non-compliance in terms of incumbency, election or qualification of such person.

Article 220 Apart from the obligations provided in laws, administrative regulations, rules or relevant rules of the securities regulatory authorities where shares of the Bank are listed, the director, supervisor, president and other senior management personnel of the Bank shall also assume the following obligations towards every shareholder, when exercising their powers granted by the Bank:

- (1) not operating business beyond the business scope specified in the business license;
- (2) acting in good faith with a view to maximize the Bank's interests;
- (3) not depriving the Bank of its properties by any means, including but not limited to favorable opportunities for the Bank; and
- (4) not depriving shareholders of personal rights and interests, including but not limited to the rights of distribution and voting, except the restructuring of the Bank submitted to and approved by the general meeting of shareholders according to the Articles.

Article 221 When exercising their rights or performing their obligations, the director, supervisor, president and other senior management personnel of the Bank shall be responsible for behaving with prudence, diligence and skills a reasonably prudent person would exercise under similar circumstances.

Article 222 When performing their duties, the director, supervisor, president and other senior management personnel of the Bank shall observe the principle of good faith, and shall not place themselves in a position where their interest may conflict with their obligations. The principle includes but is not limited to the following obligations:

- (1) acting in good faith with a view to maximize the Bank's interests;
- (2) exercising rights within the scope of authority, without exceeding such scope;
- (3) personally exercising the discretionary power without manipulated by other persons; the discretionary power shall not be assigned to any other person, unless as approved by laws, administrative regulations, or the informed general meeting of shareholders;
- (4) equally treating shareholders of the same class and fairly treating those of different class;
- (5) except as otherwise provided in the Articles or approved by the informed general meeting of shareholders, not to sign contracts, conduct transactions or make arrangements with the Bank;

- (6) without approval of the informed general meeting of shareholders, not to utilize the Bank's property by any means for their own interests;
- (7) not to take advantage of the position to accept bribes or other illegal income, or misappropriate the property of the Bank by any means, including but not limited to favorable opportunities for the Bank;
- (8) without approval of the general meeting of shareholders in the know, not to accept commissions related to the Bank's transactions;
- (9) observing the Articles, faithfully performing their responsibilities and protecting interests of the Bank, and not to take advantage of their position and power to seek personal interests;
- (10) without approval of the informed general meeting of shareholders, not to compete with the Bank by any means;
- (11) not to misappropriate the fund of the Bank, lend the fund of the Bank to other persons in violation of regulations, deposit the fund of the Bank in the account opened in personal name or otherwise, or utilize the assets of the Bank to provide guarantee for the personal debt of the Bank's shareholders or other persons in violation of regulations; and
- (12) without approval of the informed general meeting of shareholders, not to reveal the confidential information of the Bank gained during their term of office; unless for the interest of the Bank, not to take advantage of such information; however, in any one of the following circumstances; such information may be disclosed to the court or other governmental authorities:
 - (i) provided by laws;
 - (ii) required for public interests; or
 - (iii) required by the director, supervisor, president and other senior management personnel for his/her own interests.

Article 223 The director, supervisor, president and other senior management personnel of the Bank shall not instigate the following persons or institutions (collectively "related persons") to do anything that they are forbidden to do:

- (1) the spouse or minor children of the director, supervisor, president and other senior management personnel of the Bank;
- (2) trustees of the director, supervisor, president and other senior management personnel of the Bank and those specified in item (1) of this article;
- (3) partners of the director, supervisor, president and other senior management personnel of the Bank and those specified in items (1) and (2) of this article;
- (4) companies solely controlled by the director, supervisor, president and other senior management personnel of the Bank, or jointly controlled by them with those specified in items (1), (2) and (3) of this article or with other directors, supervisors, presidents and senior management personnel of the Bank; and
- (5) the director, supervisor, manager and other senior management personnel of the controlled companies specified in item (4) of this article.

Article 224 The obligations of good faith of the director, supervisor, president and other senior management personnel of the Bank shall not terminate upon expiration of their term of office, and their obligations to hold the business secrets of the Bank confidential shall remain valid after the expiration of their tenures of office. The duration of other obligations

shall be decided in accordance with the principle of fairness, depending on the interval between the date when an event arises and the date when they leave their post, and depending on the circumstances and conditions under which their relationship with the Bank terminates.

Article 225 Any director, supervisor, president and other senior management personnel of the Bank who violates laws, administrative regulations, rules or the Articles and causes losses to the Bank and its shareholders shall bear compensatory responsibilities.

Article 226 The responsibilities borne by the director, supervisor, president and other senior management personnel of the Bank due to violation of a certain obligation may be discharged by the informed general meeting of shareholders, with exception of the circumstances specified in Article 55.

