

**Articles of Association**  
**of**  
**Jilin Jiutai Rural Commercial Bank Corporation Limited**

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## Chapter I General Provisions

**Article 1** To safeguard the legitimate rights and interests of the shareholders and creditors of Jilin Jiutai Rural Commercial Bank Corporation Limited (hereinafter referred to as the “Bank”), and to regulate the organization and activities of the Bank, these Articles of Association have been hereby established in accordance with the *Company Law of the People’s Republic of China* (the “Company Law”), the *Law of the People’s Republic of China on Commercial Banks* (the “Commercial Bank Law”), the *Measure of the China Banking Regulatory Commission on Matters Concerning Administrative License of Rural Small and Medium-size Financial Institutions*, the *Special Provisions of the State Council Concerning the Floatation and Listing Abroad of Stocks by Limited Stock Companies*, the *Mandatory Provisions for Articles of Association of Companies to be Listed Overseas*, the *Guide on the Corporate Governance of Commercial Banks*, the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited* (the “Hong Kong Listing Rules”), the *Constitution of the Communist Party of China* (the “Constitution of the Party”) and other relevant laws, rules and regulations, department regulations, the relevant regulations of the securities regulators of the place where the shares of the Bank are listed and in combination with the practical situations of the Bank.

**Article 2** The Bank is a company limited by shares established in accordance with the Company Law, the Commercial Bank Law and other relevant regulations.

Approved by the Reply of Approval of the Banking Regulatory Bureau of Jilin Province Regarding the Establishment of Jilin Jiutai Rural Commercial Bank Corporation Limited (Ji Yin Jian Fu [2008] No. 320) from the Banking Regulatory Bureau of the China Banking Regulatory Commission, the Bank was established by way of sponsorship on December 16, 2008 and obtained its business license after it had been registered with the Administration for Industry and Commerce of Jilin Province on December 16, 2008. The unified social credit code of the Bank is 912200001243547911.

The Bank is a local joint financial institution established on the basis of the original Jiutai Rural Credit Cooperative Union and sponsored jointly by natural persons, enterprise legal persons and other economic organizations within the jurisdiction.

**Article 3** Registered full name of the Bank in Chinese: 吉林九台農村商業銀行股份有限公司 (the shortened form: 九台農商銀行). Full name of the Bank in English: Jilin Jiutai Rural Commercial Bank Corporation Limited (the shortened form: Jiutai Rural Commercial Bank; or JTRCB).

Domicile of the Bank: No. 504, Xinhua Dajie, Jiutai District, Changchun City, Jilin Province.

Post Code: 130500

Telephone: 0431 8925 0628

Fax: 0431 8925 0628

**Article 4** The registered capital of the Bank is RMB5,074,191,569.

**Article 5** The Bank is a joint stock limited company in perpetual existence.

**Article 6** The Chairman of the Board of the Bank is the legal representative of the Bank.

**Article 7** The Bank is an independent legal person and has the full property rights of a legal person in respect of assets resulting from the investments by its shareholders. The Bank has civil rights in accordance with the laws and undertakes civil liabilities independently to the extent of all the corporate assets; the assets and lawful rights and interests of the Bank as well as the legitimate operation of the Bank are protected by the laws of the state and shall not be infringed upon or illegally intervened by any units or individuals.

Shareholders of the Bank are entitled to such rights of proprietors as beneficiary rights, participation in major decision-making and selection of its management by virtue of their shareholdings, and shall be liable for the debts of the Bank to the extent of all of their shareholdings.

**Article 8** The Bank shall comply with relevant laws, rules, administrative regulations and financial policies of the state and accept the supervision and administration by the banking regulators under the State Council and its counterparts (“the Banking Regulators under the State Council”).

**Article 9** Directors, Chairman of the Board, President, Vice President and other senior officers of the Bank must have such qualifications as required by the Banking Regulators under the State Council.

**Article 10** As from the date when these Articles of Association come into force and effect, these Articles of Association shall constitute a legally binding document regulating the structure and acts of the Bank and the rights and obligations between the Bank and its shareholders and among its shareholders.

**Article 11** These Articles of Association shall be binding on the Bank and its shareholders, directors, supervisors, President and other senior officers; such persons may also claim rights regarding the Bank’s affairs in accordance with these Articles of Association.

Shareholders may sue the Bank in accordance with these Articles of Association; the Bank may sue shareholders, directors, supervisors, President and other senior officers in accordance with these Articles of Association; shareholders may sue other shareholders of the Bank in accordance with these Articles of Association; shareholders may sue the directors, supervisors, President and senior officers of the Bank in accordance with these Articles of Association.

To “sue” as referred to in the preceding paragraph shall include court proceedings or arbitration proceedings.

Other senior officers referred to in these Articles of Association shall mean the Vice President, Board Secretary of the Bank and other persons identified by the Banking Regulators under the State Council or determined by the Board.

The senior officers referred to in these Articles of Association shall mean the President of the Bank and such other senior officers as defined in the preceding paragraph.

**Article 12** According to the Constitution of the Party and the Company Law, an organisation of the Communist Party of China shall be established in the Bank so that the Party Committee shall play a critical guiding and political role by providing direction, managing the overall situation and overseeing the implementation of the objectives of the Party. The working organs of the Party shall be established within the Bank with adequate professional staff to deal with Party affairs. The institutional structure and manning quotas of the Party organization shall be incorporated into those of the Bank and its operating funds shall be incorporated into the budget of the Bank to secure sufficient funding for the working organs.

**Article 13** With the approval by the Banking Regulators under the State Council, the Bank may invest in other limited liability companies, joint-stock companies and other corporate bodies according to laws and shall be liable to such invested corporate bodies to the extent of its investment amount or the shares subscribed for.

## Chapter II Purpose and Scope of Business

**Article 14** The business purpose of the Bank: to conduct various banking activities of a commercial bank to obtain maximum economic interests for shareholders in accordance with relevant laws, administrative regulations of the state; to provide high-quality and efficient financial services in respect of agriculture and for urban and rural economies so as to promote harmonious development of such economies.

**Article 15** The business operations of the Bank shall be based on the principles of safety, liquidity and efficiency. The Bank shall make its own business decisions, take sole responsibility for its risks, assume sole responsibility for its own profits and losses and exercise self-restriction.

**Article 16** The Bank shall have in place such a system as management of the Bank with only its head office as its legal person, unified accounting, and level to level management and authorized operation. The Bank shall set up internal functional departments in accordance with the management and development requirements of its business operation. After an approval from banking regulatory authority is obtained, the Bank may set up branches within and without the place of its incorporation to meet the requirements of its business development. Each functional department and branch shall operate and manage its business under the leadership of the President in accordance with the authorization.

The branches set up by the Bank shall not possess the status of a legal person and shall conduct their business within the scope of authorization by the Bank. Any civil liabilities of such branches shall be borne by the Bank.

**Article 17** The Bank shall establish a sound internal control system in respect of such businesses as deposits, loans and settlements and an incentive and restrain mechanism that connects remuneration and benefits of the Bank with individual performance.

**Article 18** As approved by the Banking Regulators under the State Council and the relevant authorities, and as registered with the registration authorities, the business scope of the Bank shall include:

1. Receiving deposit from the public;
2. Granting short-term, medium-term and long-term loans in Renminbi;
3. Handling domestic settlements, bills acceptance and discounting;
4. Acting as agents in issuance, honoring and underwriting of government bonds;
5. Buying and selling government bonds and financial bonds and participating in monetary markets;
6. Being engaged in inter-bank borrowing;

7. Acting as agent in the collection and payment of monies and insurance business;
8. Providing safe deposit box services;
9. Acting in buying and selling funds, trust products and other wealth management products and selling funds;
10. Being engaged in bank card business;
11. Foreign exchange deposits, foreign exchange loans, foreign exchange remittance, foreign currency exchange, international settlements, inter-bank borrowings and credit investigations, consultancy, witness, foreign exchange borrowing, foreign currency notes acceptance and discounting, foreign exchange guarantee, spot foreign exchange settlement and sales, foreign exchange trading for own account and on behalf of clients;
12. Information service business (exclusive of information service business through fixed networks);
13. Other business approved by such regulatory authorities as the China Banking Regulatory Commission.

## Chapter III Shares and Registered Capital

### Section I Issuance of Shares

**Article 19** According to the source and attribution of capital, the Bank shall have natural person's shares and legal person's shares. A shareholder of the Bank shall meet the requirements to become a shareholder of a financial institution. A shareholder of the Bank shall not feign or withdraw his capital contribution or share capital.

**Article 20** The shares of the Bank shall be issued on the principle of openness, fairness and justice.

**Article 21** The total capital of the Bank shall be divided into stocks of equal value. The shares of the Bank shall be in the form of share certificates. All share certificates issued by the Bank shall have a par value, and the par value of each share of the Bank is RMB1.00. Each share of the Bank shall have the same rights and receive the same interests.

The Bank shall have ordinary shares at all times. The Bank may create other classes of shares according to its needs and upon approval from the applicable authorities authorized by the State Council.

**Article 22** Upon approval by the Banking Regulators under the State Council, the securities regulators under the State Council and other relevant regulatory authorities, the Bank may issue shares to domestic and overseas investors.

For the purpose of the preceding paragraph, the term "overseas investors" shall mean foreign investors and investors from the Hong Kong Special Administrative Region ("Hong Kong"), the Macau Special Administrative Region of the People's Republic of China (the "PRC") and Taiwan who subscribe for shares issued by the Bank; the term "domestic investors" shall mean investors within the PRC (other than those regions mentioned above) who subscribe for shares issued by the Bank.

**Article 23** Shares issued by the Bank to domestic investors and subscribed for in Renminbi shall be referred to as "domestic shares". Shares issued by the Bank to overseas investors and subscribed for in foreign currencies shall be referred to as "foreign investment shares". Foreign investment shares listed outside the PRC shall be referred to as "overseas listed foreign shares".

The shares listed on any overseas securities exchanges with the approval by the authorities authorized by the State Council and the overseas securities regulators shall be collectively referred to as "overseas listed shares".

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



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

The foreign currencies referred to in the preceding clause shall mean the lawful currencies of such countries or regions (other than Renminbi) recognized by the competent authorities for foreign currency administration and usable to pay to the Bank for shares issues.

If permitted by the relevant laws, administrative regulations and department regulations, shareholders of the Bank may trade their unlisted shares on an overseas stock exchange upon the approval from the Banking Regulators under the State Council, securities regulators under the State Council and other relevant regulators. The listing and trading of such shares on an overseas stock exchange shall comply with the regulatory procedures, regulations and requirements of such overseas stock exchange. No class shareholders' meetings are required to be held to vote in respect of any trading of such shares on an overseas stock exchange.

**Article 24** The share capital structure of the Bank: 5,074,191,569 ordinary shares, including 4,107,690,457 domestic shares, representing 80.95% of the total number of shares of the Bank; and 966,501,112 H shares, representing 19.05% of the total number of shares of the Bank.

**Article 25** Subject to approval of the Bank's plan to issue overseas listed shares and domestic shares by the securities regulators under the State Council, the Board of the Bank may implement arrangements regarding the issuance of the shares respectively.

The plan to issue overseas listed shares and domestic shares may be implemented by the Bank within 15 months of the date of approval by the securities regulators under the State Council.

**Article 26** In the event that there are overseas listed shares and domestic shares included in the total number of shares stated in the said plan, such shares shall be fully subscribed for at their respective offerings. If no such full subscription is possible due to special circumstances, such shares may be issued separately subject to approval by the securities regulator under the State Council.

**Article 27** The shares subscribed by a single natural person shall not exceed 2% of the total share capital of the Bank; the aggregate shares subscribed by employee natural persons shall not exceed 20% of the total share capital of the Bank; the aggregate shares subscribed by a single domestic non-financial institution and its affiliates shall not exceed 10% of the total share capital of the Bank.

## **Section II Increase and Reduction of Shares and Share Repurchase**

**Article 28** Based on the requirements for operation and development and in accordance with the laws, rules and regulations, after the general meeting has made its resolution and an approval has been obtained from the Banking Regulator under the State Council, the Bank may increase its capital by:

- (i) Offering new shares to non-specific investors;
- (ii) Allotting new shares to existing shareholders;
- (iii) Distributing new shares to existing shareholders;
- (iv) Issuing new shares to specific objects;
- (v) Converting capital reserve into share capital;
- (vi) Any other methods approved by the laws, administrative regulations and relevant departments.

Upon approval according to the provisions of these Articles of Association, the Bank may increase its capital in accordance with such procedures as provided for in relevant laws and administrative regulations of the state.

**Article 29** The Bank may reduce its registered capital. The reduction of any registered capital of the Bank shall be handled in accordance with the procedures provided for in the Company Law, the Commercial Bank Law and other relevant rules and regulations.

The Bank must prepare a balance sheet and an inventory of assets when it reduces its registered capital.

The Bank shall notify its creditors within ten (10) days from the date of the Bank's resolution on reduction of registered capital and shall publish an announcement in the newspaper and other media designated by the Bank within thirty (30) days from the date of such resolution. A creditor has the right, within thirty (30) days of receiving the notice or, in the case of a creditor who does not receive the notice, within forty-five (45) days from the date of the first announcement, to require the Bank to repay its debt or provide a corresponding guarantee for such debt.

The registered share capital of the Bank following the reduction of capital shall not fall below the minimum statutory requirement.

**Article 30** As adopted through the approving procedures of the Bank and approved by the Banking Regulator under the State Council, the Bank may repurchase its issued and outstanding shares for the purpose of:

- (i) Reducing the registered capital of the Bank;
- (ii) Merging with other companies holding shares in the Bank;
- (iii) Granting shares to employees of the Bank as a reward;
- (iv) Any requests for the Bank to buy out shares from the shareholders who voted against the resolutions adopted at a general meeting to merge or divide the Bank;
- (v) Any such other circumstances as permitted by the laws and administrative regulations.

Except for the purpose as set above, the Bank shall not be engaged in any activities of buying and selling its own shares.

**Article 31** With the approval of competent state authorities for repurchasing its shares, the Bank may conduct the repurchase in one of the following manners:

- (i) To make an offer of repurchase to all of its shareholders in the same proportion;
- (ii) To repurchase shares through public trading on a stock exchange;
- (iii) To repurchase through an off-market agreement;
- (iv) By other means as permitted by the laws, administrative regulations and the relevant competent authorities.

**Article 32** A prior approval shall be obtained from a general meeting in respect of any share repurchase by the Bank through an off-market agreement instead of on a securities exchange in accordance with the provisions of these Articles of Association. After the general meeting has given its approval in the same way, the Bank may rescind or alter any contracts entered into in the said manner or waive any rights under such contracts.

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

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

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

**Article 33** After its own shares have been repurchased according to the law, the Bank shall cancel such portion of shares and apply to the original registration authorities for registration of changes in registered capital within the period of time as provided for in the laws and administrative regulations.

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

**Article 34** Unless the Bank is in liquidation, the Bank shall comply with the following requirements in respect of its repurchase of any of its issued and outstanding shares:

- (i) Where the Bank repurchases its shares at par value, the payments shall be subtracted from the book balance of the distributable profits of the Bank or from the proceeds of a new issuance of shares for that purpose;
- (ii) Where the Bank repurchases its shares at a premium, payments up to the par value shall be made from the book balance of the distributable profits of the Bank or from the proceeds of a new issuance of shares for that purpose; payment of the portion in excess of the par value shall be made as follows:
  - 1. If the shares repurchased are issued at par value, payment shall be made from the book balance of the distributable profits of the Bank;
  - 2. If the shares repurchased are issued at a premium, payment shall be made from the book balance of the distributable profits of the Bank or from the proceeds of a new issuance of shares for that purpose; however, the amount deducted from the proceeds of the new issuance of shares shall not exceed the aggregate amount of the premium received by the Bank from the issuance of the shares so repurchased, nor shall it exceed the amount in the premium account (or the capital reserve account) of the Bank during the repurchase (including the premium of issuance of new shares);
- (iii) The Bank shall make the following payments from the distributable profits of the Bank:
  - 1. the payments for any acquisition of the rights to repurchase of the shares of the Bank;
  - 2. the payments for any variation of any contracts to repurchase the shares of the Bank;
  - 3. the payments for the release from the obligations of the Bank under any repurchase contracts;
- (iv) After the aggregate par value of the shares cancelled is deducted from the registered capital of the Bank according to the relevant regulations, the amount deducted from the distributable profits used for the repurchase of the shares at par value shall be credited to the premium account (or the capital reserve account) of the Bank.

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

### Section III Share Transfer

**Article 35** Except as otherwise provided for in the laws, rules and regulations, the shares held by shareholders of the Bank shall not be withdrawn. Except as otherwise provided for in the laws, administrative regulations or the securities regulator of the place where the shares are listed, fully paid shares of the Bank may be transferred freely according to laws, free and clear of any liens.