Article 227 Where the director, supervisor, president or other senior management personnel of the Bank has direct or indirect material interest with the contracts, transactions or arrangements (except the employment contracts between the Bank and its directors, supervisors, president and other senior management personnel) signed or planned by the Bank, such person shall notify the board of directors of the nature and degree of the interest as soon as possible, regardless of whether such matter, in general, shall be subject to approval of the board of directors.

Unless the interested directors, supervisors, president and other senior management personnel have informed the board of directors of the matter, and the board of directors has approved it at a meeting where such persons are not incorporated into the quorum and nor do they participate in the voting, the Bank shall have the right to cancel such contracts, transactions or arrangements, except that the counterparty is an innocent party who is unaware of the violation of their obligations by related directors, supervisors, presidents and other senior management personnel.

When the related persons of the director, supervisor, president and other senior management personnel of the Bank have an interest with a certain contract, transaction or arrangement, it shall be deemed that the director, supervisor, president and other senior management personnel have an interest as well.

Article 228 Before the Bank intends to sign a contract, conduct a transaction or make an arrangement, if the interested directors, supervisors, presidents and other senior management personnel of the Bank have notified the board of directors in writing form, declaring that because of the reasons specified in the notification, they have an interest with the contract, transaction or arrangement of the Bank in the future, it shall be deemed that they have made the disclosure as required in the previous article hereof, within the scope of the disclosure of the notification.

Article 229 The Bank shall not pay taxes for its directors, supervisors, president and other senior management personnel by any means.

Article 230 The Bank shall not, directly or indirectly, provide loans or loan guarantee for its directors, supervisors, president and other senior management personnel, nor shall it provide the same to their related persons.

This article shall be inapplicable to the following circumstances:

- (1) the Bank provides loans or loan guarantee for its bank subsidiary (subsidiary companies);
- (2) pursuant to the employment contracts approved by the general meeting of shareholders, the Bank provides loans, loan guarantee or other funds for its directors, supervisors, president and other senior management personnel, to enable them to make payment for the Bank or for the expenses arising from the performance of their duties;
- (3) the Bank may provide loans or loan guarantee for its directors, supervisors, president and other senior management personnel and their related persons based on the normal commercial terms and conditions.

Article 231 If the Bank provides loans in violation of the previous article, the payee shall return the loans immediately, regardless of the loan conditions are.

Article 232 The Bank shall be free of compulsory execution of the loan guarantee if it provides such loan guarantee in violation of Item (1) of Article 230, with the exception of the following circumstances:

- (1) when providing loans to the related persons of the director, supervisor, president and other senior management personnel of the Bank, the provider is not aware of the circumstances;
- (2) the collateral provided by the Bank has been legally sold by the loan provider to a purchaser acting in good faith.

Article 233 The guarantee mentioned in the previous article includes the activities whereby the guarantor bears the responsibility or provides property to ensure the obligation performance of the guarantee.

Article 234 In case the director, supervisor, president and other senior management personnel of the Bank violate their obligations towards the Bank, apart from the rights and remedial measures provided by laws and administrative regulations, the Bank shall have the right to take the following measures:

- (1) requiring relevant directors, supervisors, president and other senior management personnel to compensate the Bank for the losses resulted from their dereliction of duty;
- (2) canceling any contract or transaction between the Bank and related directors, supervisors, president and other senior management personnel and that between the Bank and a third party (if the third party have known or should have known that the directors, supervisors, president and other senior management personnel had violated their obligations towards the Bank);
- (3) requiring related directors, supervisors, president and other senior management personnel to hand over the proceeds generated in violation of their obligations.
- (4) recovering related directors, supervisors, president and other senior management personnel for the funds that originally should be collected by the Bank, including but not limited to commissions;

- (5) requiring related directors, supervisors, president and other senior management personnel to return the interest generated by or possibly generated by the fund that originally should be turned over to the Bank.

Article 235 The Bank shall adopt equitable and open standards and procedures on performance evaluation for directors, supervisors, and senior management personnel, and establish an incentive mechanism which links compensation with personal performance.

Article 236 The measures on performance evaluation of directors, the compensation plans for directors and supervisors (the compensation plans for supervisors shall be sent to the board of supervisors for comment) shall be formulated by the compensation committee under the board of directors and submitted to the general meeting of shareholders for approval, after being adopted by the board of directors.

Article 237 With the prior approval of the general meeting of shareholders, the Bank shall sign written contracts with its directors and supervisors in the matter of compensation. The matter of compensation includes:

- (1) compensation of directors, supervisors or senior management personnel of the Bank;
- (2) compensation of directors, supervisors or senior management personnel of bank subsidiary (subsidiary companies) of the Bank;
- (3) compensation of other services supporting the management of the Bank and its bank subsidiary (subsidiary companies); and
- (4) compensatory amounts for the loss of office or retirement of a director or supervisor.

Except for the aforesaid contracts, the director and supervisor shall not file any lawsuit against the Bank and claim the benefits they shall obtain for the foregoing matters.

Article 238 The compensation contracts between the Bank and its directors and supervisors shall provide that when the Bank is acquired, with the prior approval of the general meeting of shareholders, directors and supervisors of the Bank shall have the right to obtain the compensatory or other amounts to which they are entitled due to losing their post or retirement. The acquisition hereunder shall mean any one of the following circumstances:

- (1) any person makes an offer of acquisition to all shareholders;
- (2) any person makes an offer of acquisition with the aim to make the offer become the controlling shareholder of the Bank. The term “controlling shareholder” is defined in Article 58 hereof.

If relevant directors and supervisors violate the provisions of this article, any fund received by them shall be owned by the persons who accept the foregoing offer and sell their shares, and meanwhile the directors and supervisors shall bear the expenses incurred by allocation of the fund proportionally. The expenses shall not be subtracted from the fund.

Article 239 The evaluation measures and compensation plans for senior management personnel shall be formulated by the compensation committee of the board of directors. These plans shall be submitted to the board of directors for approval or to the general

meeting of shareholders for approval if the matter falls within the scope of authority of the general meeting of shareholders. The board of directors shall treat the performance evaluation for senior management personnel as the basis for the compensation of senior management personnel.

Article 240 When the condition permits, with the prior approval of the general meeting of shareholders, the Bank may set up the system of professional liability insurance for the director, supervisor and senior management personnel.

Unless directors, supervisors and senior management personnel are proved that they fail to act honestly or in good faith when performing their respective duties, the Bank shall use its own asset, within the scope allowed by laws and administrative regulations, or within the scope which is not prohibited by laws and administrative regulations, to compensate the directors, supervisors and senior management personnel for any liabilities incurred in the performance of their duties.

Article 241 Any director, supervisor or senior management personnel shall not participate in the decision-making of his/her compensation and performance evaluation.

Chapter 12 Financial and Accounting System and Profit Distribution

Article 242 The Bank shall establish its financial and accounting system according to laws, administrative regulations and the provisions of Chinese Accounting Standards formulated by the competent financial authority of the State Council.

Article 243 The Bank shall, at the end of each fiscal year, prepare its annual financial report which shall be examined and verified according to laws.

Article 244 The board of directors shall at each annual general meeting of shareholders submit to the shareholders the financial reports prepared by the Bank as required by relevant laws, administrative regulations and rules.

Article 245 The Bank shall make the financial report available at the Bank for examination by its shareholders twenty (20) days prior to the convening of the annual general meeting of shareholders, and every shareholder of the Bank shall be entitled to obtain the financial report mentioned in the chapter.

Except as otherwise provided in the Articles, the Bank shall send the aforesaid report or report of the board of directors along with the balance sheet and income statement to each shareholder of overseas listed shares by hand or by pre-paid post at least twenty-one (21) days prior to the convening of the annual general meeting of shareholders, and the address on the register of shareholders shall be the address of the recipient.

Article 246 The Bank shall prepare its financial statement not only in accordance with the Chinese accounting standards and regulations but also the international accounting standards or the accounting standards in the overseas listing place. In case there are major differences between the financial statements prepared in accordance with the two accounting standards, they should be indicated clearly in the notes of the financial statements. When distributing

the after-tax profit for the relevant accounting year, the Bank shall adopt the lower of the after-tax profit in the aforesaid two financial statements.

Article 247 The Bank shall prepare its interim results or financial information to be published or disclosed not only in accordance with the Chinese accounting standards and regulations but also the international accounting standards or the accounting standards in the overseas listing place at the same time.

Article 248 The fiscal year of the Bank shall be the calendar year, beginning from the date of January 1 and ending on the date of December 31 of the calendar year.

Article 249 The Bank shall publish its financial report twice in each fiscal year, i.e. to publish its interim financial report within sixty (60) days after the end of the first six (6) months of a fiscal year, and to publish its annual financial report within one hundred and twenty (120) days after the end of a fiscal year.

Other rules stipulated by the securities regulatory authority of locality where the shares of the Bank are listed shall prevail.

Article 250 The Bank shall not have any account book in addition to its statutory ones. No asset of the Bank may be deposited into an account opened in the name of any individual.

Article 251 The after-tax profit of the Bank shall be distributed in the following order of priority:

- (1) making up for previous years' losses;
- (2) contributing ten percent (10%) to the statutory reserve;
- (3) making general provision;
- (4) contributing to the discretionary reserve; and
- (5) paying dividends to shareholders.

No further contribution shall be required when the accumulated amount of the statutory reserve of the Bank reaches fifty percent (50%) of its registered capital. The general meeting of shareholders shall decide on whether or not to make a contribution to the discretionary reserve after contributing to the statutory reserve and making general provision. The Bank shall not distribute any profits to any shareholder before making up losses, contributing to the statutory reserve and making general provision.