Any transfer of the shares of the Bank shall be registered with the local share registry authorized by the Bank. Any transfer of the shares of the Bank shall comply with the relevant regulations of the relevant regulators (e.g. the Banking Regulator under the State Council).

With the approval by the Board of Directors of the Bank, shares held by a shareholder of the Bank may be transferred, succeeded or given as a gift according to the law. It shall require prior approval from the banking regulators if any shareholding in a rural commercial bank exceeds 5%.

**Article 36** All fully paid H shares may be freely transferred in accordance with these Articles of Association; however, unless the following conditions are met, the Board may refuse to recognize any transfer documents without any reasons:

- (i) All fees as stipulated by the Hong Kong Stock Exchange in the Hong Kong Listing Rules have been paid to the Bank, and the transfer documents of the registered shares and other documents related to or affecting the title of any shares have been registered;
- (ii) The transfer documents are only in relation to H shares;
- (iii) The stamp duties required by the laws of Hong Kong to be payable for the transfer documents have been paid;
- (iv) The relevant share certificates and any other evidence which the Board may reasonably require to show that the transferor has the right to transfer the shares shall be provided;
- (v) Where the shares are intended to be transferred to joint holders, the number of such joint shareholders is no more than four;
- (vi) The shares are free and clear of any liens of the Bank.

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

**Article 37** For the purpose of the transfer of all H shares, an instrument of transfer in the general or ordinary form or any other written form accepted by the Board of Directors shall be used (including the standard transfer form or transfer form prescribed by the Hong Kong Stock Exchange from time to time); the instrument may be executed by hand or (if the transferor or transferee is a company) affixed with the company chop. If the transferor or transferee is a recognized clearing house within the defined meaning of the relevant ordinances under the Hong Kong laws in force from time to time (hereinafter the “Recognized Clearing House”) or its agent, the instrument of transfer may be executed by hand or by machine print.

All instruments of transfer shall be deposited with the legal address of the Bank or such addresses as designated by the Board of Directors from time to time.

**Article 38** Prior approval from the Banking Regulator under the State Council shall be obtained for any unit or individual intending to purchase more than 5% of the total number of issued shares of the Bank. Any related party relations between or among or concerted actions by shareholders shall be reported to the Board of Directors promptly.

If a shareholder holds more than 5% of the total number of issued shares of the Bank without prior approval from the Banking Regulator under the State Council (the “Excess Shares”), the exercise of shareholder rights based on the Excess Shares stipulated in Article 59 of these Articles of Association by such shareholder shall be subject to necessary restrictions prior to approval from the Banking Regulators under the State Council, including but not limited to:

- (i) Excess Shares shall not have the right to vote at the general meeting of the Bank;
- (ii) Excess Shares shall not have the right to nominate candidates for directors and supervisors as provided for in these Articles of Association.

If a shareholder has obtained the approval from the Banking Regulator under the State Council in respect of the Excess Shares, such shareholder shall hold such Excess Shares according to the approval from the Banking Regulator under the State Council; if a shareholder holds such Excess Shares without any approval from the Banking Regulator under the State Council, such shareholder shall transfer such Excess Shares within the period of time as stipulated by the Banking Regulator under the State Council.

Notwithstanding such provisions, the shareholder holding such Excess Shares shall not be restricted in any way when such shareholder exercises the rights of a shareholder under Article 59(i), Article 59(vi) and Article 59(vii) of these Articles of Association.

**Article 39** The shares held by the sponsors of the Bank shall not be transferred within one year of the date of the incorporation of the Bank.

The directors, supervisors and senior officers of the Bank shall report to the Bank their shareholdings and changes therein and shall not transfer more than 25% of the total number of shares held by them in each year during their office. The aforesaid person(s) shall not transfer the shares of the Bank held by them within six months commencing from the termination of their office.

Shares issued prior to the Bank’s initial public offering are not transferable within one year from the date on which the Bank’s shares are listed on the stock exchange. Where the relevant regulations of the securities regulator of the place where the shares of the Bank are listed provide otherwise in respect of any transfer of any overseas listed shares, such regulations shall apply.



## **Chapter IV Financial Assistance for the Purchase of Shares of the Bank**

**Article 40** The Bank (including any of its branches) or its subsidiaries (including any affiliates of the Bank) shall not offer any financial assistance at any time by any means (including by gifts, payments advanced, guarantees, compensations or loans) to purchasers or prospective purchasers of the shares of the Bank.

The purchasers of the shares of the Bank referred to in the preceding paragraph shall include the persons who have directly or indirectly assumed obligations as a result of the purchase of the shares of the Bank.

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

This Article shall not be applicable to the circumstances described in Article 42 in this Chapter.

**Article 41** The financial assistance referred to in this Chapter shall include but not limited to:

- (i) gifts;
- (ii) guarantees (including the assumption of liability by the guarantor or the provision of assets by the guarantor to secure the performance of obligations by the obligor), compensations (other than compensation given for acts where the Bank is at fault) or the release or waiver of any rights;
- (iii) the provision of loans or the entrance into any agreement under which the obligations of the Bank are to be fulfilled before the obligations of another party, and a change in the parties to, or the novation of, or the assignment of rights arising under such loans or agreement; and
- (iv) any other form of financial assistance given by the Bank when the Bank is insolvent, has no net assets, or when the net assets of the Bank would be reduced to a material extent as a result of such financial assistance.

The obligations referred to in this Chapter shall include the obligations of an obligator which have arisen by entering into a contract or making of an arrangement (regardless of whether such agreement or arrangement is enforceable, or whether such obligations are assumed by the obligator individually or jointly with any other person) and any obligations that arise out of any changes made in any other way to the obligator's financial conditions.

**Article 42** Except as otherwise prohibited in accordance with the laws, administrative regulations, department rules and normative documents, the acts listed below shall not be prohibited by Article 40 in this chapter:

- (i) the financial assistance provided by the Bank is genuinely for the interests of the Bank and the main purpose of the financial assistance is not to purchase shares of the Bank, or the financial assistance is an incidental part of the Bank's overall plans;
- (ii) any lawful distribution of the Bank's assets in the form of dividends;
- (iii) distribution of dividends in the form of shares;
- (iv) reduction of registered capital, repurchase of shares, shareholding restructuring, etc., in accordance with these Articles of Association;
- (v) provision of loans by the Bank within its scope of business and in the ordinary course of business (provided that the provision does not lead to a reduction in the net assets of the Bank or that if this causes a reduction, the financial assistance is taken from the distributable profits of the Bank);
- (vi) provision of any funds by the Bank for an employee shareholding scheme (provided that this does not lead to a reduction in the net assets of the Bank or that if there causes a reduction, the financial assistance is taken from the distributable profits of the Bank).



## Chapter V Shares Certificate and Register of shareholders

**Article 43** The Bank shall issue to shareholders share certificates in registered form with respect to shares of the Bank as the evidence of the shareholdings of such shareholders in the Bank. Share certificates of the Bank shall be in registered form.

The terms specified on the share certificates of the Bank shall, in addition to those provided in the Company Law, contain other items required to be specified by the stock exchange(s) on which the shares of the Bank are listed.

The Bank may issue overseas listed shares in form of foreign depository receipts or other derivative means of shares in accordance with the laws and the practice of registration and depository of securities in the place of listing.

Where share capital of the Bank include any shares without any voting rights, then the wording “no voting” shall be indicated in such share certificates; where the share capital of the Bank includes any shares with different voting rights, then the wording “restricted voting rights” or “qualified voting rights” shall be indicated in the name of each such type of share certificate (other the share certificates with the most preferential voting rights).

**Article 44** The share certificates of the Bank shall be signed by the Chairman. Where the stock exchange on which the shares of the Bank are listed requires the share certificates to be signed by the Bank’s President or other senior officers, the share certificates shall also be signed by such President or other senior officers. The share certificates shall take effect after being affixed with the seal of the Bank or the printed seal of the Bank. The affixation of the seal of the Bank shall be authorized by the Board of Directors. The signatures by the Chairman, President and other senior officers may be affixed in printed form.

In case of paperless issuance and transaction of the shares of the Bank, the regulations of the securities regulators in the place where the shares of the Bank are listed shall apply.

**Article 45** The Bank shall keep a register of shareholders which shall contain the following particulars:

- i) the name, address (domicile), occupation or nature of each shareholder; the ID Card number of each natural person shareholder, organization code and name of legal representative of each corporate shareholder;
- ii) the class and number of shares held by each shareholder;
- iii) the amount paid-up or payable in respect of shares held by each shareholder;
- iv) the serial numbers of the shares held by each shareholder;
- v) the date on which a person is registered as a shareholder;

vi) the date on which a person ceases to be a shareholder;

vii) pledge of shares by each shareholder.

Unless there is evidence to the contrary, the register of shareholders shall be sufficient evidence of the shareholders' respective shareholdings in the Bank.

**Article 46** Pursuant to an understanding or an agreement reached between the securities regulator under the State Council and overseas securities regulator, the Bank may keep its register of shareholders of overseas listed shares outside the PRC and appoint an overseas agent to manage these registers. The original of the register of shareholders of H shares shall be kept in Hong Kong.

The Bank shall keep at the domicile of the Bank a duplicate of register of shareholders of overseas listed shares. The appointed overseas agent shall ensure that the originals and the duplicates of such registers are consistent at all times.

In the event that there is any inconsistency between the originals and the duplicates of the register of shareholders of overseas listed shares, the originals shall prevail.

**Article 47** The Bank shall keep a complete register of shareholders.

The register of shareholders shall include the following:

- i) the register of shareholders maintained at the Bank's domicile (other than those parts as described in paragraphs ii) and iii) of this Article);
- ii) the register of shareholders in respect of the holders of overseas listed shares of the Bank maintained at the place where the overseas stock exchange on which the shares are listed is located;
- iii) the register of shareholders maintained at such other place as the Board may consider necessary for the purpose of listing of the Bank's shares.

**Article 48** Different parts of the register of shareholders shall not overlap one another. No transfer of the shares registered in any part of the register shall, during the existence of that registration, be registered in any other part of the register of shareholders.

Any changes or corrections of any part of the register of shareholders shall be effected in accordance with the laws of the place where that part of the share register is kept.

**Article 49** No changes shall be made to the register of shareholders as a result of a transfer of shares either within 30 days prior to the date of a general meeting, or within 5 days before the benchmark date set by the Bank for the purpose of distribution of dividends.

If the securities regulators of the place where shares of the Bank are listed provide otherwise, such provisions shall prevail.

**Article 50** Where the Bank convenes a general meeting, distributes dividends, undergo liquidation or engage in any other act requiring the confirmation of shareholding, the Board or the convener of the general meeting shall stipulate a date for shareholding registration. After trading hours have ended on the shareholding registration date, the shareholders who are recorded in the register of shareholders shall be the shareholders who are entitled to relevant rights and interests.

**Article 51** Any person who objects to the register of shareholders and requests to have his name entered in or removed from the register of shareholders may apply to a court of competent jurisdiction for rectification of the register.

**Article 52** Any shareholder who is registered in, or any person who requests to have his name entered in, the register of shareholders may, if his share certificates (the “original certificates”) are lost, apply to the Bank for a replacement share certificate in respect of such shares (the “relevant shares”).

If a holder of domestic shares loses his share certificates and applies for their replacement, it shall be dealt with in accordance with the Company Law.

If a holder of overseas listed foreign shares loses his share certificates and applies for their replacements, it may be dealt with in accordance with the relevant laws of the place where the original register of holders of overseas listed foreign shares is maintained, the rules of relevant securities regulator of the place where the shares of the Bank are listed or other relevant regulations.

If a holder of H shares loses his share certificates and applies for their replacement, the issue of replacement share certificates shall comply with the following requirements:

- i) The applicant shall submit an application to the Bank in the standard form as prescribed by the Bank accompanied by a notarization document or statutory declaration, containing the grounds upon which the application is made and the circumstances and evidence of the loss of the share certificates as well as declaring that no other person shall be entitled to request to be registered as the shareholder in respect of the relevant shares.
- ii) No declaration has been received by the Bank from a person other than the applicant for having his name registered as a holder of the relevant shares before the Bank came to a decision to issue the replacement share certificate.
- iii) The Bank shall, if it decides to issue a replacement share certificate to the applicant, make an announcement of its intention to issue the replacement share certificate in such newspapers as designated by the Board. The announcement shall be made at least once every thirty days for a period of ninety days.

iv) The Bank shall have, prior to the publication of its announcement of intention to issue a replacement certificate, delivered to the stock exchange on which its shares are listed a copy of the announcement to be published. The Bank may publish the announcement upon receiving a confirmation from such stock exchange that the announcement has been exhibited at the premises of the stock exchange. The announcement shall be exhibited at the premises of the stock exchange for a period of ninety days.

In case an application to issue a replacement share certificate has been made without the consent of the registered holder of the relevant shares, the Bank shall send by post to such registered shareholder a copy of the announcement to be published.

v) If, upon expiration of the 90-day period of announcement and exhibition referred to in subparagraphs (iii) and (iv) of this Article, the Bank has not received from any person any objection to such application, the Bank may issue a replacement share certificate to the applicant according to his application.

vi) Where the Bank issues a replacement share certificate under this Article, it shall forthwith cancel the original certificate and enter the cancellation and issue in the register of shareholders accordingly.

vii) All expenses relating to the cancellation of an original share certificate and the issue of a replacement share certificate by the Bank shall be borne by the applicant. The Bank may refuse to take any action until a reasonable guarantee is provided by the applicant for such expenses.

In addition, if the share certificates of a shareholder of the Bank has been stolen, lost or destroyed, such shareholder may apply to the Bank to issue replacement share certificates after he has requested to a people's court to declare such share certificates are void according to the Procedure of Exigent by Publication as provided for in the civil procedure law.

**Article 53** Where the Bank issues a replacement share certificate pursuant to the Articles of Association, the name of a bona fide purchaser who obtains the aforementioned new share certificate or a shareholder who thereafter registers as the owner of such shares (in the case that he is a bona fide purchaser) shall not be removed from the register of shareholders.

**Article 54** The Bank shall not be liable for any loss suffered by any person by reason of the cancellation of the original certificate or the issuance of the replacement certificate, unless the claimant proves that the Bank has acted fraudulently.

## Chapter VI Party Organization

**Article 55** The Bank shall establish a Party Committee with one secretary, and several other members. The Chairman and the Secretary of the Party Committee shall be assumed by the same person in principle, and one deputy secretary could be designated to assist the Secretary of the Party Committee in the party building work when necessary. The eligible members of the Party Committee may take seats in the Board of Directors, the Board of Supervisors and senior management through the statutory procedures. The eligible Party members of the Board of Directors, Board of Supervisors and senior management may take seats in the Party Committee in accordance with relevant requirements and procedures. A Discipline Inspection Commission of the Communist Party of China of the Bank shall also be established in accordance with relevant requirements.

**Article 56** The organizational structure of the Party organization and its staffing shall be incorporated into the administrative organs and the establishment of the Bank. The Bank shall incorporate expenses of the Party organization in the Bank's budget, which will be credited to the Bank's management fee.

**Article 57** The Party Committee shall perform the following duties and responsibilities in accordance with the Party's regulations such as the Constitution of the Party:

- i) to ensure and supervise the thorough implementation of the Party's and national policies in the Bank, and implement major strategic decisions of the Central Committee of the CPC and the State Council and important work deployment by the party organization at higher levels;
- ii) to strengthen its leadership and gate keeping role in the management of the process of selection and appointment of personnel, focusing on standards, procedure, evaluation, recommendation and supervision, uphold the integration of the principle that the Party manages the officials with the function of the Board of Directors in the lawful selection of the management and with the lawful exercise of authority of appointment, promotion and demotion of personnel by the management;
- iii) to research and discuss key issues relevant to stable reform and development and significant business operations of the Bank as well as major issues concerning employee interests; and make proposals and recommendations; to support the general meeting, the Board of Directors, the Board of Supervisors and senior management to perform their respective duties and responsibilities by laws; and support the work of the employee representative meeting;
- iv) to assume the primary responsibility to run the Party comprehensively with strict discipline; lead the Bank's ideological and political work, the United Front work, construction of spiritual civilization, construction of corporate culture and affairs of the labour union, the Communist Youth League and other mass organizations; lead the construction of the Party's working style and a clean and honest administration, and support the discipline inspection commission to effectively discharge its supervisory responsibilities;

- v) to strengthen the Bank's grass-roots party organizations and team building of party members; give full play to the role of Party branches as strongholds and to the role of Party members as pioneers and exemplary examples; unite and lead the cadres and employees to actively participate in the reform and development of the Bank;
- vi) to handle other important matters within the scope of duties of the Party Committee.

# Chapter VII Rights and Obligations of Shareholders

## Section I Shareholders

**Article 58** A shareholder of the Bank is a natural person, legal person or other organization who lawfully holds shares of the Bank and whose name is entered in the register of shareholders. A shareholder shall enjoy the relevant rights and assume the relevant obligations in accordance with the class and number of shares he holds. Shareholders holding the same class of shares shall be entitled to the same rights and assume the same obligations.