Article 252 The reserve of the Bank may be used for making up losses, expanding the scale of operation or conversion into additional capital of the Bank, but capital reserve shall not be used for making up the Bank's losses.

Where the reserve of the Bank is converted to share capital according to a resolution of the general meeting of shareholders, the Bank shall distribute new shares to its shareholders in proportion to their respective existing shareholdings, provided that where the statutory reserve is converted to capital, the balance of such reserve shall not fall below twenty-five (25%) of the Bank's registered capital before conversion.

Article 253 The capital reserve shall include the following items:

- (1) the premium gained from shares issuance in excess of the par value;
- (2) other incomes that shall be included into the capital reserve as required by the competent financial authority of the State Council.

Article 254 The Bank may distribute dividends in the form of cash or stock. The Bank's profit distribution policy shall be continuous and stable, at the same time, the Bank shall have regard to its long-term interest, the overall interests of all shareholders as well as its sustainable development. The Bank shall adopt the cash dividend method as priority for its profit distribution.

Except in the special circumstances below, when the Bank distributes profits, the profits distributed in the form of cash each year shall be no less than 10% of the net profit attributable to shareholders of the Bank according to the Group for that fiscal year:

- (1) the Bank's capital adequacy ratio is lower than the minimum standards as required by the China Banking Regulatory Commission and other regulatory authorities;
- (2) other circumstances that are not suitable for dividends distribution as required by laws, regulations and regulatory documents.

In case of war, natural disasters and other force majeure, or a change in the external business environment of the Bank that has a significant impact on the Bank's business operation, or there has been a relatively major change in the state of the Bank's business operation, the Bank can adjust its profit distribution policy. Where the Bank wishes to make an adjustment to its profit distribution policy, the board of directors shall elaborate on the proposed change, give a detailed explanation of the reasons behind the change, and prepare a written report justifying such change, which shall be reviewed by the independent directors before it is submitted to the general meeting of shareholders for approval by means of special resolution. When considering matters in relation to change to the profit distribution policy, the Bank shall enable its shareholders to vote online.

For dividends that are not claimed by anyone, the Bank may exercise the right of expropriation under the precondition of complying with relevant laws, administrative rules and regulations of China, but the right shall be exercised only after the expiration of the related prescription applicable.

The Bank shall have the right to terminate sending dividend warrant to shareholders of overseas listed shares by mail, but the Bank shall exercise the right only after a dividend warrant fails to be redeemed for two (2) consecutive times. The Bank may exercise the right if a dividend warrant fails to reach the recipient in the first mailing and is returned.

The Bank shall have the right to sell the shares of shareholders of overseas listed shares with whom the Bank could not contact in a way deemed appropriate by the board of directors, provided the following conditions are met:

- (1) the Bank has distributed dividends to the shares at least three (3) times within

- twelve (12) years, and the dividends are not claimed by anyone during the period;
- (2) the Bank publishes announcements in one or more newspapers in the locality where shares of the Bank are listed after the expiration of the twelve (12)-year period, stating its intention to sell the shares, and informs the securities regulatory authority in the locality where shares of the Bank are listed.

Article 255 The Bank shall appoint proxy to receive payment for shareholders of overseas listed shares. The proxy shall, on behalf of the shareholders concerned, receive dividends distributed to overseas listed shares and other payments from the Bank.

The proxy appointed by the Bank shall meet the requirements of the laws or relevant provisions of the securities exchange in the locality where shares of the Bank are listed.

The proxy appointed by the Bank for shareholders of overseas listed shares in Hong Kong shall be a trust company registered in accordance with the *Fiduciary Regulation* in Hong Kong.

Article 256 With regard to the joint shareholders of any shares, if the Bank pays distribution or allotment such as dividend, bonus or return on capital that should be paid to the joint shareholders to any one shareholder among the joint shareholders, the payment shall be regarded to have paid the aforesaid distribution or allotment to all the joint shareholders of relevant shares.

Chapter 13 Internal Audit

Article 257 The Bank shall adopt an internal audit system, and have specially assigned audit personnel who shall conduct independent and objective supervision, inspection and evaluation over the financial income and expenditure, business activities, risk status, internal control and the effectiveness of company governance of the Bank.

Article 258 The board of directors shall be responsible for approving the internal audit charters, medium and long term audit plans, annual work plans and internal audit system; deciding on or authorizing the Audit Committee of the board of directors to decide on audit budget, compensation of personnel and engagement and dismissal of the key person-in-charge. The internal audit department and its person-in-charge shall be responsible and report their work to the board of directors.

The senior management personnel of the Bank shall ensure and support the implementation of the Bank's internal audit system and the performance of duties by the audit personnel, provide in a timely manner the internal audit department with materials and information concerning the financial position, risk status and internal control of the Bank that are required for conducting internal audit, and shall not hinder or impede any audit activity conducted by the internal audit department within its authority.

Chapter 14 Engagement of Accounting Firms

Article 259 The Bank shall engage independent accounting firms that meet relevant

provisions of the state to audit annual financial reports and to review other financial reports of the Bank.

The engagement term of the accounting firm shall begin from the date of the close of the current annual general meeting of shareholders and end on the date of the close of the next annual general meeting of shareholders.

Article 260 The accounting firm engaged by the Bank shall have the following rights:

- (1) examining financial statements, records and vouchers of the Bank and requiring the directors, president or other senior management personnel to provide relevant materials and statements;
- (2) requiring the Bank to adopt reasonable measures to obtain from its subsidiaries (subsidiary companies) materials and statements that are required for the performance of duties; and
- (3) attending the general meeting of shareholders as a non-voting attendee, receiving notice of general meeting of shareholders or other information in relation to the general meeting of shareholders and giving speeches at the meeting with regard to matters involving its duties as an accounting firm engaged by the Bank.

Article 261 If a vacancy occurs on the post of accounting firm, the board of directors may, before the convening of a general meeting of shareholders, engage an accounting firm to fill such vacancy, provided that such accounting firm is confirmed by the next general meeting of shareholders. During the period of vacancy, if the Bank has other incumbent accounting firm, such accounting firm may still exercise its functions.

Article 262 The general meeting of shareholders may decide to dismiss an accounting firm by adopting ordinary resolution before the expiration of the term of office of the accounting firm, regardless of the terms and conditions of the contract between the accounting firm and the Bank. If relevant accounting firm has the right to make claim to the Bank due to its dismissal, such right shall not be affected.

Article 263 The compensation of the accounting firm or the method of determining the compensation shall be decided by the general meeting of shareholders. The compensation of the accounting firm engaged by the board of directors shall be decided by the board of directors.

Article 264 The decision on engaging, dismissing or not renewing the engagement of an accounting firm shall be made by the general meeting of shareholders, and reported to the securities regulatory authority of the State Council for filing.

If the Bank is to dismiss or not to renew the engagement of an accounting firm, a notice shall be given to the accounting firm in advance, and the accounting firm shall be entitled to make a statement to the general meeting of shareholders.

If the general meeting of shareholders plans, by passing resolutions, to recruit a non-incumbent accounting firm to fill up any vacancy of the post of accounting firm, or renew the engagement of an accounting firm engaged by the board of directors to fill up

the vacancy, or dismiss an accounting firm before the expiration of its term of office, the following provisions shall be satisfied:

- (1) the proposal on engagement or dismissal shall be sent to the accounting firm to be engaged or to leave the post or that has left the post in the relevant fiscal year before the issuance of the notice on the general meeting of shareholders.
Leaving the post includes dismissal, resignation from the post and leaving the post after the expiration of the term of office.
- (2) if the accounting firm about to leave the post makes a written statement, and asks the Bank to inform the shareholders of its statement, unless the time of receiving the written statement is too late, the Bank shall adopt the following measures:
 - a) stating in the notice issued for making resolutions that the accounting firm to leave the post has made a statement;
 - b) sending the duplicate copy of the statement in the form of an attachment to the notice to shareholders in a way stipulated by the Articles.
- (3) If the Bank fails to send the statement of relevant accounting firm according to the above provisions of Item (2), the accounting firm may ask the statement be read at the general meeting of shareholders and make further appeal.
- (4) An accounting firm to leave the post shall be entitled to attend the following meetings:
 - a) general meeting of shareholders at which its term of office shall expire;
 - b) general meeting of shareholders at which the vacancy due to its dismissal is to be filled up;
 - c) general meeting of shareholders convened due to its resignation from its post.

The accounting firm to leave the post shall be entitled to receive all notices of the aforesaid meetings or other information in relation to the meetings and give speeches at the aforesaid meeting with regard to matters involving its duties as the previous accounting firm engaged by the Bank.

Article 265 If the accounting firm offers to resign, it shall make a statement to general meeting of shareholders as to whether the Bank is involved in any inappropriate circumstance.

The accounting firm may resign from its duties by depositing its written resignation notice at the legal address of the Bank. The resignation notice shall take effect on the date of being deposited at the Bank's legal address or the later date indicated in the notice. The notice shall include the following statements:

- (1) statement that its resignation does not involve any circumstance that should be clarified to the Bank's shareholders or creditors; or
- (2) any statement about circumstances that should be clarified.

The Bank shall send copies of the aforesaid written notice to relevant competent authorities within fourteen (14) days from the date of receiving the aforesaid written notice. If the notice carries the statements mentioned in Item (2) above, the Bank shall deposit the duplicate copy of the statements in the Bank for shareholders' reference. Except as

otherwise provided in the Articles, the Bank shall also send the duplicate copy of the aforesaid statements to each shareholder of overseas listed shares by prepaid post, and the address in the register of shareholders shall be the address of the recipient.