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

- i) The Bank shall not register more than four persons as joint holders for any shares;
- ii) The joint holders of any shares shall assume the joint liability to pay for all amounts payable for the relevant shares;
- iii) In case one of the joint holders has deceased, only the surviving joint holders shall be deemed by the Bank to be such persons as having the ownership of the relevant shares. But the Board shall have the right to demand a death certificate of such shareholder which it deems appropriate for the purpose of altering the register of shareholders;
- iv) For joint holding of any shares, only the joint holder whose name appears first in the register of shareholders is entitled to receive the certificate for the relevant shares from the Bank, receive the Bank's notices, and to attend and exercise all the voting rights at the general meetings of the Bank. Any notice served on the above persons shall be deemed to have been served on all joint holders of the relevant shares.

Any receipts issued to the Bank by one of the joint shareholders in respect of any dividend, bonus issue or return on capital payable to such joint shareholders shall be deemed as a valid receipt that has been issued by all the joint shareholders to the Bank.

**Article 59** Holders of the ordinary shares of the Bank shall enjoy the following rights:

- i) To receive dividends and other kinds of distributions as determined by the number of shares held by them;
- ii) To attend in person or by proxy general meetings;
- iii) To exercise voting rights based on the number of the shares held by him;
- iv) To supervise the business operation of the Bank, and to make suggestions and enquiries accordingly;
- v) To transfer, bestow or pledge or otherwise dispose of shares held by him in accordance with the laws, administrative regulations, the relevant regulations of the securities regulators of the place where the shares are listed and the provisions of these Articles of Association;



vi) To obtain relevant information in accordance with the laws, administrative regulations, department regulations, normative documents, regulations of the securities regulators of the place where the shares of the Bank are listed and the provisions of these Articles of Association, including:

1. To obtain a copy of these Articles of association after its cost has been paid;
2. To have free access to and copy the following documents after a reasonable fee has been paid:
  - (1) all parts of the register of shareholders;
  - (2) the personal information of directors, supervisors, President and senior executives of the Bank;
  - (3) status of the share capital of the Bank;
  - (4) reports on the aggregate par value, number of shares, and highest and lowest prices of each class of shares in relation to any repurchase by the Bank of its own shares since the last financial year, as well as all the expenses paid by the Bank in relation to such repurchases;
  - (5) minutes of the general meetings,
  - (6) special resolutions of the Bank;
  - (7) the latest audited financial statements and the Board reports, auditor's reports and the Board of Supervisors reports;
  - (8) the copy of the corporate annual report submitted to the State Administration for Industry & Commerce of China or other competent authorities for files.

In accordance with the requirements of Hong Kong Listing Rules, the Bank shall make the documents referred to in item (1) 、(3) 、(4) 、(5) 、(6) 、(7) and (8) available for free inspection by the public and shareholders of H Shares at the address of the Bank in Hong Kong, of which the documents referred to in item (5) shall be available for inspection by shareholders only.

Copies of minutes of the meetings will be available for inspection by the shareholders free of charge during the office hours of the Bank. If any shareholder makes a request to obtain a copy of the relevant minutes from the Bank, the Bank shall send a copy of the requested minutes within seven days upon the receipt of a reasonable fee.

The Bank may refuse to provide any documents if any such documents or the copies thereof requested involve any business secrets and/or inside information of the Bank.



- vii) to participate in the distribution of the remaining assets of the Bank based on the number of shares held in the event of the dissolution or liquidation of the Bank;
- viii) to request the Bank to buy out shares from such shareholders who voted against the resolutions adopted at a general meeting to merge or divide the Bank;
- ix) to have other rights conferred in accordance with the laws, administrative regulations and these Articles of Association.

The Bank shall not exercise any power against any person who exercises any rights by virtue of any shares of the Bank but fails to disclose any of his direct or indirect interest in the Bank for the purpose of freezing or otherwise damaging the interest of such person as attached to shares.

**Article 60** Where a shareholder requests to review the relevant information referred to in the preceding clause or demand any information, such shareholder shall provide written document to prove that he possesses any shares of the Bank and the Bank shall make available such information required by the shareholder after the identity of such shareholder has been proved.

**Article 61** Where any resolutions of a general meeting or Board meeting violate any laws and administrative regulations or infringe upon the lawful rights of shareholders, the shareholders shall have the right to commence an action at a people's court to stop such acts of violation or infringement.

**Article 62** Holders of the ordinary shares of the Bank shall have the following obligations:

- i) To abide by the laws, administrative regulations and these Articles of Association;
- ii) To pay the share capital as determined by the number of shares subscribed for by him and the prescribed method of capital contribution;
- iii) To be liable for the debts of the Bank to the extent of the number of shares held by him in the Bank;
- iv) To maintain the interests and reputation of the Bank and support the Bank to carry out various business activities according to the laws;
- v) To comply with and implement any resolutions of a general meeting;
- vi) In the case of a corporate shareholder of the Bank, if there have occurred any material changes with respect to the legal representative, company name, registered address or business scope of such company or if the company is dissolved, deregistered, consolidated with or merged into another company, such corporate shareholder shall inform the Bank in writing within 30 days;
- vii) Not to injure the interests of the Bank or its shareholders and other stakeholders by abusing its rights as a shareholder; not to seek improper advantages or interfere with the decision-making and management rights conferred on the Board and members of senior management by these Articles of Association; not to bypass the Board and senior management and directly intervene in the operations and management of a commercial bank;

viii) Other obligations as required by the laws, administrative regulations, rules and these Articles of Association.

Shareholders shall not be liable for making any additional contribution to the share capital of the Bank other than according to the terms agreed by the subscriber of the share at the time of subscription.

**Article 63** The Bank shall not accept any shares of the Bank as the subject of a pledge. If shareholders use their equity interests in the Bank to provide guarantees for themselves or others, they shall strictly comply with the requirements of laws, regulations and regulatory authorities and give a prior notice to the Board of Directors. The office of the Board of Directors shall be responsible for such daily work as the collection, sorting out and submission of any information in relation to any pledge of shares of the Bank.

If a shareholder who serves at the Board of Directors or the Board of Supervisors of the Bank or a shareholder who holds or controls directly or indirectly or in conjunction with any other persons more than 2% of the shares or voting rights pledges any shares of the Bank, such shareholder shall make a prior application to the Board of Directors of the Bank for filing, with such explanation as the reason for the pledge, the numbers of shares to be pledge, pledge term and pledgee. Where the Board considers the pledge to be materially adverse to the stability of the Bank's shareholding, corporate governance, as well as the risk and related party transaction control, no filing shall be made. When the Board considers the relevant filing matter, the director nominated by the pledgor shareholder shall abstain. After the filing with respect to the equity pledge has been completed, the shareholder shall disclose promptly to the Bank the relevant information concerning the pledged equity as required by the Bank in relation to risk management and information disclosure.

A shareholder shall not pledge the shares held by him in the Bank if the outstanding balance of the loans he has borrowed from the Bank exceeds the audited net equity value held by him in the Bank in the previous year.

**Article 64** Shareholders, especially substantial shareholders, shall support any reasonable capital planning made by the Board of Directors of the Bank so as to make the capital of the Bank continue to meet the regulatory requirements. When the capital of the Bank fails to meet any regulatory requirements, a capital replenishment plan shall be made to make the capital adequacy ratio meet the regulatory requirements within specified period of time and to replenish capital by way of core capital. No substantial shareholders shall prevent other shareholders from replenishing the capital of the Bank or the entry of any new qualified shareholders. Substantial shareholders shall make a long-term commitment to the Bank in writing in respect of any capital replenishment.

Where the credit balance of a shareholder (substantial shareholder in particular) at the Bank is overdue or where number of shares of the Bank pledged by a shareholder has reached or exceeded 50% of the number of shares held by him in the Bank, his voting rights at general meetings as well as the voting rights of the directors nominated by him at meetings of the Board shall be restricted.

**Article 65** Where the capital adequacy ratio of the Bank falls below the statutory standard, shareholders shall support the measures taken by the Board to improve capital adequacy ratio.

**Article 66** In addition to the obligations required under the laws, administrative regulations or the provisions stipulated by the securities regulatory authority of the place where the Bank's shares are listed, when exercising his rights as a shareholder, a Controlling Shareholder shall not exercise his voting rights to make decisions that are detrimental to the interests of all or some of the shareholders on the following issues:

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

**Article 67** As used herein, a "Controlling Shareholder" shall mean any shareholder who meets any one of the following conditions:

- i) Such shareholder who acting alone or together with other shareholders may elect more than half of the directors;
- ii) Such shareholder who acting alone or together with other shareholders may exercise more than 30% of the voting rights in the Bank or control the exercise of more than 30% of the voting rights in the Bank;
- iii) Such shareholder who acting alone or together with other shareholders holds more than 30% of the issued and outstanding shares of the Bank;
- iv) Such shareholder who acting alone or together with other shareholders may in fact control the Bank by any other means.

"Acting in concert" referred to in this clause shall mean such acts of more than two shareholders who express the same opinions at the time of exercising voting rights by extending their control over the shares of the Bank or consolidating its controlling status through such lawful means as agreement (whether oral or written), cooperation or related relations (including the making of proposals, nominating of directors or the authorizing of the voting right exercise without indicating the voting intention, with the exception of open proxy solicitation).

## Section II General Meetings

**Article 68** The general meeting shall be an organ of power of the Bank and shall exercise the following powers in accordance with the law:

- i) to decide on the development strategy and plans and to decide on business policies and investment plans of the Bank;
- ii) to elect and replace directors and decide the remuneration of relevant directors;
- iii) to elect and place supervisors taken upon by shareholder representatives and to decide on the remuneration of relevant supervisors;
- iv) to examine and approve reports prepared by the Board of Directors and the Board of Supervisors;
- v) to examine and approve the rules procedures for general meetings, meetings of the Board of Directors and meetings of the Board of Supervisors;
- vi) to examine and approve annual budgets, final accounts, profit distribution plans and plans for making up for losses of the Bank;
- vii) to adopt resolutions concerning the increase and reduction of the registered capital of the Bank;
- viii) to adopt resolutions on the merger, division, dissolution, liquidation and other matters of the Bank;
- ix) to adopt resolutions on the issuance of bonds and other marketable securities of the Bank and the listing thereof;
- x) to establish and amend these Articles of Association;
- xi) to resolve the appointment, removal and non-reappointment of accounting firm of the Bank;
- xii) to examine and approve related transactions required by the laws, administration regulations, department regulations, normative documents and the securities regulators of the place where the shares of the Bank are listed to be approved by a general meeting;
- xiii) to examine any proposals submitted by any shareholder who individually or jointly hold more than 3% of the total voting rights shares of the Bank (the "Proposal Shareholder") in accordance with the law;
- xiv) to examine any other matters required by the laws, administrative regulations, department regulations, normative documents, relevant regulatory authorities, these Articles of Association and the rules of procedures for general meetings to be approved by a general meeting.

The above matters within the scope of a general meeting shall be determined by a general meeting; however, when necessary, reasonable and lawful, a general meeting may authorize the Board of Directors to determine.

Where the matters authorized shall be adopted at a general meeting by an ordinary resolution as required by these Articles of Association, the authorization given to the Board shall be adopted by more than half of the attending shareholders (including shareholder proxies) having voting rights; if the matters authorized shall be adopted at a general meeting by a special resolution as required by these Articles of Association, the authorization given to the Board shall be adopted by more than 2/3 of the attending shareholders having voting rights.

**Article 69** Unless the Bank is in any special circumstances such as a crisis, the Bank shall not enter into any contract with any party other than the directors, supervisors, President and other senior officers to which such party shall be responsible for managing the whole or any substantial part of the Bank's business.

**Article 70** General meetings consist of annual general meetings and extraordinary general meetings. On-site general meetings shall be held. Annual general meeting shall be held once a year and shall be held within six months of the date of the previous financial year. Where such meetings are required to be adjourned in any special circumstances, a report shall be submitted to the Banking Regulator under the State Council with an explanation for such adjournment.

**Article 71** The Bank shall hold an extraordinary meeting within two months of the date of the occurrence of any of the following events:

- i) the number of directors is less than the statutory minimum number required by the Company Law or 2/3 of the number required by these Articles of Association;
- ii) the outstanding losses of the Bank has reached 1/3 of the total amount of the share capital of the Bank;
- iii) the shareholders who individually or jointly hold more than 10% of the total voting rights shares have requested in writing to convene such a meeting (the shareholding percentage shall be calculated based on the shareholding on the date when such shareholders make such written request);
- iv) when the Board deems it necessary to convene such a meeting;
- v) when the Board of Supervisors deems it necessary to convene such a meeting;
- vi) in any other circumstances as provided for in the laws, administrative regulations, department regulations or these Articles of Association.

**Article 72** Resolutions shall be made at an extraordinary meeting only in respect of any matters specified in the notice.

**Article 73** A general meeting shall be convened by the Board in accordance with the laws. The Chairman of the Board shall act as the chairman of the meeting and preside over such meeting. Where the Chairman of the Board fails to perform his duties for any reasons, other directors designated by the Chairman of the Board shall act as the chairman of the meeting and preside over such meeting; where the Chairman of the Board fails to attend the meeting nor designate any person, the Board of Directors shall designate a director to serve as the chairman of the meeting and preside over such meeting; if the Board fails to designate the chairman of the meeting, the shareholders attending the meeting may appoint one of them to serve as the chairman of the meeting and preside over such meeting. If, for any reasons, the shareholders fail to appoint the chairman of meeting, the shareholder (including shareholder proxies) who attends the meeting with the most of the shares having voting rights shall act as the chairman of the meeting.

**Article 74** Where a general meeting of the Bank is convened, the Board shall give a written notice to all registered shareholders of the Bank 45 days before such meeting is held. Any shareholders intending to attend shall deliver to the Bank a written reply indicating his intention to attend such meeting 20 days before the meeting.

Based on the written replies received 20 days before a general meeting, the Bank shall calculate the number of the voting rights shares represented by the shareholders intending to attend the meeting. Where the number of the voting right shares represented by the shareholders intending to attend the meeting is more than 1/2 of the total number of the voting rights shares of the Bank, the Bank shall convene such general meeting; otherwise, the Bank shall, within five days, inform the shareholders again of the matters to be deliberated at the meeting, the date and venue of the meeting by means of a public announcement. After making such announcement, the Bank may convene the general meeting. The notice of a general meeting shall be:

- i) be in writing;
- ii) contain the venue, date and time of the meeting;
- iii) contain the matters for deliberation at the meeting;
- iv) provide shareholders with such information and explanation as necessary for them to make informed decisions in respect of the matters to be discussed; this means (but not limited to): when any merger, share repurchase, share capital restructuring or other restructuring proposals raised by the Bank is involved, the detailed conditions and contract (if any) for the contemplated transactions and any explanations as to the cause and effect of such contemplated transactions shall be provided;
- v) If any directors, supervisors, the President or other senior executives have any material interest in the matters to be discussed, the nature and extent of such interest shall be disclosed; if the matters to be discussed have an effect on such directors, supervisors, the President and other senior executives as the shareholders different from the effect on the shareholders of the class, an explanation shall be made in respect of such difference.
- vi) contain the full text of any special resolutions intended to be adopted at the meeting;



- vii) contain a clear statement that a shareholder entitled to attend and vote at such a meeting is entitled to appoint one or more proxies to attend and vote at such a meeting on his behalf and that such a proxy needs not be a shareholder;
- viii) specify the shareholding registration date of the shareholders entitled to attend the general meeting;
- ix) specify the time and venue for delivering the power of attorney for the voting proxy for the meeting;
- x) contain the name and telephone of number of the contact for the meeting;
- xi) other requirements as provided for in the laws, administrative regulations, department regulations, normative documents and the Articles of Association.

**Article 75** Unless otherwise stipulated in laws, regulations or these Articles of Association or required by any relevant regulatory authority, the notice of the general meeting shall be served on all shareholders (whether or not such shareholder is entitled to vote at the general meeting) by personal delivery or by pre-paid mail. The address of the recipient shall be the registered address as shown in the register of members. For holders of domestic shares, the notice of shareholders' general meeting may be published by way of an announcement.

The announcement mentioned in the preceding paragraph shall be published in one or more newspapers designated by the securities regulator under the State Council between 45 days to 50 days prior to the meeting. Once the announcement has been made, all shareholders of domestic shares shall be deemed to have received the notice of the general meeting.

Subject to the laws, administrative regulations, department regulations, normative documents and the regulations or listing rules of the places where the shares of the Bank are listed and the relevant regulations of the relevant securities regulators, the Bank may also send or dispatch the aforesaid notices of general meeting to the holders of H shares through the websites of the Bank and the Hong Kong Stock Exchange, instead of sending or dispatching the same by personal delivery or prepaid mail.

**Article 76** The accidental omission to give notice of meeting to, or the non-receipt of notice of meeting by, any person entitled to receive notice shall not invalidate the meeting held and the resolutions adopted at such meeting.

**Article 77** Any shareholder entitled to attend and vote at a general meeting shall be entitled to appoint one or more persons (who need not be a shareholder or shareholders) as his proxy or proxies to attend and vote on his behalf. Shareholders shall appoint their proxies in writing. The principal or his proxy duly authorized in writing shall sign the power of attorney. Where the principal is a legal person, the power of attorney shall bear its seal or be signed by its director or a proxy duly appointed.

A proxy so appointed shall exercise the following rights pursuant to the authorization by such shareholder:

- i) To exercise the shareholder's right to speak at the general meeting;
- ii) To severally or jointly request to vote by ballot;
- iii) To exercise the right to vote by a show of hand or ballot. Where there is more than one proxy, the said proxies shall vote by ballot.

**Article 78** Shareholders being natural persons and attending the meeting in person shall present their personal identity cards and proof of their shareholdings; Proxies attending the meeting shall present their valid personal identity cards, the powers of attorney and the share certificates of the principals.

Corporate shareholders shall be represented by their legal representatives or proxies authorized by the legal representatives. Legal representatives attending the meeting shall present their personal identity cards or valid documents that can prove their identities as legal representatives; proxies authorized to attend the meeting shall present their personal identity cards, the powers of attorney lawfully issued by the corporate shareholders and the share certificates.

**Article 79** The power of attorney issued by shareholders to authorize other persons to attend the general meeting shall clearly state the followings:

- i) the name of the proxies and the number of shares represented by such proxies;
- ii) whether the proxies have the right to vote;
- iii) instructions to vote for, against or abstain from voting on each of the items in the agenda of the meeting;
- iv) whether the proxies have the voting right in respect of any temporary proposals included in the agenda; if any, the specific instructions to vote;
- v) the signing date and the effective period of the power of attorney;
- vi) signature (or seal) of the principals. For powers of attorney from corporate shareholders, the seal of the corporate entity shall be affixed.

Any form issued to a shareholder by the Board of the Bank for use by him for appointing a proxy shall allow the shareholder to freely instruct the proxy to cast vote for or against separately in respect of each resolution to be voted at the meeting.

Such power of attorney shall specify that in the absence of instructions by the shareholder, his proxy may vote as he thinks fit.



**Article 80** The power of attorney for the voting proxy shall be deposited at the domicile of the Bank or such other place as specified in the notice of meeting at least 24 hours prior to the meeting at which the proxy is authorized to vote or 24 hours before the scheduled voting time. Where such a power of attorney is signed by a person authorized by the principal, the letter of authorization authorizing signature or other authorization documents shall be notarized. The notarized letter of authorization or other authorization documents shall, together with the power of attorney for the voting proxy, be deposited at the domicile of the Bank or such other place as specified in the notice of the meeting.

Where the principal is a legal person, its legal representative or a person authorized by its board or other decision making body upon resolution shall attend the general meeting of the Bank.

If the shareholder is a recognized clearing house or its proxy, such shareholder may authorize more than one person it thinks fit to act as its representative at any shareholder's meeting or any class of any shareholder's meeting; however, if more than two persons are authorized, the power of attorney shall specify the number and class of the shares with respect to such persons so authorized. The power of attorney shall be executed by a person authorized by such recognized clearing house. The person so authorized may attend the meeting and exercise any rights on behalf of such recognized clearing house (or its proxy) (without producing any share certificate, notarized power of attorney and/or further evidence to prove that the person has been so authorized) as if such person were an individual shareholder of the Bank.

**Article 81** If the principal has passed away, lost his ability to act, withdrawn the appointment, withdrawn the authorization of the signed power of attorney or has transferred his shares prior to voting, as long as the Bank has not received any written notice regarding these matters before the commencement of the relevant meeting, the vote cast by the proxy in accordance with the power of attorney shall remain valid.

**Article 82** A registration book for attending the general meeting shall be prepared by the Bank. The registration book shall set forth the names of attendees (or the attending units), their identity card numbers, residential address, number of voting rights shares held or represented, and name of the appointer (or the appointing unit), etc.

**Article 83** After the notice of a general meeting has been given, unless for any force majeure events or contingencies, the Board of Directors shall not change the time for the holding of such meeting; if the time for such general meeting is required to be changed due to force majeure events, an notice shall be given for such adjournment at least five working days before the original general meeting is held. The Board of Directors shall give the reasons for such adjournment and the date for the adjourned meeting in such notice.

### **Section III Proposals at General Meetings**

**Article 84** When the Bank convenes a general meeting, the Board, the Board of Supervisors and Proposal Shareholders are entitled to propose new proposals to the general meeting in writing. The Bank shall include in the meeting agenda such proposals as required to be deliberated at a general meeting.

**Articles 85** The proposals submitted to a general meeting shall meet the following requirements:

- i) contents of the proposals shall not be in conflict with the provisions of any laws, rules and regulations and these Articles of Association, and shall fall within the scope of operation and the terms of reference of a general meeting of the Bank;
- ii) the proposals cover specific topics for discussions and specific issues to be resolved;
- iii) the proposals are submitted or presented to the Board in writing.

**Article 86** The Board of the Bank shall consider the proposals submitted to a general meeting in the best interests of the Bank and shareholders in accordance with the provisions of Article 85 in this Section.

**Article 87** The Board shall give an explanation at the general meeting in respect of the proposals submitted to the general meeting that it has decided not to include in the meeting agenda and make an announcement of the contents of the proposals and the explanation given by the Board together with the resolutions at the general meeting after the general meeting has concluded.

**Article 88** Where the shareholder who submitted the proposals objects to the decision of the Board not to include his proposals in the meeting agenda, such shareholder may demand to convene an extraordinary general meeting in accordance with the relevant procedures as provided for in these Articles of Association.

## Section IV Resolutions at General Meetings

**Article 89** Shareholders (including proxies thereof) shall exercise their voting rights as per the number of the voting shares they represent. Each share carries the right to one vote.

However, the Bank has no voting right for its own shares it holds. Such portion of shares shall not be included in the total number of the voting rights shares held by the shareholders attending the meeting.

Where the law, administrative regulations or the Hong Kong Listing Rules provide that a shareholder shall not exercise any voting rights in respect of a certain proposal or shall be restricted to vote for or against such proposal, then the votes cast by such shareholder or his proxy in violation of such provisions or restrictions shall not be counted in the voting results.

When the general meeting considers a connected transaction, connected shareholders and their associates (defined in the Hong Kong Listing Rules) shall abstain from voting and the number of voting shares that they represent shall not be counted as part of the total number of valid voting shares. Announcement of resolutions approved at the general meeting shall fully disclose the details of the voting by non-connected shareholders.

**Article 90** Resolutions of a general meeting shall consist of ordinary resolutions and special resolutions.

Ordinary resolutions shall be adopted by votes representing more than 1/2 of the voting rights held by shareholders (including proxies thereof) attending the general meeting.

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

**Article 91** The following matters shall be approved by ordinary resolutions at a general meeting:

- i. The work reports of the Board of Directors and the Board of Supervisors;
- ii. the profit distribution plan and loss recovery plan prepared by the Board of Directors;
- iii. Election and replacement of members of the Board of Directors and the Board of Supervisors, the remunerations of the relevant directors and supervisors and the payment thereof;
- iv. the annual financial budgets and final accounts of the Bank;
- v. the annual report of the Bank;
- vi. appointment or removal of an accountant firm;
- vii. matters other than those required by the laws, administrative regulations and these Articles of Association to be approved by special resolutions;

**Article 92** The following matters shall be approved by special resolutions at a general meeting:

- i) increase or decrease of the registered capital of the Bank;
- ii) issuance of bonds or other marketable securities of the Bank and the listing thereof;
- iii) merger, division, dissolution and liquidation of the Bank or change of the form of the Bank;
- iv) amendment to these Articles of Association;
- v) equity incentive plan;
- vi) material external investments, material acquisitions and mergers, material assets purchases, material assets disposal, material assets write-off and material external guarantees that exceed the scope of powers conferred by the Board of Directors of the Bank;
- vii) repurchase of shares of the Bank;
- viii) any other matters determined by the provisions of these Articles of Association and an ordinary resolution at a general meeting that may have material effect on the operation of the Bank and must be approved by special resolutions.

**Article 93** Where any shareholder requests to convene an extraordinary general meeting, it shall be handled according to the following procedures:

Where a shareholder holding more than 10% of the shares of this Company having voting rights individually or in aggregate (the "Proposal Shareholder") proposes to the Board to convene an extraordinary general meeting, the topic to be considered at the meeting and the proposals with complete contents shall be submitted to the Board in writing. The Proposal Shareholder shall ensure the proposals are in compliance with the provisions of the laws, rules and regulations and these Articles of Association.

For the purpose of any proposal submitted in writing in by the Proposal Shareholder to convene a general meeting, the Board shall decide whether to convene such meeting in accordance with the laws, rules and regulations and these Articles of Association. The decision of the Board shall be given to the Proposal Shareholder within 15 days upon receipt of such written proposal.

Where the Board agrees to convene a general meeting, a notice of the general meeting shall be given, in which the Proposal Shareholder's consent shall be obtained in respect of any changes to the original proposals. After the notice is given, the Board shall neither propose any new proposals nor change or postpone the time for the general meeting without any consent of the Proposal Shareholder.

Where the Board does not agree to convene an extraordinary general meeting or does not respond within 15 days upon receipt of the request, the Proposal Shareholder shall have the right to propose to the Board of Supervisors to convene an extraordinary general meeting and make such proposal in writing to the Board of Supervisors. Where the Board of Supervisors agrees to convene an extraordinary general meeting, a notice of the general meeting shall be given within five days upon receipt of such request, in which the consent of the Proposal Shareholder shall be obtained in respect of any changes to the original proposal.

Where the Board of Supervisors fails to give a notice of the general meeting, the Board of Supervisors shall be deemed not to agree to convene and preside over the general meeting. The shareholders holding more than 10% of the shares in the Bank for consecutive 90 days individually or in aggregate (the “Convening Shareholder”) may convene and preside over a general meeting.

Where the Board fails to respond to the request of the shareholder to hold a meeting, any reasonable expenses incurred by the shareholder to convene and preside over such meeting shall be borne by the Bank and deducted from any sums owing by the Bank to the directors who have defaulted on their duties.

**Article 94** Except as otherwise provided for in the laws, rules and regulations and the Hong Kong Listing Rules, a proposal at any general meeting shall be decided by ballot and procedural matters may be decided upon a show of hands. Unless a poll is required by the Hong Kong Listing Rules or a poll is demanded, a declaration by the chairman of the meeting that a resolution has on a show of hands been carried, and an entry to that effect recorded in the minutes of the meeting, shall be conclusive evidence of the fact without proof of the number or proportion of the votes in favor of or against such resolution at the meeting.

The demand for a poll may be withdrawn by the person who makes such demand.

**Article 95** A poll demanded on such matters as the election of chairman or the adjournment of the meeting shall be taken forthwith. A poll demanded on any other matters shall be taken at such time as the chairman may decide, and the meeting may proceed to discuss other matters, while the results of the poll shall still be deemed to be a resolution of that meeting.

**Article 96** When a ballot is held, shareholders (including proxies) who have two or more votes need not use all of their voting rights in the same way.

Where the vote cast is repeated in respect of the same voting rights, the result of the first vote shall prevail.

**Article 97** When the number of votes for and against a resolution is equal, whether the vote is taken by raising hands or by poll, the chairman of the meeting shall have the right to cast one more vote.

**Article 98** Unless the chairman makes a decision in the spirit of honesty and credibility and agrees that the resolutions on relevant procedures or administrative matters shall be voted on by show of hands, voting for a general meeting shall be held by ballot. At least two shareholders and one supervisor shall count the voting result with respect to each matter considered, and the voting result shall be declared on the spot.

If any shareholders or supervisors have interests in the matters to be considered, the related shareholders, supervisors and their proxies shall not participate in vote counting and scrutiny.

During the vote on a proposal at the general meeting, vote counting and scrutiny shall be carried out jointly by lawyer, shareholder representatives and supervisor representatives and any relevant person appointed according to the Hong Kong Listing Rules in accordance with the relevant provisions of the Hong Kong Listing Rules, and the result of the vote shall be announced on the spot. Any shareholders or their proxies shall have right to check the results of their votes through the corresponding voting system if they vote by way of internet or other means.

**Article 99** The results of the votes at a general meeting shall be recorded in the minutes of the meeting.

**Article 100** In the event that the chairman of the meeting has any doubt as to the result of a resolution put forward to the vote, he may have the votes counted. In the event that the chairman of the meeting does not have the votes counted, any shareholder present in person or by proxy who objects to the result announced by the chairman of the meeting may demand that the votes be counted immediately after the declaration of the voting result, and the chairman of the meeting shall have the votes counted immediately.

An announcement of any resolutions at a general meeting shall be made in accordance with the requirements of the Hong Kong Listing Rules, which shall contain the number of the shareholders and proxies attending the meeting, the total number of shares having voting rights held and representing the proportion of the total number of shares of the Bank, the voting method and results for each proposal and the detailed contents of each resolution passed.

In the event that the votes are counted at the general meeting, the counting results shall be recorded in the minutes of the meeting.

**Article 101** Unless it is related to the business secrets of the Bank, the Board of Directors and the Board of Supervisors shall answer and explain in relation to any inquiries or suggestions from shareholders.

**Article 102** A general meeting shall have meeting minutes, which shall record as follows:

- i) the number of voting rights shares attending a general meeting and representing the proportion of the all shares of the Bank;
- ii) the date and venue of the meeting;
- iii) the name of the chairman of the meeting and the agenda for the meeting;

- iv) the main points of each speaker in relation to each matter considered;
- v) the voting results of each resolution;
- vi) the inquiries and suggestions from the shareholders and the answers or explanations given by the Board of Directors or the Board of Supervisors;
- vii) other contents which the general meeting considers necessary or are required by these Articles of Association to be recorded in the minutes of the meeting.

**Article 103** The minutes of the meeting of a general meeting signed by the directors attending the meeting and a recorder together with such valid information as the signature book for the shareholders attending the meeting, the powers of attorney for proxies to attend the meeting and the results of the votes shall be kept by the Board Secretary as the files of the Bank for at least ten years.

The minutes and resolutions of a general meeting shall be filed with the Banking Regulators under the State Council.

**Article 104** The system of witnessing by lawyers is implemented for the general meeting of the Bank. The lawyers shall issue legal opinions in respect of the following matters and relevant announcements shall be made accordingly:

- i) whether the procedures relating to the convening and the holding of such meeting comply with the laws, regulations and these Articles of Association;
- ii) the legality and validity of the shareholders attending the meeting;
- iii) the qualifications of the shareholders proposing any temporary proposals at the annual general meeting;
- iv) the legality and validity of the voting procedures of the meeting;
- v) legal opinions issued on other related matters as requested by the Bank.



## Section V Special Procedures for the Voting of Class Shareholders

**Article 105** Shareholders holding different classes of shares are referred to as “class shareholders”.

Class shareholders enjoy rights and bear responsibilities according to the requirements of laws, administrative regulations and these Articles of Association.

Different class shareholders of the Bank shall enjoy the same rights to any distributions by way of dividends or in any other forms.

**Article 106** The Bank’s proposal to amend or abrogate the rights of class shareholders shall be subject to approval by way of a special resolution at a general meeting and approval by the shareholders of the class so affected at a class meeting convened in accordance with the requirements of Article 108 to Article 112 respectively.

**Article 107** The following circumstances shall be deemed to be a variation or abrogation of the rights of certain class shareholders:

- i) the increase or decrease in the number of shares of such class, or the increase or decrease in the number of shares of a class having equal or additional voting rights, distribution rights or other privileges;
- ii) to convert all or part of a class of shares into another class, or to convert all or part of another class of shares into that class of shares, or to grant such conversion right;
- iii) the removal or reduction of rights to accrued dividends or cumulative dividends attached to shares of such class;
- iv) the removal or reduction of pre-emptive rights to obtain dividends or property distribution in the liquidation of the Bank;
- v) the increase, removal or reduction of conversion rights, options, voting rights, transfer or pre-emptive rights or rights to acquire securities of the Bank attached to shares of such class;
- vi) the removal or reduction of rights to receive amounts payable by the Bank in particular currencies attached to shares of such class;
- vii) the creation of a new class of shares having equal or additional voting rights, distribution rights or other privileges;
- viii) the imposition of restrictions or additional restrictions on the transfer of ownership of the shares of such class;
- ix) the issue of rights to subscribe for, or convert into, shares of such class or another class;



- x) the increase in rights or privileges of shares of another class;
- xi) the restructuring of the Company which will result in shareholders of different classes bearing a disproportionate liability in such proposed restructuring; and
- xii) the variation or abrogation of the provisions of this Section.