If the resignation notice of an accounting firm carries any statement about circumstances that should be clarified, the accounting firm may ask the board of directors to convene an extraordinary general meeting of shareholders to listen to its explanation on relevant circumstances of its resignation.

Chapter 15 Information Disclosure

Article 266 The Bank shall set up an information disclosure system according to laws, administrative regulations, rules, relevant provisions of the securities regulatory authority in the locality where the Bank's shares are listed and the Articles herein. The board of directors shall manage the information disclosure of the Bank.

Article 267 The Bank shall comprehensively disclose information by following the principles of truthfulness, accuracy, completeness, comparableness and timeliness.

Article 268 The board of directors shall, according to laws, administrative regulations, rules and relevant provisions of the securities regulatory authorities in the locality where the Bank's shares are listed and the Articles herein, establish the minimum standards, manners and channels for information disclosure and set up and improve the information disclosure system of the Bank.

Chapter 16 Employees Management

Article 269 The Bank shall comply with laws and regulations concerning labor and personnel, labor protection and social security, implement the labor protection and social insurance systems of the state, and have the obligation to respect and protect the legitimate rights and interests of its employees.

Article 270 According to relevant provisions of the state, the Bank shall have the right to decide on the requirements and number of employees to be recruited, recruitment time and methods, and mode of employment.

Article 271 The Bank shall sign a labor contract with each of employees according to the need of operation and management, adopt a system of engagement for the management and professional personnel, set up a compensation system that has effective incentive and restraining effects, and raise the overall compensation and benefit level of staff while continuing to improve the Bank's management and benefit.

Article 272 The Bank shall, according to laws, formulate its internal rules and regulations on rewards for and punishments of its employees, under which, the employees who have made outstanding contributions shall be rewarded and those who violate rules and regulations shall be punished or rescinded of their labor contracts.

Article 273 Any labor dispute between the Bank and its employees shall be settled

according to laws, regulations of the state and relevant labor dispute provisions of the Bank.

Chapter 17 Merger, Division, Bankruptcy, Dissolution and Liquidation

Article 274 The Bank may take merger or division actions according to laws. The merger and division of the Bank shall be handled in accordance with laws and administrative regulations such as the Company Law and the Commercial Bank Law.

The merger action taken by the Bank may be in two forms, absorption merger or merger by new establishment.

Article 275 For a merger or division of the Bank, the Board of Directors shall put forward a proposal, and the formalities for approval shall be handled according to laws after the proposal has been adopted by the general meeting of shareholders according to procedures specified herein. The shareholders who oppose the Bank's merger or division plans have the right to ask the Bank or the shareholders who approve the merger or division plans to purchase their shares at a fair price. The content of the resolution on the merger or division of the Bank shall be made into special document, which shall be available for shareholders.

With regard to shareholders of overseas listed shares, the aforesaid documents shall also be sent out by mail.

Article 276 In the case of a merger of the Bank, the parties to the merger shall enter into a merger agreement and prepare a balance sheet and a detailed inventory of assets. The Bank shall inform its creditors of the intended merger within ten (10) days following the date on which the merger resolution is adopted, and make at least three (3) announcements in newspaper within thirty (30) days. The creditors shall have the right to claim full repayment of their debts or provision of a corresponding guarantee from the Bank within thirty (30) days from the date of receipt of the notice or, within forty-five (45) days from the date of the first public announcement for those who have not received the notice.

After the merger of the Bank, the claims and debts of the parties to the merger shall be assumed by the surviving company or the newly established company.

Article 277 Where the Bank proceeds into a division, its assets shall be divided accordingly.

In the case of a division of the Bank, the parties to the division shall enter into a division agreement and prepare a balance sheet and a detailed inventory of assets. The Bank shall inform its creditors of the intended division within ten (10) days following the date on which the division resolution is adopted, and make at least three (3) announcements in newspaper within thirty (30) days.

The companies established as a result of the division shall assume the joint liability for the debts occurring before the division of the Bank, except when the Bank has reached a written agreement on debt settlement with the creditors before the division.

Article 278 Where a merger or division of the Bank involves changes in registered items, such changes shall be registered according to laws with the company registration authority; if the Bank is dissolved, cancellation registration of the bank shall be carried out according to laws; where a new company is incorporated, the registration of the incorporation of the company shall be carried out according to laws.

Article 279 The Bank shall be dissolved and liquidated according to laws, if:

- (1) the general meeting of shareholders has resolved to do so;
- (2) it is required as a result of the merger or division of the Bank;
- (3) the Bank is unable to pay off its due debts and is therefore declared bankrupt according to laws;
- (4) the Bank is revoked of its business license, ordered to be closed down or deregistered due to its violation of any law or regulation;
- (5) the Bank encounters grave difficulties in its operation and management, continued existence shall cause material harm to shareholders' interest, and the problems could not be solved through other means.

Dissolution of the Bank shall be reported to the banking regulatory authority of the State Council for approval.

Article 280 In the case of dissolution of the Bank under Item (1) and (5) of Article 277, a liquidation committee shall be formed within fifteen (15) days from the approval of the banking regulatory authority of the State Council. The members of the liquidation committee shall be determined by general meeting of shareholders through ordinary resolution.

In the case of dissolution of the Bank under Item (3) of Article 277, the people's court shall, according to relevant legal provisions, organize the banking regulatory authority of the State Council, shareholders, relevant departments and professionals to form a liquidation committee to carry out liquidation.

In the case of dissolution of the Bank under Item (4) of Article 277, the banking regulatory authority of the State Council shall organize the shareholders, relevant departments and professionals to form a liquidation committee to carry out liquidation.

Article 281 If the board of directors decides the Bank shall carry out liquidation (except for liquidation resulting from the Bank's declaration of bankruptcy), it shall state in the notice of general meeting of shareholders convened for this purpose that the board of directors has conducted comprehensive investigation on the Bank's conditions and believes that the Bank is able to pay off all its debts within twelve (12) months following the commencement of liquidation.

The powers and functions of the board of directors of the Bank shall terminate immediately when general meeting of shareholders adopts the resolution on liquidation.

The liquidation committee shall follow the directions of general meeting of shareholders to report on its income and expenditures, the Bank's business and progress of liquidation at least once a year to general meeting of shareholders at least once a year and make a final

report to general meeting of shareholders at the end of liquidation.

Article 282 The liquidation committee shall inform its creditors within ten (10) days following its establishment, and make at least three (3) announcements in newspaper within sixty (60) days.

The creditors shall declare their claims to the liquidation committee within thirty (30) days from the date of receipt of the notice or, within forty-five (45) days from the date of the first public announcement for those who have not received the notice.

The creditors shall explain matters related to their claims and provide supporting materials when declaring their claims. The liquidation committee shall register the claims. The liquidation committee shall not settle any debt with the creditors during the period of claim declaration.

Article 283 The liquidation committee shall exercise the following functions and powers during the period of liquidation:

- (1) sorting of the Bank's assets and separately prepare a balance sheet and a detailed inventory of assets;
- (2) informing creditors by notice or public announcement;
- (3) dealing with and liquidate relevant outstanding business of the Bank;
- (4) settling the Bank's outstanding tax liabilities and tax liabilities arising from the liquidation process;
- (5) settling claims and debts of the Bank;
- (6) disposing of the Bank's property remaining after the payment of the Bank's debts;
- (7) participating in civil proceedings on behalf of the Bank.

Article 284 After the liquidation committee has sorted the Bank's assets and prepared a balance sheet and a detailed inventory of assets, it shall prepare a liquidation plan and submit it to general meeting of shareholders or the relevant competent authority for confirmation.

Where assets of the Bank are sufficient to pay off the Bank's debts, such debts shall be paid off in the following order:

- (1) the liquidation expenses;
- (2) employee salary, social insurance premiums and statutory compensatory amount;
- (3) principal and interest of individual deposits;
- (4) outstanding taxes;
- (5) other debts of the Bank.

Assets of the Bank shall not be distributed to shareholders before the foregoing items. The property remaining after the payment made according to the preceding paragraph shall be distributed to the shareholders in proportion to their respective shareholdings. The Bank shall not engage in any new business during the liquidation.

Article 285 In the case of liquidation as a result of dissolution of the Bank, if the

liquidation committee of the Bank, having sorted the Bank's asset and formulated the balance sheet and a detailed inventory of assets, discovers that there are insufficient assets in the Bank to pay off its debts, the committee shall, after the approval of relevant competent authorities, apply to the people's court for a declaration of bankruptcy of the Bank.

Upon the people's court's declaration of bankruptcy of the Bank, the liquidation committee shall hand over the liquidation matters to the people's court.

Article 286 Upon the completion of liquidation, the liquidation committee shall prepare a liquidation report and an income and expenditure statement and financial account for the period of liquidation and, after they are certified by a Chinese certified public accountant, submit them to general meeting of shareholders or the relevant competent authority for confirmation.

The liquidation committee shall, within thirty (30) days from the confirmation of relevant competent authorities, submit the abovementioned documents to the company registration authority for cancellation of the Bank's registration and announce the Bank's termination.

Chapter 18 Notice

Article 287 Notice under the Articles may be:

- (1) delivered by hand;
- (2) sent by mail;
- (3) transmitted by fax or email;
- (4) given by announcement on the Website of the Bank and those designated by SEHK subject to compliance with relevant laws, administrative regulations, rules and relevant provisions of the securities regulatory authority of the locality where the shares of the Bank are listed;
- (5) given by public announcement in newspaper or other designated media;
- (6) given by any other means as may be agreed upon by the Bank and the addressee or as may be accepted by the addressee after receiving a notice; or
- (7) given by any other means recognized by the securities regulatory authority in the locality where the shares of the Bank are listed or provided in the Articles herein.