**Article 108** Shareholders of the affected class, whether or not otherwise entitled to vote at general meetings, shall nevertheless be entitled to vote at class meetings in respect of matters concerning paragraphs (ii) to (viii), (xi) to (xii) of Article 107, but interested shareholder(s) shall not be entitled to vote at class meetings.

The meaning of “interested shareholder(s)” as mentioned in the preceding paragraph is as follows:

- i) in the case of a repurchase by the Bank of shares by pro rata offers to all shareholders or public dealing on the stock exchange according to Article 31 of these Articles of Association, a Controlling Shareholder within the meaning of Article 67 of these Articles of Association;
- ii) in the case of a repurchase by the Bank of shares by an off-market agreement outside of the stock exchange under Article 31 of these Articles of Association, a shareholder to whom the proposed agreement relates; or
- iii) in the case of a restructuring of the Bank, a shareholder within a class who bears less than a proportionate burden imposed on that class under the proposed restructuring or who has an interest in the proposed restructuring different from the interest of other shareholders of that class.

**Article 109** Resolutions of a class meeting shall be passed by votes representing two-thirds or more of the voting rights of shareholders of that class attending the class meeting who have the right to vote at the meeting according to the preceding paragraph.

**Article 110** When convening a class meeting, the Bank shall give written notice to all shareholders whose names appear in the register of shareholders of such class forty-five (45) days prior to the convening of the meeting to inform them of the matters proposed to be considered and the date and venue of the meeting. Shareholders who intend to attend the meeting shall serve written reply on the Bank twenty (20) days prior to the convening of the meeting.

If the number of voting rights shares represented by the shareholders who intend to attend the meeting reaches more than half of the Bank’s total number of shares of that class at the meeting, the Bank may hold the class meeting; if not, the Bank shall again notify the shareholders within five (5) days by announcement of the matters to be transacted at and the date and venue for, the meeting. After making the related announcement, the class meeting may be held.

**Article 111** Notice of a class meeting shall be served exclusively on shareholders entitled to vote at such meeting.

Save as otherwise required by these Articles of Associations, the procedures of any class meeting shall be conducted in a similar manner as any general meeting as far as possible. Provisions in these Articles of Associations which relate to any general meeting shall apply to any class meeting.

**Article 112** Apart from holders of other classes of shares, holders of domestic shares and foreign investment shares shall be regarded as holders of different classes of shares.

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

1. any proposed issue of domestic shares and foreign investment shares by the Bank in every twelve (12) months, whether separate or concurrent, if such proposed issue of domestic shares and foreign investment shares are approved by the shareholders in a general meeting by way of special resolution, and the number of domestic shares and foreign investment shares proposed to be issued by the Bank does not exceed 20% of the shares of such class in issue;
2. where the Bank's plan to issue domestic shares and foreign investment shares at the time of its establishment is carried out within fifteen months from the date of approval of the securities regulator under the State Council.
3. With the approval of such relevant regulators as the Banking Regulator under the State Council and the securities regulator under the State Council, a shareholder of the Bank lists and trades the unlisted shares held by him overseas.

## Chapter VIII Board of Directors

### Section I Directors

**Article 113** The directors of the Bank are natural persons and shall not be required to hold shares of the Bank. The directors of the Bank include executive directors and non-executive directors (including independent directors). An executive director shall mean a director who acts as a senior manager in the Bank in addition to his office of director; a non-executive director shall mean a director who does not hold any management office in the Bank.

**Article 114** Those persons who are prohibited by Company Law and the Commercial Bank Law from acting as directors of the Bank or prohibited by the regulatory authorities from entering the market shall not act as directors of the Bank, provided such prohibition have not elapsed.

**Article 115** Directors shall be elected or replaced at a general meeting. The term of office of the directors shall be three (3) years. Upon expiry of the current term of office, a director shall be eligible for re-election and reappointment. Prior to the expiry of the office term of a director, a general meeting shall not remove such director from office for no cause. The term of office of a director shall commence from the date of the resolution passed at the general meeting up to the expiry of the current term of office of the Board. The qualifications to act as a director shall be approved by the regulators and commences as of the date of such approval.

Any persons elected by a general meeting as directors to fill up the causal vacancies in the Board or to increase the number of members of the Board shall act as directors up to the expiry of the current term of office of the Board and shall be eligible for re-election and reappointment.

A written notice about the intention to nominate a candidate for director, a written notice indicating the candidate's willingness to accept such nomination and relevant written information about the candidate shall be given to the Bank not earlier than the second day after the notice of the general meeting is sent out and seven days before the meeting.

A general meeting may remove a director within his term of office by an ordinary resolution, provided that the relevant laws and administrative regulations shall be complied with (however, the claim for compensation under any contract shall not be affected).

**Article 116** The list of candidates for directors shall be submitted to a general meeting in a form of proposal and the curriculum vitae and basic information about the candidates for directors shall be provided to shareholders. The normal procedure for nomination and election of directors shall be as follows:

- i) The list of candidates for directors shall be proposed by the Nomination Committee according to the number of directors to be elected, which number shall be within the scope of the number as provided for in these Articles of Association. The Proposal Shareholder may nominate candidates for directors to the Board, but the number of candidates nominated shall be in compliance with the provisions of these Articles of Association and shall not be more than the directors to be elected and appointed.

The same shareholder and its affiliates shall not nominate the candidates for directors and supervisors to a general meeting concurrently; where the persons nominated by the same shareholder and its affiliates for directors (supervisors) act as directors or supervisors, such shareholder shall not nominate any other candidates for directors (supervisors) before the expiry of the office of the persons nominated by him or before the persons nominated by him is replaced; in principle, the directors nominated by the same shareholder and its affiliates shall not exceed 1/3 of the members of the Board of Directors, unless otherwise provided by the state.

- ii) The Nomination Committee of the Board of Directors shall conduct a preliminary review of the qualifications and conditions of the candidates for directors and submit the qualified candidates to the Board for consideration. After the Board has decided, a written proposal shall be submitted to a general meeting in respect of the candidates for directors.
- iii) The candidates for directors shall undertake in writing to accept the nomination and guarantee that the information disclosed publicly about such candidates for directors is true and complete and they shall perform duties as directors before the general meeting is held.
- iv) The Board shall disclose to shareholders the detailed information about the candidates for directors in accordance with the laws, rules and regulations and these Articles of Association so as to ensure that the shareholders have a complete knowledge of the candidates at the time of voting.
- v) Each candidate for directors shall be voted on by ballot at a general meeting;
- vi) In case of temporary increase of any number of directors, the Nomination Committee or the shareholders who meet the requirements for nomination may also nominate and submit the candidates for consideration by the Board, and such candidates shall be elected or replaced at a general meeting.
- vii) The candidates for the directors of the first session of the Board of Directors of the Bank shall be nominated by the preparatory group of the Bank.

**Article 117** Directors shall prudently, carefully and diligently exercise the rights granted by the Bank and shall ensure:

- i) that the business activities of the Bank comply with state laws, administrative regulations and economic policies and no business activities exceed the scope of business as stipulated in the business license;
- ii) to give impartial treatment to all shareholders;
- iii) to carefully read the relevant business and financial and accounting reports of the Bank and to be keep informed of the business operation and management of the Bank promptly;

- iv) to exercise in person the right to manage the business of the Bank lawfully conferred and not be manipulated by others; not to delegate any such right to any person if not permitted by the laws and administrative regulations or approved by an informed general meeting;
- v) to accept the supervision and reasonable suggestions of the Board of Supervisors with respect to the performance of their duties.

**Article 118** Except as otherwise provided for in these Articles of Association or legally authorized by the Board, no director shall act on behalf of the Bank or the Board in his own name. If any director acts in his own name and a third party may reasonably think the said director is acting on behalf of the Bank or the Board, the said director shall make a prior statement of his standpoint and capacity, and any opinion of such director who has not made such prior statement shall not be deemed the opinion of the Bank or the Board.

**Article 119** If any director himself or any other enterprise in which such director holds a position has any direct or indirect connected relations in any contract, transaction or arrangement (exclusive of engagement contract) already concluded or under planning with the Bank, such director or the enterprise shall disclose the nature and extent of the said connected relation to the Board regardless whether or not the relevant matters are subject to approval by the Board in normal circumstances.

Unless the director has made a disclosure to the Board in respect of his connected relations according to the requirements of the preceding paragraph, the Board has not counted him in the quorum and such director has not attended the meeting which has approved the matter, the Bank shall have the right to cancel the contract, transactions or arrangement, except against a bona fide third party.

**Article 120** The directors who perform the obligations as set above shall make a written statement to the Board with respect to relevant circumstances and the Board shall determine whether the directors constitute related directors in the relevant transactions in accordance with these Articles of Association and relevant regulations.

The withdrawal and voting procedures for related directors: a related director shall withdraw by himself and other directors attending a Board meeting may also request to withdraw.

**Article 121** Where a director of the Bank gives to the Board a notice in writing stating that, by reason of the facts specified in the notice, he is interested in contracts, transactions or arrangements of any description which may subsequently be made by the Bank, such notice shall be deemed for the purposes of the Article 119 in this Chapter to be a sufficient declaration of his interests, so far as the relevant content has been stated in such notice, provided that such notice shall have been given before the date on which the question of entering into the relevant contract, transaction or arrangement is first taken into consideration by the Board of the Bank.

**Article 122** If any director fails to attend Board meetings in person or by authorizing another director to attend such meetings for two consecutive times, or the number of board meetings such director attends in person in one year is less than  $2/3$  of the total number of board meetings, the said director shall be deemed as incapable of performing his duties, and the Board shall make a proposal to the general meeting to remove the said director.

**Article 123** Any director may resign before the term of office expires. When he resigns, such director shall submit a letter of resignation to the Board.

**Article 124** Where the resignation by a directors during the term of his office has an effect on the normal operation of the Bank or results in the number of the members of the Board to fall below the statutory minimum number, the letter of resignation given by such director shall take effect only when the succeeding director has filled up the vacancies caused by his resignation. Before the director so elected take office, the original director shall continue to act as a director in accordance with applicable laws and these Articles of Association.

Save as provided in the preceding paragraph, a director's resignation shall become effective on the date when his resignation is served on the Board.

The continuing directors shall convene an extraordinary general meeting to elect directors to fill up the vacancies caused by the resignation of the directors. Before a resolution in relation to the election of directors has been made at the general meeting, the duties and powers of the director who has proposed to resign and the continuing Board of Directors shall be reasonably restricted.

**Article 125** Where a director requests to resign or the term of his office expires, the obligations that such director undertakes towards the Bank during the period of time when his letter of resignation has not taken effect or the reasonable period of time after such letter of resignation has taken effect or the expiry of the term of his office may not be necessarily relieved, and his obligations to keep confidential the business secrets of the Bank shall survive the expiry of the term of his office, until such secrets have entered into the public domain. The continuance of his other obligations shall be determined on the principle of fairness, depending upon the occurrence of the event, service period and the circumstances under which his relations with the Bank ends.

**Article 126** Where a director leaves his office without any permission prior to the expiry of the term of his office, such director shall be liable to compensate for any losses caused to the Bank due to such leave.

**Article 127** The provisions contained in this Section regarding the obligations of the directors shall apply to the supervisors, President and other senior officers of the Bank.

## **Section II Independent Directors**

**Article 128** An independent director of the Bank shall mean a director who does not hold positions in the Bank other than directorship, person in charge of any special committees under the Board or its member and do not maintain with the Bank and its substantial shareholders a relationship which may possibly hamper his independent and objective judgments. Independent directors of the Bank shall include at least one financial or accounting professional. The independent directors of the Bank shall not be less than 1/3 of all directors in number and the total number shall not be less than three. An independent director shall not serve concurrently in more than two commercial banks. An independent director shall:

- i) possess the qualifications for a director of this Bank in accordance with laws, regulations and the provisions of relevant regulators and these Articles of Association;
- ii) not hold any positions other than directorship in the Bank and shall not have any relationship with the Bank and its substantial shareholders that may prevent him from making independent or objective judgments;
- iii) have the basic knowledge about the operation of a commercial bank and be familiar with relevant applicable laws;
- iv) have a bachelor degree or above or a relevant intermediate professional title or above;
- v) have more than five years' experience in legal, economic, financial and accounting work or other work that are required to fulfill duties as independent director;
- vi) be able to read, understand and analyze the credit statistics report and financial statements of a commercial bank;
- vii) ensure to have sufficient time and energy to effectively fulfill duties as independent director; an independent director shall work no less than 15 working days in the Bank every year. A director who is the person in charge of the Audit Committee, the Related Transaction Control Committee and the Risk Management Committee shall work no less than 25 working days in a commercial bank every year.

**Article 129** The following persons shall not serve as independent directors of the Bank:

- i) a shareholder who directly or indirectly holds more than 1% shares of the Bank or a person holding a position in the shareholder's entities;
- ii) a person holding positions in the Bank or in entities over which the Bank holds controlling interests or has de facto control;
- iii) a person who has held positions in the Bank or in entities over which this Bank holds controlling interests or has de facto control in the three years before the office is taken up;



- iv) any person holding any position in any entity that owes overdue loans to the Bank;
- v) any person who works in a lawyer, accountant, auditor or management consultation firm which has business relation with the Bank or an interest in the Bank;
- vi) any other person whom the Bank may control or exert material influence on by various means;
- vii) near relatives of the person as set forth above;
- viii) staff in a state organ;
- ix) any other person not permitted to serve as independent director of the Bank according to the laws, administrative regulations, departmental rules and regulations of the securities regulator under the State Council, the banking regulator, and the regulatory authorities of the place where the Bank's shares are listed, the competent regulatory authorities or these Articles of Association.

“Near relatives” referred to in this Section shall mean wife and husband, parents, children, grandparents and maternal grandparents and siblings.

**Article 130** Nomination, appointment and replacement of an independent director:

- i) The Nomination Committee of the Board of Directors, the Board of Supervisors or shareholders of the Bank who hold more than 1% of the total voting rights shares of the Bank individually or jointly may propose nominate candidates for independent directors to the Board, and such independent directors shall be appointed by a general meeting. A shareholder who has nominated any candidate for director shall not nominate any candidate for independent director and the same shareholder shall nominate one candidate for independent director only. No shareholder shall nominate any candidate for independent director as well as non-employee supervisor at the same time.
- ii) The nominator of an independent director shall solicit the consent of the person to be nominated. The nominator shall have a full knowledge of the occupation, education background, professional title and work experience and part-time jobs of the person nominated, express an opinion as to his qualification and independence and make a declaration to the effect that there does not exist any relationship between him and the Bank which will have an effect on his independent and objective judgment.

Before a general meeting at which independent directors are elected is held, the Board of the Bank shall disclose such information according to the regulations.

iii) Before a general meeting at which independent directors are elected is held, the Bank shall submit any relevant information concerning the person so nominated to the Banking Regulator under the State Council. If the Board has any questions about the person so nominated, such written opinion shall be submitted to the Board at the same time.

If the Banking Regulator under the State Council objects to the person so nominated, such person may be treated as the candidate for director of the Bank instead of the candidate for independent director.

iv) Each term of office of an independent director shall be the same as that of a director of the Bank. Upon expiry of the office term, an independent director shall be eligible for re-election and reappointment. An independent director shall serve in the Bank for no more than a cumulative period of six years.

v) No independent directors shall be removed without cause prior to the expiry of the term of his office. In case of any earlier removal, such removal shall be disclosed as a special item; an independent director who is removed may make a public declaration if such independent director believes that the reason for such removal is inappropriate.

**Article 131** An independent director shall express objective and fair independent opinion as regards matters discussed by the Board. When an independent director expresses his opinion, the following matters shall be paid attention to:

i) nomination, appointment and removal of directors;

ii) appointment and removal of senior officers;

iii) remunerations of directors and senior officers;

iv) profit distribution plan;

v) matters which may injure the interests of depositors and shareholders;

vi) material related transactions;

vii) matters which may cause serious losses to the Bank;

viii) other matters as provided for in laws, rules and regulations.

**Article 132** In order to ensure that an independent director may exercise his powers in an effective manner, the Bank shall provide such working conditions as necessary for the independent director to work:

- i) to ensure that an independent director has the same right to know as other directors. Prior notice shall be given to an independent director together with adequate information in relation to any matters to be decided by the Board as prescribed by law; where the independent director believes the information is not adequate, he may request for additional information. Any information made available by the Bank to the independent director shall be kept by the Bank and the independent director for at least five years;
- ii) The Bank shall provide the necessary working conditions for the independent director to perform his duties. The Board Secretary shall actively provide assistance to the independent director (for instance, briefing and provision of information). The Board Secretary shall proceed to make announcements of any independent opinions, proposals or written explanation made by the independent director promptly if necessary;
- iii) when the independent director exercise his powers, relevant persons of the Bank shall cooperate actively, and no one shall interfere with the exercising of powers by the independent director, either by refusing, obstructing or concealing;
- iv) the expenses in connection with an intermediary engaged by the independent director or other expenses necessary to exercise the powers of the independent director shall be borne by the Bank;
- v) The Bank shall provide an appropriate allowance to the independent director. The standard for such allowance shall be established by the Board and approved at a general meeting, which shall be disclosed in the annual report. Except such allowance, no independent director shall obtain any other additional undisclosed benefits from the Bank or its substantial shareholders or any interested entities or persons.

**Article 133** Where an independent director fails to object to any resolutions made by the Board of Directors in violation of any laws and administrative regulations or these Articles of Association and the Bank suffers serious losses thereby, such independent director shall be liable for compensation according to the law.

### Section III Board of Directors

**Article 134** A Board of Directors (the “Board”) shall be established by the Bank and accountable to the general meeting. The Board of Directors shall be the executive body of the general meetings and the operation decision making body of the Bank.

**Article 135** The Board of Directors of the Bank shall comprise thirteen members, which shall have one Chairman.

The Chairman of the Board shall be a director who is an employee of the Bank and shall be appointed and removed by vote of more than half of the directors. His qualification shall be verified and approved by the Banking Regulator under the State Council. The Chairman of the Board shall be in office for three years and may be re-elected and reappointed upon expiry of the term of office. An off-office auditing shall be conducted when the Chairman of the Board leaves office.

The legal representative or main person in charge of the Controlling Shareholder shall not act as the Chairman of the Board of Directors of the Bank:

**Article 136** The Board shall exercise the following powers:

- (1) to convene general meetings and report its work to the general meetings;
- (2) to implement the resolutions of the general meetings;
- (3) to decide on the business plans and investment plans of the Bank;
- (4) to prepare the annual financial budgets and final accounts of the Bank;
- (5) to prepare the capital replenishment plan, venture capital distribution plan, profit distribution plan and the plan for making up the losses of the Bank;
- (6) to prepare plans for increase or reduction of the registered capital of the Bank;
- (7) to prepare plans for issue and listing of bonds or other securities of the Bank;
- (8) to prepare plans for merger, division, dissolution or liquidation or alteration of corporate form of the Bank;
- (9) to prepare plans for repurchase of any shares of the Bank;
- (10) to approve the establishment of any corporate bodies, material acquisitions, material external investments, material related transaction, purchase and disposal and write-off of material assets and material external guarantees of the Bank;
- (11) to decide on the establishment of any internal management structure and the reform plan for the operation and management affecting the Bank as a whole.

- (12)to appoint or remove the Bank President and the secretary to the Board; and based on the nomination by the Bank President, to appoint or remove the deputy Bank President and senior officers (such as the persons in charge of finance, credit and audit) of the Company and other persons who the Board believes should be appointed or removed by the Board and to determine their remunerations and rewards and penalties;
- (13)to formulate the basic management system of the Bank (including but not limited to human resource, finance and remuneration) and internal control policies;
- (14)to prepare any amendment proposals to these Articles of Association, the rules of procedures for general meetings and Board meetings;
- (15)to formulate the information disclosure system of the Bank and to manage information disclosure of the Bank;
- (16)to propose the appointment or removal of the Bank's auditors to the general meeting;
- (17)to receive the work report and examine the work of the President of the Bank;
- (18)to prepare the operation and development strategy and capital planning of the Bank and monitor the implementation of such strategy;
- (19)other duties and powers as provided in the laws, rules and regulations and these Articles of Association or conferred by the general meetings.

**Article 137** The Board of the Bank shall establish a standard and open procedure for election of directors, which shall be put into implementation upon approval at a general meeting. The Board shall disclose information about candidates for directors to the general meeting one month before such meeting is held.

**Article 138** The Board of the Bank shall establish rules of procedures for Board meetings so as to ensure the work efficiency and scientific decision of the Board. The rules of procedures for Board meetings shall be prepared by the Board and approved at a general meeting. Before making decision on significant matters of the Bank, the Board of Directors shall seek advice from the Party Committee.

**Article 139** There shall be a Strategic Development Committee, Related Transaction Control Committee, Risk Management Committee, Remuneration Committee, Nomination Committee, Audit Committee, Consumer Rights Protection Committee and Three Rurals Financial Services Committee under the Board of Directors of the Bank, and all such committees shall be accountable to the Board directly. The members of each committee shall be directors. The persons in charge of Related Transaction Control Committee, Remuneration Committee, Nomination Committee and Audit Committee shall be independent directors who shall account for more than half of the members of the committees, while the person in charge of the Three Rurals Financial Services Committee shall be the chairmen of the Board.

At least one independent director serving on the Related Transaction Control Committee shall be an accounting professional.

All members of the Audit Committee shall be non-executive directors, with at least one member having the appropriate qualifications as provided for in the Hong Kong Listing Rules or an independent director having the appropriate accounting or relevant financial expertise.

Each special committee shall establish detailed rules and regulations to specify the duties, rules of procedure for meeting, working procedures in respect of such committee. Laws, administrative regulations, department regulations and the provisions of relevant regulators, the Hong Kong Listing Rules and these Articles of Association shall be complied with respect to the establishment, member composition, scope of duties and powers and information disclosure of each group. Each committee shall prepare annual working plans and hold meetings on a regular basis.

**Article 140** The Board shall prepare a basic authority delegation system of the Bank to determine the authority to make risk investments and large loans with assets of the Bank, including the authority with respect to external investments, acquisitions and mergers, assets purchase, assets disposal, external guarantees, related transactions, and shall establish a strict procedures for examination and decisions; for the purpose of material investment projects and large loans, relevant specialists or professionals shall be organized to review and evaluate and any matters required to be submitted to a general meeting in accordance with the provisions of these Articles of Association shall be submitted to the general meeting for approval.

The Board shall not dispose of or agree to dispose of any fixed assets without approval by the general meeting if the sum of the expected value of the fixed assets to be disposed of and the value derived from the disposal of fixed assets within 4 months before such proposal to dispose of the fixed assets exceeds 33% of the value of the fixed assets as shown on the latest balance sheet considered and approved by the general meeting.

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

The effectiveness of any disposal by the Bank of the fixed assets shall not be affected by any breach of the foregoing provisions in Paragraph 2 of this Article.

**Article 141** The Chairman of the Board shall exercise the following powers:

- i) to preside over general meetings and to convene and preside over Board meetings;
- ii) to supervise and check on the implementation of resolutions of the Board and report to the Board;
- iii) to sign the corporate bonds, equity certificates and other marketable securities of the Bank;
- iv) to execute important documents of the Board and other documents that require execution by the Bank's legal representative;

- v) to exercise the power of legal representative;
- vi) to exercise the special disposal power to handle corporate affairs in compliance with the law and the Bank's interests in cases of emergency caused by natural disasters or other events of force majeure, and report to the Board and general meeting thereafter;
- vii) other powers provided for in laws, rules and regulations, normative documents and these Articles of Association and conferred by the Board.

**Article 142** Where he is unable to perform his duties, the Chairman of the Board shall designate other directors to perform such duties on his behalf.

**Article 143** At least four Board meetings shall be held every year, with at least one meeting to be held in each quarter. The meetings shall be convened by the Chairman, with the written notice to be given to all directors 14 days before such meetings.

The Board shall inform the Board of Supervisors to designate a representative to attend Board meetings as a non-voting attendee. Directors of the Bank (including independent directors) shall attend at least 2/3 of the Board meetings in person each year.

**Article 144** In any of the following circumstances, the Chairman of the Board shall convene an interim meeting of the Board within five working days:

- i) if and when the chairman of the Board believes necessary;
- ii) if and when more than 1/3 of the directors propose jointly;
- iii) if and when more than half of the independent directors (at least two independent directors) propose;
- iv) if and when the Board of Supervisors proposes;
- v) if and when the President of the Bank proposes;
- vi) if and when shareholders representing more than one tenth of the voting rights propose;
- vii) if and when other circumstances as provided in laws, administrative regulations, department regulations or these Articles of Association require.

When an interim Board meeting is to be held according to the proposal as mentioned in the preceding paragraph, a written proposal signed (sealed) by the proposer shall be submitted by the Board Secretary or by the proposer directly to the Board. The written proposal shall contain:

- i) the name of the proposer;
- ii) the reasons for the proposal or the objective matters on which the proposal is based;



- iii) the time or period of time, venue or method for the meeting proposed;
- iv) the precise and specific proposals;
- v) The contact method of the proposer and the date of the proposal etc.

The Board Secretary shall forward such written proposal to the Chairman of the Board upon receipt of such proposal. Where the Chairman believes that such proposal is not specific, he may request the proposer to make amendments or supplements to such proposal.

**Article 145** The notification for an interim Board meeting shall be given in writing, including notice given by registered mail, telegram, fax or emails confirmed to have been received; the notice period: 5 working days before such meeting is held.

In the circumstances as specified in the preceding subclause (ii), (iii), (iv) and (v), where the Chairman of the Board is unable to perform his duties, he shall appoint a director to convene an interim Board meeting on his behalf; where the Chairman of the Board fails to perform his duties for no reasons or appoint a person to perform such duties on his behalf, more than half of the directors may elect a director to convene the meeting.

**Article 146** A notice of a Board meeting shall include:

- i) the date and venue of the meeting;
- ii) the period of time for the meeting;
- iii) the subjects and agenda;
- iv) the date of the notice.

**Article 147** A Board meeting may be held only when more than 1/2 of the directors attend the meeting. Each director shall have the right to one vote. Resolutions made by the Board shall be passed by more than half of all directors (of which resolutions made by the Board on related transactions shall be approved by more than half of the directors who have no related relations) and resolutions on material matters shall be passed by more than 2/3 of all directors.

When the number of votes for and against a resolution is equal, the Chairman of the Board shall have right to cast one more vote.

**Article 148** Resolutions made at a Board meeting may be voted on at the on-site meeting (including by telephone, video) or by communication voting, provided that directors are ensured to be able to sufficiently express their opinions, and each director shall have one vote. A director attending a Board meeting by telephone or video conference shall be deemed to attend the on-site meeting.

Resolutions made by the Board in respect of the following matters shall not be adopted by communication voting and shall be approved by more than 2/3 of the directors:

- i) annual budgets and final accounts of the Bank;
- ii) capital replenishment plans, venture capital distribution plans, profit distribution plans and plans for making up losses of the Bank;
- iii) plans for increase or reduction of the registered capital of the Bank;
- iv) plans of the Bank for issuance of corporate bonds or other marketable securities and listing thereof;
- v) plans for division, merger, dissolution and liquidation or change in corporate form of the Bank;
- vi) share repurchase plans of the Bank;
- vii) appointment and removal of senior officers;
- viii) amendments to these Articles of Association;
- ix) establishment of important corporate bodies, material acquisitions and mergers, material related transactions, material external investments, material assets purchases, material assets disposal, material assets write-off and material external guarantees within the scope of power conferred by a general meeting.
- x) such material matters as material equity changes or finance restructuring of the Bank;
- xi) such other matters as required by laws, administrative regulations, department regulations, relevant regulators and these Articles of Association or considered by more than half of all directors that shall be approved by more than 2/3 of the directors.

Where a director or his close associate (as defined in the Hong Kong Listing Rules) has a material interest in any matters to be decided at a Board meeting, such director shall not exercise his voting rights or the voting rights on behalf of other directors on the resolutions of the said matters and such director shall not be counted in the quorum present at the meeting, except as otherwise provided for in laws, rules and regulations, normative documents and the relevant regulations of the securities regulator of the place where the shares of the Bank are listed.

**Article 149** Where related transactions are considered at a Board meeting, a related director shall withdraw and shall not vote. The related director shall withdraw by himself and other directors attending a Board meeting may also request to withdraw.

**Article 150** A director shall attend Board meetings in person. If a director is unable to attend for any reasons, he may authorize in writing other directors to attend the meeting on his behalf.

The power of attorney shall specify the name of proxy, matters, authority and valid period and shall be executed or sealed by the principal.

The director attending the meeting on behalf shall exercise the rights as a director within the scope of authorization. Where a director fails to attend a board meeting and does not appoint another director to attend on his behalf, such director shall be deemed to have given up the right to vote at such a meeting.

**Article 151** The voting method in respect of a resolution made at a Board meeting: by open ballot or a show of hands. Each director has the right to one vote.

**Article 152** The Board shall keep minutes of its meetings, which minutes shall be signed by the directors present at the meeting and the recorder. The directors attending the meeting shall have the right to request an explanatory record in respect of his speech at the meeting in the minutes. The minutes of Board meetings shall be kept permanently by the Board Secretary on file in the Bank.

**Article 153** The Board meeting minutes shall contain:

- i) the date, venue and convener of the meeting;
- ii) the names of the directors attending the meeting in person and on behalf of other directors (proxies);
- iii) the agenda of the meeting;
- iv) the main points of the speech made by each director;
- v) the voting method and results of each resolution (the number of votes for, against each resolution or the number that abstain from voting on such resolution shall be recorded);
- vi) The name of the recorder.

**Article 154** Directors shall sign on the resolutions made at a Board meeting and shall be liable for such resolutions. If a resolution of the Board meeting violates the laws, regulations or these Articles of Association and the Bank suffers serious losses as a result thereof, the directors who participated in the passing of such resolution shall be liable to compensate the Bank. However, if it can be proved that a director expressly objected to the resolution when the resolution was put to vote, and that such objection was recorded in the minutes of the meeting, such director may be excluded from such liability.

## **Section IV Board Secretary**

**Article 155** The Board shall have a secretary, who is a senior officer of the Bank and is accountable to the Board.

**Article 156** The Board Secretary shall be a natural person with a college degree and working experience as a secretary or in management and equity matters for more than three years. The Board Secretary shall have such relevant professional knowledge as accounting, tax, law, finance and enterprise management and excellent personal qualities and professional ethics, strictly abide by the relevant laws, rules and regulations, perform duties faithfully and be able to handle public affairs.

The provisions of Article 114 of these Articles of Association regarding prohibition as a director of the Bank shall also apply to the Board Secretary.

**Article 157** The main duties of the Board Secretary:

- i) to assist directors in handling daily work of the Board; to provide to directors the regulations, policies and requirements of relevant regulators applicable to the operation of the Bank and remind them of the same; to be responsible for the communications between directors and the Bank; to ensure that directors have the information and documents necessary for the performance of duties; to assist the Chairman of the Board and the Bank President to comply with laws, administrative regulations, these Articles of Association and relevant regulations in the exercise of their powers;
- ii) to ensure that the Bank prepares and submits the reports and documents made by the Board or general meetings as required by the relevant state departments according to the law;
- iii) to prepare for Board meetings and general meetings and be responsible for the minutes of the meeting and the safekeeping of meeting minutes and documents; to ensure that the Bank has complete constitution documents and records;
- iv) to be responsible for information disclosure of the Bank and urge the Bank to establish and implement information disclosure management system and internal reporting system of material information; to cause the Bank and relevant parties to comply with the obligations in respect of information disclosure and submit regular and interim reports to the relevant units according to relevant regulations;
- v) to ensure the register of shareholders of the Bank is properly established; and to ensure that persons entitled to obtain relevant records and documents obtain such records and documents promptly;
- vi) to be responsible for the safekeeping of the registers of director, supervisors and senior officers, information about the shares held by the Controlling Shareholders, directors, supervisors and senior officers in the Bank, the seal of the Board and relevant materials and to be responsible to handle matters in relation to the equity matters of the Bank;

- vii) to assist the Board in exercising its powers; to object promptly when any resolutions of the Board violate laws, regulations, policies and these Articles of Association and report to the Banking Regulator under the State Council;
- viii) to provide advice and suggestions in respect of any material decisions of the Bank;
- ix) to coordinate the relations between the Bank and investors, receive visits from investors, answer inquiries from investors and provide investors with the information disclosed by the Bank;
- x) to act as the point of contact between the Bank and the securities regulator of the place where the shares of the Bank are listed; to be responsible to prepare and submit promptly the documents required by the securities regulator of the place where the shares of the Bank and responsible to organize and complete any relevant assignments by the securities regulator of the place where the shares of the Bank;
- xi) to be responsible for the confidentiality with respect to the information disclosure of the Bank; to establish confidentiality measures and cause directors, supervisors and other senior officers and relevant insiders to keep confidential any information prior to disclosure and take remedial measures when any inside information is divulged;
- xii) to assist directors, supervisors and other senior officers to understand the relevant laws, administrative regulations, department regulations, these Articles of Association and other regulations in relation to information disclosures;
- xiii) other duties and powers as provided in these Articles of Association and authorized by the Board.

**Article 158** In principle, the Board Secretary shall be a professional or a director or senior officer of the Bank, but it must be ensured that the person acting in such capacity shall have adequate energy and time devoted to the duties as the Board Secretary. The President, supervisor, the person in charge of finance, a certified public accountant in an accountant firm and a lawyer in a law firm engaged by the Bank or those persons prohibited by the laws, administrative regulations, department regulations and other normative documents from acting as such position shall not act as the Board Secretary of the Bank.