Notwithstanding anything otherwise provided in the Articles with respect to the form of issuance or notification of any document, notice or other communication, subject to the compliance with the relevant provisions of the securities regulatory authority in the locality where the shares of the Bank are listed, the Bank may elect to issue any corporate communication of the Bank in the form of notification as provided in Item (4) under the first paragraph of this Article, in lieu of the delivery of written document to each shareholder of overseas listed shares by hand or by prepaid post. The corporate communication referred to above means any document issued or to be issued by the Bank for the shareholders' reference or for the shareholders to act upon, including but not limited to annual reports (including the annual financial report), interim reports (including the interim financial report), report of the board of directors (including the balance sheet and income statement), notices of the general meeting of shareholders, circulars and other communication.

Article 288 In case the listing rules of the securities exchange in the locality where the Bank's shares are listed require that the Bank send, mail, dispatch, release or announce or provide the Bank's relevant documents by other means in both English and Chinese versions, if the Bank has made appropriate arrangement to determine whether its shareholders hope to receive the English or the Chinese version only, the Bank may (according to the preference expressed by shareholders) send the English or Chinese version only to relevant shareholders within the scope allowed by the applicable laws and regulations and according to the applicable laws and regulations.

Article 289 In the case of delivery by specially assigned person, the recipient shall sign (or affix his/her seal to) the receipt, and the signature date shall be the date of service; in the case of posting, the date of service shall be the forty-eighth (48th) hour from the date of posting; in the case of a fax or email or Website announcement, the date of service shall be the day when the notice is sent, i.e. the date indicated in the fax advice; in the case of a public announcement, the date of service shall be the date on which the first announcement is published, and relevant announcement shall be published on the newspapers meeting the relevant requirements.

Article 290 An accidental omission of giving notice of a meeting to a person who is entitled to receive such notice or such person's failure to receive such notice shall not invalidate the meeting or the resolutions adopted at the meeting.

Chapter 19 Amendments to the Articles

Article 291 The Bank may make amendments to the Articles whenever necessary. No amendment to the Articles may conflict with laws, administrative regulations, rules or relevant regulations of securities regulatory authorities of the locality where the shares of the Bank are listed. The board of directors may make amendments to the Articles according to the resolution and authorization by general meeting of shareholders to amend the Articles.

Article 292 Where any amendment made by general meeting of shareholders to the Articles involves any matters that need to be approved by relevant competent authorities, such amendment shall be submitted to such authorities for approval. The Bank shall go through the registration of change according to laws where items requiring registration are involved.

Chapter 20 Settlement of Disputes

Article 293 The Bank shall follow the following dispute settlement rules:

- (1) if any dispute or claim concerning the Bank's business on the basis of the rights and obligations provided in the Articles of the Bank or in the Company Law or other relevant laws or administrative regulations arises between a shareholder of overseas listed shares and the Bank, between a shareholder of overseas listed shares and a director, a supervisor, senior management personnel of the Bank or between a shareholder of overseas listed shares and a shareholder of domestic listed shares, the parties concerned shall submit the dispute or claim for arbitration.

When a dispute or claim as described above is submitted for arbitration, such dispute or claim shall be in its entirety, and all persons (being the Bank or the shareholder, director, supervisor, president or other senior management personnel of the Bank) that have a cause of action due to the same facts or whose participation is necessary for the settlement of such dispute or claim shall abide by arbitration.

Disputes concerning the definition of shareholders and the register of shareholders shall not be required to be settled by means of arbitration;

- (2) a dispute or claim submitted for arbitration may be arbitrated, at the option of the arbitration applicant, by either 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. After the arbitration applicant submits the dispute or claim for arbitration, the arbitration shall be carried out in the arbitration institution selected by the applicant.

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

- (3) unless otherwise provided by laws or administrative regulations, laws of the PRC shall apply to the settlement by means of arbitration of disputes or claims referred to in Item (1); and
- (4) the award of the arbitration institution shall be final and binding upon each party.

Chapter 21 Supplementary Provisions

Article 294 The Articles herein shall be written in Chinese. Should there be any inconsistency between different language versions, the latest Chinese version of the Articles registered with the State Administration for Industry and Commerce shall prevail.

Article 295 In the Articles, unless otherwise specified herein or there is no doubt in the context, the terms “above”, “within”, “below” shall include the given figures, and the terms “exceed”, “less than”, “insufficient”, “beyond”, “under” shall not include the given figures.

Article 296 It shall be the responsibility of the board of directors to interpret the Articles.