**Article 159** The Board Secretary shall be nominated by the Chairman of the Board and appointed or removed by the Board. When a director or senior officer acts as the Board Secretary and if an act is required to be separately made by a director (or senior officer) and the Board Secretary, such person acting as director (senior officer) and the Board Secretary of the Bank shall not do such act in double capacity.

## Chapter IX Board of Supervisors

### Section I Supervisors

**Article 160** Supervisors shall comprise shareholder supervisors, employee supervisors of the Bank and external supervisors. The number of the employee supervisors of the Bank shall not be less than 1/3 of the total number of supervisors.

**Article 161** Those persons who are prohibited by Article 147 of the Company Law or determined by the Banking Regulator under the State Council to be prohibited from entering the market shall not act as supervisors of the Bank, provided such prohibition have not elapsed.

A director, the President and other senior officer shall not act as a supervisor concurrently;

**Article 162** The term of office of the supervisors shall be three (3) years. Upon expiry of the current term of office, a supervisor shall be eligible for re-election and reappointment. The cumulative term of office for an external supervisor in the Bank shall be no more than six years. Shareholder supervisors and external supervisors shall be elected, removed or replaced by a general meeting; employee supervisors shall be elected, removed or replaced by the employee representative congress of the Bank.

**Article 163** Shareholder supervisors shall be nominated by the Board of Supervisors and Proposal Shareholders; external supervisors shall be nominated by the Board of Supervisors or the shareholders who holds individually or in aggregate more than 1% of the voting rights shares in the Bank; employee supervisors shall be nominated by the Board of Supervisors and the labor union of the Bank.

The number of supervisors nominated by a single shareholder and its affiliates shall not exceed 1/3 of the total number of the members of the Board of Supervisors in principle. In principle, a single shareholder shall nominate only one candidate for external supervisor and shall not nominate candidates for independent director and external supervisor at the same time. If any exception is required due to special equity structure, an application shall be made to the regulator authorities with an explanation.

For the nomination and election procedures for shareholder supervisors and external supervisors, the nomination and election procedures for directors and independent directors shall be referred to.

**Article 164** The list of candidates for non-employee supervisors shall be submitted to a general meeting in a form of proposal and the curriculum vitae and basic information about the candidates for supervisors shall be provided to shareholders. The normal procedure for nomination and election of non-employee supervisors shall be as follows:

- i) The list of candidates for non-employee supervisors may be nominated by the previous Board of Supervisors according to the number of supervisors to be elected, which shall be within the scope as provided for in these Articles of Association.

A single shareholder shall not nominate the candidates for directors and non-employee supervisors to the general meeting at the same time; where the person nominated by a single shareholder for director has been appointed as the director, such shareholder shall not nominate any candidate for non-employee supervisor prior to the expiry of the office term of the said director.

- ii) After the Board of Supervisors has decided on the basis of the qualification and condition of the candidates for non-employee supervisor, the Board of Supervisors shall submit the list of candidates for non-employee supervisors to the general meeting in a form of written proposal.
- iii) The candidates for non-employee supervisors shall undertake in writing to accept the nomination and guarantee that the information disclosed publicly about such candidates is true and complete and they shall perform duties as non-employee supervisors before the general meeting is held.
- iv) Each candidate for non-employee supervisors shall be voted on by ballot at a general meeting;
- v) In case of temporary increase of any number of non-employee supervisors, the Board of Supervisors may nominate and submit the candidates to a general meeting for election or replacement.
- vi) The candidates for non-employee supervisors of the first session of the Board of Supervisors of the Bank shall be nominated by the preparatory group of the Bank.

**Article 165** A supervisor shall work no less than fifteen working days every year to supervise the operation of a commercial bank. Employee supervisors shall also accept the supervision by and report to employee representative congress, employee congress and other forms of democratic supervision.

**Article 166** If any supervisor fails to attend at least two thirds of the meetings of the Board of Supervisors in person in a year or fails to attend two consecutive meetings of the Board of Supervisors in person or by proxy, the said supervisor shall be deemed as incapable of performing his duties and the Board of Supervisors shall propose to a general meeting or an employee representative congress to remove such supervisor.



**Article 167** Where a supervisor has gross neglect of his duties, the Board of Supervisors shall suggest a general meeting and an employee representative congress to remove such supervisor:

- i) to divulge business secrets of the Bank and injure the legitimate interests of the Bank;
- ii) to accept improper benefits in performance of his duties or seek personal gains by taking advantage of his position as a supervisor;
- iii) to cause serious losses to the Bank as a supervisor who should have found any problems but have not found such problems in supervision or concealed such problems;
- iv) other dereliction of duties as provided for in the laws, administrative regulations and these Articles of Association or by the relevant regulatory authorities.

**Article 168** A supervisor may resign from his office prior to the expiry of his term of office. The provisions in Chapter 7 of these Articles of Association applicable to resignation by a director shall also apply to a supervisor.

**Article 169** A supervisor shall perform his duties honestly and diligently in accordance with the laws, administrative regulations and these Articles of Association.

## Section II Board of Supervisors

**Article 170** The Bank shall have a Board of Supervisors. The Board of Supervisors shall be a supervising organ of the Bank and accountable to the general meeting and exercise the following powers:

- i) to examine and supervise the Bank's financial affairs;
- ii) to monitor the Board and senior officers in the performance of their duties;
- iii) to monitor the directors, President and other senior officers in the performance of their duties;
- iv) to demand rectification from a director and any other senior officer when the acts of such persons are detrimental to the interests of the Bank;
- v) to conduct special and off-office audits in respect of any directors and senior officers;
- vi) to conduct audits in respect of the operation policy, risk management and internal control of the Bank and to provide guidance with respect to such internal audits of the Bank;
- vii) to address inquiries to any directors, the Chairman of the Board and senior officers;
- viii) to propose the convening of extraordinary general meetings;
- ix) to propose to general meetings to remove any directors, President or supervisors who have failed to perform their duties or violated any laws, administrative regulations or these Articles of Association;
- x) to review the financial reports, operation reports and profit distribution plans to be submitted by the Board to general meetings; if any queries arise or any abnormality is found in operations of the Bank, to conduct investigations; and when necessary, to engage such professionals as accountant firms or law firms to assist in the work, for the account of the Bank;
- xi) to propose any remuneration (or allowance) arrangement of a supervisor;
- xii) other duties and powers as provided in the laws, rules and regulations, department regulations, normative documents and these Articles of Association or conferred by the general meetings.

The Board of Supervisors shall have in place detailed rules of procedures for its meetings.

**Article 171** The Board of Supervisors shall set an office to handle affairs of the Board of Supervisors. The office shall have full time staff to be responsible for day-to-day work of the Board of Supervisors.

**Article 172** The Board of Supervisors shall comprise of 7 supervisors. Meantime, the external supervisors shall not be less than two in number. The external supervisors of the Bank shall not be less than 1/3 of the supervisors. The Board of Supervisors shall have one chairman whose appointment and removal shall be adopted by more than 2/3 of the supervisors by voting. The chairman of the Board of Supervisors shall be full-time.

**Article 173** The chairman of the Board of Supervisors shall have the following duties and powers:

- i) to convene and hold meetings of the Board of Supervisors;
- ii) to report work to general meetings or Board meetings on behalf of the Board of Supervisors;
- iii) organize the Board of Supervisors to fulfill obligations;
- iv) to sign reports of the Board of Supervisors and other important documents;
- v) other duties and powers as provided for in laws, regulations and the articles of association of a commercial bank.

**Article 174** Where the chairman of the Board of Supervisors should have found but have not found any violations by the Board of Directors, senior management of any laws, regulations, rules and these Articles of Association in the course of performing his duties, the chairman of the Board of Supervisors shall be held liable.

**Article 175** Where the Board of Directors or senior management refuse to implement or delay in implementing any remedial measures or correction suggestions proposed by the Board of Supervisors, the Board of Supervisors shall report to the Banking Regulators under the State Council and the general meeting.

**Article 176** The Board of Supervisors shall divide work among supervisors according to their duties and report the work of supervisors to the general meeting. A supervisor shall have the right to obtain any information from relevant persons or organizations of the Bank and such persons and organizations shall cooperate in this regard.

When necessary, the Board of Supervisors may engage such professional institution as a lawyer firm or an accountant firm to provide assistance in the performance of its duties and the reasonable incurred therefrom shall be borne by the Bank.

**Article 177** Any internal audit reports of the Bank shall be presented to the Board of Supervisors promptly. Where the Board of Supervisors has any doubts about the audit results, the Board of Supervisors shall have the right to demand an explanation from the senior management and audit department.

**Article 178** Such special committees as the Nomination Committee and Supervision Committee under the Board of Supervisors shall be established. Persons in charge of the Supervision Committee shall be an external supervisor.

The Nomination Committee and the Supervision Committee shall prepare regulations in detail.

**Article 179** Meetings of the Board of Supervisors shall consist of regular meetings and interim meetings. Regular meetings of the Board of Supervisors shall be held at least four times every year, with one meeting held at least in one quarter. Such meetings shall be held before the annual reports, half-year reports and quarterly reports of the Bank are completed but not disclosed. The notice of such meetings and meeting documents shall be sent to all supervisor 10 days before such meetings are held. When proposed by the chairman of the Board of Supervisors or more than 1/3 of the supervisors, an interim meeting of the Board of Supervisors may be held. The notice of such meeting and meeting documents shall be sent to all supervisors 5 days before such meeting is held.

Meetings of the Board of Supervisors shall be convened and presided over by the chairman of the Board of Supervisors. Where he fails to perform his duties for any reasons, the chairman of the Board of Supervisors may appoint other supervisors to convene and preside over such meeting.

**Article 180** A notice of a meeting of the Board of Supervisors shall include:

- i) the date, venue and period of the meeting;
- ii) the matters to considered at the meeting and agenda;
- iii) the date of the notice.

**Article 181** Supervisors shall attend meetings of the Board of Supervisors in person. Where a supervisor fails to attend a meeting in person for any reasons, he may appoint another supervisor in writing to attend the meeting on his behalf. A non-employee supervisor may appoint another non-employee supervisor to attend the meeting on his behalf.

The power of attorney shall specify the name of proxy of the supervisor, matters, authority and valid period and shall be executed or sealed by the principal.

The supervisor attending on behalf shall exercise the rights of a supervisor within the scope of authorization. Where a supervisor fails to attend a meeting of the Board of Supervisors and does not appoint another supervisor to attend on his behalf, such supervisor shall be deemed to have given up the right to vote at such meeting.

### Section III Resolutions of Board of Supervisors

**Article 182** The rules of procedures for a meeting of the Board of Supervisors: no meeting of the Board of Supervisors shall be held unless more than half of supervisors are present at the meeting.

**Article 183** The rules of procedures of the Board of Supervisors for voting: The voting method in respect of a resolution made at a meeting of the Board of Supervisors: to be adopted by open ballot or a show of hands. Each supervisor has the right to one vote. Board of Supervisors shall vote on each resolution at a meeting. Except as otherwise provided for in applicable laws, administrative regulations, department regulations or these Articles of Association or by the relevant regulators, any resolutions made by the Board of Supervisors shall be effective only after such resolutions have been adopted by more than 2/3 of all supervisors.

**Article 184** A meeting of the Board of Supervisors shall have meeting minutes, which shall be signed by the supervisors attending the meeting and the recorder. A supervisor shall have the right to request an explanatory record in respect of his speech at the meeting in the minutes. The minutes of the meetings of the Board of Supervisors shall be kept permanently on file in the Bank.

**Article 185** The supervisors shall sign any resolutions of the Board of Supervisors and be liable for such resolutions; however, if it can be proved that a supervisor expressly objected to the resolution when the resolution was put to vote, and that such objection was recorded in the minutes of the meeting, such supervisor may be excluded from such liability.

**Article 186** The minutes of a meeting of the Board of Supervisors shall include:

- i) the date and venue of the meeting and the name of the convener;
- ii) the names of the directors attending the meeting in person and on behalf of other supervisors (proxies);
- iii) the agenda of the meeting;
- iv) the main points of the speech made by each supervisor;
- v) the voting method and results of each resolution (the number of votes for, against each resolution or the number that abstain from voting on such resolution shall be recorded);
- vi) the name of the recorder.

## Chapter X President and Other Senior Officers

**Article 187** The Bank shall institute a system in which the President assumes full responsibility under the Board of Directors, with both the Chairman of the Board and the President. The Bank shall have one President, three to seven Vice Presidents. When necessary, the Bank may have other senior officers to assist the President with his work. The President, Vice Presidents, President Assistant shall be appointed and removed by the Board after their qualifications have been approved by the Banking Regulators under the State Council. Where the President fails to perform his duties, the Board of Directors shall appoint a Vice President to perform such duties on behalf.

**Article 188** Where a person meets one of the conditions as provided for in Article 147 of the Company Law or is prohibited by the Banking Regulator under the State Council from entering the market, such person shall not act as the President of the Bank, provided such prohibition has not elapsed.

**Article 189** The President and Vice Presidents shall be in office for three years and may be reappointed upon expiry of the office term. The qualification for reappointment shall be approved by the Banking Regulator under the State Council.

**Article 190** The President shall be responsible to the Board and have the following powers and duties:

- i) to manage the business operations of the Bank and report work to the Board;
- ii) to organize to implement resolutions of the Board, the annual business plans and investment plans of the Bank;
- iii) to prepare plans for the establishment of internal management structure;
- iv) to establish the basic management system of the Bank;
- v) to formulate detailed regulations of the Bank;
- vi) to propose to the Board for the appointment or removal of such senior officers of the Bank as the Vice President and persons in charge of finance, credit and audit;
- vii) to appoint or remove the management persons other than those required to be appointed or removed by the Board;
- viii) to determine the salary, welfare, reward and punishment of employees of the Bank and to decide on the appointment and dismissal of employees of the Bank;
- ix) to propose to convene interim Board meetings;
- x) to decide on the set-up and cancellation of any branches of the Bank and to authorize presidents of any branches to manage normal business and operation;

- xi) in the event of emergencies (such as a run on the Bank), to take emergent measures and report immediately to the Banking Regulators under the State Council, the Board and the Board of Supervisors; and
- xii) other duties and powers provided for in the laws, regulations, department regulations, normative documents and relevant regulators and these Articles of Association and conferred by the Board;

**Article 191** The President of the Bank shall attend Board meetings as a non-voting attendee and a non-director President shall have no voting rights at Board meetings.

**Article 192** The President shall, as required by the Board of Directors or the Board of Supervisors, report to the Board of Director or the Board of Supervisors in respect of any conclusion and performance of any material contracts, fund use and profits and losses and guarantee the truthfulness of such report.

**Article 193** The President shall solicit the opinions of the Trade Union and the employee representative congress before he makes any decisions with respect to salaries, welfare, production safety and labor protection, labor insurance, removal (or dismissal) of employees of the Bank.

**Article 194** The President of the Bank shall perform his duties faithfully and diligently in accordance with laws, administrative regulations and these Articles of Association.

**Article 195** The President of the Bank may resign prior to the expiry of his term of office. No President or Vice Presidents may leave office until an off-office auditing has been conducted.

**Article 196** Where the President and Vice Presidents of the Bank make operating decisions beyond the scope of authorization by the Board of Directors or in violation of any state laws, rules, administrative regulations and these Articles of Association, and such decisions result in material losses of the Bank, the President and Vice Presidents of the Bank participating in such decisions shall be liable to compensate and be removed by the Board.

The operating activities by the President and Vice Presidents of the Bank within the scope of powers and duties according to the law shall not be interfered with. The President and Vice President shall have the right to refuse to be interfered with by individual directors in the absence of any resolutions of the Board.



## **Chapter XI Qualifications and Obligations of Directors, Supervisors and Senior Officers**

**Article 197** The qualifications of any directors, supervisors and senior officers of the Bank shall be in compliance with laws, administrative regulations, department regulations, normative documents, relevant regulators and these Articles of Association. The banking regulators shall evaluate the qualifications of directors and senior officers according to the said rules and regulations.

**Article 198** A person shall not serve as director, supervisor, President and other senior officer of the Bank if he/she:

- i) has no capacity or limited capacity for civil conduct;
- ii) has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the social economic order and has been punished because of committing such offence; or who has been deprived of his political rights, in each case where less than five years have elapsed since the date of the completion of implementation of such punishment or deprivation;
- iii) was a former director, factory manager or manager of a company or enterprise which has entered into insolvent liquidation and was personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the insolvency and liquidation of the company or enterprise;
- iv) was a former legal representative of a company or enterprise of which the business license has been revoked due to violation of the law and has incurred personal liability in relation thereto, where less than three years have elapsed since the date of the revocation of the business license of such company or enterprise;
- v) has a relatively large amount of debts due and outstanding;
- vi) is subject to investigation by judicial body for violation of criminal law where the said investigation has not yet been concluded;
- vii) is not eligible for enterprise leadership according to the laws and administrative regulation;
- viii) is not a natural person;
- ix) has been convicted of contravention of provisions of relevant securities regulations by relevant competent authority, and such conviction involves a finding that he has acted fraudulently or dishonestly, where less than five (5) years have elapsed since the date of the conviction;
- x) is any other person who is not eligible for enterprise leadership according to the laws, administrative regulations, department regulations, normative documents or the provisions of the relevant regulators or these Articles of Association.

Where any directors, supervisors or senior officers are elected or appointed in violation of the provision of this clause, such election or appointment shall be null and void. In case of any occurrence of any such conditions with respect to any directors, supervisors or senior officers during their term of office, such directors, supervisors or senior officers shall be removed by the Bank.

**Article 199** The validity of an act of a director, the President and other senior officers of the Bank on behalf of the Bank vis-à-vis a bona fide third party is not affected by any irregularity in his office, election or qualification.

**Article 200** In addition to the obligations required by laws, administrative regulations or the listing rules of the stock exchange on which the shares of the Bank are listed, directors, supervisors, the President and other senior officers of the Bank shall have the following obligations to each shareholder in the exercise and performance of the powers and duties conferred on them by the Bank:

- i) not to cause the Bank to carry out any business outside the scope of business stipulated in its business license;
- ii) to act honestly in the best interests of the Bank;
- iii) not to expropriate in any way the Bank's property, including (without limitation) opportunities advantageous to the Bank;
- iv) not to expropriate individual rights of shareholders, including (without limitation) rights to distribution and voting rights, save submission of the Bank restructuring approved by a general meeting pursuant to these Articles of Association.

**Article 201** Each of the Bank's directors, supervisors, President and other senior officers owes a duty, in the exercise of his powers and discharge of his duties, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

**Article 202** Each of the Bank's directors, supervisors, President and other senior officers shall exercise his powers or carry out his duties in accordance with the principle of honesty and shall not put himself in a position where his duty and his interest may conflict. Such principle includes (without limitation) discharging the following obligations:

- i) to act honestly in the best interests of the Bank;
- ii) to exercise powers within the scope of his authorities and not to exceed those authorities;
- iii) to exercise the discretion vested in him personally and not to allow himself to act under the control of another and, unless and to the extent permitted by the laws, administrative regulations or with the informed consent of shareholders given at a general meeting, not to delegate his power of discretion;
- iv) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;

- v) except in accordance with the Articles of Association or with the informed consent of shareholders given at a general meeting, not to enter into any contract, transaction or arrangement with the Bank;
- vi) without the informed consent of shareholders given at a general meeting, not to use the Bank's property for his own benefit by any means;
- vii) not to exploit his position to accept bribes or other illegal income or expropriate the Bank's property by any means, including (without limitation) opportunities advantageous to the Company;
- viii) without the informed consent of shareholders given in general meeting, not to accept commissions in connection with the Bank's transactions;
- ix) to abide by the Articles of Association, faithfully execute his duties and protect the Bank's interests, and not to exploit his position and power in the Bank to advance his own private interests;
- x) not to compete with the Bank in any form unless with the consent of shareholders given at a general meeting;
- xi) not to misappropriate the Bank's funds or to lend the Bank's funds to others, not to open accounts in his own name or other names for the deposit of the Bank's assets and not to provide guarantee obligations of the shareholder(s) of the Bank or other individual(s) secured by the Bank's assets;
- xii) unless otherwise permitted by informed shareholders at a general meeting, to keep in confidence information relating to the Bank acquired by him in the course of and during his tenure and not to use such information for purposes other than in furtherance of the interests of the Bank, save that disclosure of such information to the court or other governmental authorities is permitted if:
  1. disclosure is made pursuant to the law;
  2. the interests of the public require disclosure;
  3. the interests of the relevant director, supervisor, President and other senior officers require disclosure.

**Article 203** Each director, supervisor, President and other senior officers of the Bank shall not cause the following persons or entities ("associates") to do what he or it is prohibited from doing:

- i) the spouse or minor child of that director, supervisor, President, and other senior officers of the Bank;
- ii) a person acting in the capacity of trustee of that director, supervisor, manager, and other senior officer of the Bank or any person referred to in paragraph (i) of this Article;

- iii) a person acting in the capacity of partner of that director, supervisor, President, and other senior officers of the Bank or any person referred to in paragraphs (i) and (ii) of this Article;
- iv) a company in which that director, supervisor, President and other senior officer of the Bank, alone or jointly with one or more persons referred to in paragraphs (i), (i) and (iii) above or other directors, supervisors, President, and other senior officers of the Bank have a de facto controlling interest;
- v) the directors, supervisors, managers, and other senior officers of the controlled company referred to in paragraph (iv) of this Article.

**Article 204** The fiduciary duties of the directors, supervisors, President, and other senior officers of the Bank do not necessarily cease with the termination of their tenure. The duty of confidence in relation to trade secrets of the Bank survives the termination of their tenure. Other duties may continue for such period as fairness may require depending on the time lapse between the termination of tenure and the occurrence of the event concerned and the circumstances under which the relationships between them and the Bank are terminated.

**Article 205** Except for circumstances prescribed in Article 66 of these Articles of Association, directors, supervisors, President, and senior officers of the Bank may be relieved of liability for specific breaches of his duty by the informed consent of shareholders given at a general meeting.

**Article 206** If a directors or any of his associates (as defined in the Hong Kong Listing Rules), supervisor, the President and other senior officer of the Bank have any direct or indirect material interests in any contract, transaction or arrangement already concluded or under planning with the Bank (exclusive of the engagement contract between the Bank and a director, supervisor, the Bank President and other senior officer), he shall disclose the nature and extent of the said interests to the Board as soon as possible, regardless whether the relevant matters are subject to approval by the Board in normal circumstances.

Unless the directors, supervisor, President and senior officer of the Bank having material interests has disclosed the said interests to the Board according to the preceding paragraph herein, and the Board has not counted him in the quorum or approved the said matter at a meeting in which he did not vote, the Bank has the right to cancel the said contracts, transactions or arrangements, save for the circumstance in which the other parties are bona fide parties without any knowledge of the default on the part of the said director, supervisor, President and senior officer.

If an associate of a director, supervisor, President and senior officers of the Bank has any interests in a given contract, transaction or arrangement, the said director, supervisor, President and other senior officers shall be deemed as having interests.

**Article 207** If, before concluding relevant contract, transaction or arrangement with the Bank for the first time, the director, supervisor or senior officer of the Bank has notified the Board and Board of Supervisors that he will have interests in the contract, transaction or arrangement concluded in the future for the reasons set out in the notice, then within the scope set out in the notice, he will be deemed as having made such disclosures as required in preceding article of this Chapter. When the conditions are ready, a professional liability insurance system may be established in respect of the directors, supervisors, President and other senior officers.

**Article 208** The Bank shall not in any manner pay taxes for or on behalf of its directors, supervisors, President and other senior officers.

**Article 209** The Bank shall not directly or indirectly provide loan or loan guarantee to the directors, supervisors and senior officers of the Bank or its parent bank, or to the associates of the aforesaid persons.

In the following circumstances, the preceding paragraph shall not apply:

- (i) The Bank provides loans to or loan guarantees for its subsidiaries;
- (ii) The Bank, in accordance with the engagement contracts approved at the general meeting, provides loans, loan guarantees or other monies to the directors, supervisors and senior officers of the Bank so that they may pay the expenses incurred for the Bank or for fulfilling their duties;
- (iii) If the scope of normal business of the Bank includes provision of loans or loan guarantees, the Bank may provide loans or loan guarantees to relevant directors, supervisors, senior officers and their associates, but provision of loans or loan guarantees shall be subject to normal business conditions.

**Article 210** If the Bank provides loans in violation of the preceding Article, the recipient of the loans shall return the same immediately regardless of the loan conditions.

A loan guarantee provided by the Banking in breach of paragraph (i) of the preceding Article shall be unenforceable against the Bank, except that:

- i) the loan was advanced to an associate of any of the directors, supervisors, senior officer of the Bank or its parent company where the lender did not know the relevant circumstances; or
- ii) the security provided by the Bank has been lawfully disposed of by the lender to a bona fide purchaser.

**Article 211** For the purposes of the foregoing provisions of this Chapter, a guarantee includes an undertaking or property provided by the guarantor to secure the performance of obligations by the obligor.

**Article 212** In addition to any rights and remedies provided by the laws and administrative regulations, where a director, supervisor, senior officer of the Bank is in breach of his duties to the Bank, the Bank shall have a right to:

- i) claim damages from relevant director, supervisor, senior officers for losses sustained by his Bank as a result of such breach;
- ii) rescind any contract or transaction entered into by the Bank with the director, supervisor, senior officers or with a third party (where such third party knows or should know that there is such a breach of duties by such director, supervisor and other senior officers);

- iii) demand the director, supervisor, manager, and other senior officers to surrender the profits made by him in breach of his duties;
- iv) recover any monies received by the director, supervisor, other senior officer which should have been otherwise received by the Bank, including (without limitation) commissions; and
- v) demand payment of the interest earned or which may have been earned by the director, supervisor, manager and other senior officers on the monies that should have been paid to the Bank.

**Article 213** The Bank shall conclude written contracts with directors and supervisors in relation to their remunerations, subject to prior approval at a general meeting. The aforesaid remunerations shall include:

- i) Remunerations as directors, supervisors or senior officers of the Bank;
- ii) Remunerations as directors, supervisors or senior officers of the subsidiary banks (subsidiaries) of the Bank;
- iii) Remunerations for providing other services for the Bank and its subsidiary banks (subsidiaries);
- iv) Compensations for the said directors or supervisors for losing their positions or for retirement.

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

**Article 214** The Bank shall specify in the contracts concluded with the directors or supervisors in relation to remunerations that if the Bank is acquired, the directors or supervisors of the Bank shall, with the prior approval at the general meeting, have the right to seek compensations or other monies for losing their positions or for retirement. The acquisition in the preceding paragraph refers to any of the following circumstances:

- i) Tender offer of any person to all the shareholders;
- ii) Tender offer of any person to become a Controlling Shareholder of the Bank.

Any monies received by the relevant directors or supervisors in violation of this Article shall belong to those who sell their shares in response to the aforesaid tender offer, and the said directors or supervisors shall bear the expenses for distributing the said monies in proportion, which expenses shall not be deducted from the said monies.



## Chapter XII Financial and Accounting System and Profit Distribution

**Article 215** The Bank shall establish a sound financial and accounting system in accordance with the laws, administrative regulations and the provisions of the competent authorities under the State Council and establish its financial and accounting system and internal audit system in accordance with the relevant financial and accounting system of a financial enterprise. The Bank shall establish an independent vertical internal audit management system with dedicated persons to conduct internal audit and supervision of revenue and expenditures and economic activities of the Bank. The internal audit system and duties of audit personnel of the Bank shall be approved by Board of Directors before such system and duties are to be implemented. The person in charge of the audit of the Bank shall be accountable to the Audit Committee and report its work to such Committee.

**Article 216** The Bank shall use the calendar year as its financial year, i.e. from January 1 to December 31 on the Gregorian calendar. The Bank shall prepare such relevant statements as the balance sheet, profit and loss statement, profit distribution statement and notes to financial statements within 3 month after the end of each financial year according to the laws, and such sheet, statements and notes shall be reviewed and validated by a qualified intermediary according to the laws.

The Board of Directors of the Bank shall submit the financial reports required by relevant laws, administrative regulations, local governments and the normative documents issued by competent authorities to be submitted to shareholders at each annual general meeting.

The Bank shall deposit its financial reports at the principle place of operation of the Bank for inspection by the shareholders 20 days before the convening of the annual general meeting of shareholders. Each shareholder of the Bank is entitled to obtain financial reports mentioned in this Chapter.

Unless otherwise provided in these Articles of Association, the Bank shall send the report mentioned above or the report of the Board of Directors together with the balance sheet and profit and loss statement to each holder of overseas listed shares by prepaid mail at least 21 days before the convening of the general meeting of shareholders. The address of the recipient shall be the registered address as shown on the register of shareholders. The Bank may also send or dispatch the aforesaid reports to each holder of overseas listed shares through the Bank's website or the website of the Hong Kong Stock Exchange or other websites provided for from time to time according to the Hong Kong Listing Rules, provided no laws, administrative regulations or listing rules of the places where the shares of the Bank are listed are violated.

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

**Article 217** The financial reports of the Bank shall be prepared in accordance with the PRC accounting standards and regulations as well as the international accounting standards or the accounting standards of the place where the shares are listed. If there are any major differences between the financial statements prepared in accordance with the two accounting standards, such differences shall be stated in the notes to the financial statements. The Bank shall distribute the less of after-tax profits of the relevant fiscal year as stated in the aforesaid two financial statements.

**Article 218** The interim results or financial information shall be prepared in accordance with the China accounting standards and laws and regulations as well as the international accounting standards or the accounting standards of the place where shares are listed.



**Article 219** The Bank shall publish two financial reports each financial year, that is to publish a half-year financial report within 60 days from the date of the end of the first six months of each financial year and an annual financial report within 120 days from the date of the financial year respectively.

**Article 220** The Bank shall not establish account books other than the statutory account books. No assets of the Bank may be kept in any account opened in the name of any individuals.

**Article 221** The Bank shall submit financial statements, statistic reports and other relevant information promptly in accordance with the laws, regulations and the requirements of the Banking Regulators under the State Council and industrial regulatory authorities and be liable for the truthfulness, accuracy and completeness of such statements, reports and information.

**Article 222** The Bank shall pay taxes according to national and local tax laws.

**Article 223** The Bank shall distribute profits after income tax in the following order:

The net profits shall be distributed in the following order in accordance with the Company Law and Financial Rules for Financial Enterprises after the income tax is paid:

- i) To make up for the losses of previous years;
- ii) To set aside 10% of its after-tax profits for the Bank's statutory surplus reserve fund. When the aggregate balance in the statutory surplus reserve fund has reached 50% of the Bank's registered capital, the Bank needs not make any further allocations to that fund;
- iii) To make general provisions for losses contingencies according to the risks and losses of the balance of the assets;
- iv) To set aside discretionary reserve fund, the specific proportion of which shall be determined at a general meeting;
- v) To distribute profits to investors.

Where a general meeting decides to distribute profits to shareholders in violation of the provisions of the preceding clause before the Bank has made up for its losses and set aside its statutory surplus reserve fund, shareholders shall return to the Bank the profits distributed in violation of such provisions.

The shares of the Bank held by the Bank shall not participate in any profit distribution.

**Article 224** Capital reserve fund includes the following items:

- i. premium received when shares are issued at a premium over their par value; and
- ii. any other income required to be included in the capital reserve fund by the competent finance department of the State Council.

**Article 225** The statutory surplus reserve funds of the Bank shall be used to make up for losses or converted into capital; however, when the statutory reserve fund is converted into capital, the balance of the statutory reserve fund shall not fall below 25% of the registered capital.

**Article 226** After the profit distribution plan is adopted at a general meeting, the Board of the Bank shall complete profit (shares) distribution within two months after the general meeting.

**Article 227** The Bank may distribute dividends in cash or by shares.

**Article 228** Interests shall accrue on any stock capital paid with respect to any shares of the Bank before any capital calls have been made by the Bank but the holders of the shares shall not be entitled to receive any dividends distributed subsequent to the prepayment of such stock capital.

Subject to the relevant laws, administrative regulations and department regulations of China, the Bank may exercise the right to forfeit any unclaimed dividends; however, such right may be exercised only upon expiry of the applicable relevant effective period.

The Bank may exercise the power to cease sending dividend warrants by post to holders of overseas listed shares if such warrants have been left uncashed on two consecutive occasions, provided that the Bank may do so on the first occasion on which such undelivered warrants are returned.

The Bank shall have the right to sell the overseas listed shares of a shareholder who is untraceable, subject to the following conditions only:

- i. during a period of twelve (12) years at least three dividends in respect of the shares in question have become payable and no dividend during that period has been claimed by the shareholder; and
- ii. on expiry of the twelve (12) years the Bank gives notice of its intention to sell the shares by way of an advertisement published in one or more newspapers published in the place where the shares of the Company are listed and notifies the stock exchange in which the shares of the Bank are traded of such intention.

**Article 229** The Bank shall appoint receiving agents on behalf of the holders of overseas listed shares who shall receive on behalf of such shareholders dividends declared and all other monies owing by the Company in respect of such shares.

The receiving agents appointed by the Bank shall satisfy the relevant requirements of the laws of the place and relevant regulations of the stock exchange where the Company's shares are listed.

The receiving agents appointed on behalf of H share holders shall be a company registered as a trust company under the Trustee Ordinance of Hong Kong.

**Article 230** The Bank shall disclose information and publish its operation results and auditor's report on a regular basis in accordance with the regulations of the Banking Regulator under the State Council.

## Chapter XIII Appointment of an Accountant's Firm

**Article 231** The Bank shall appoint an independent firm of certified public accountants which is qualified under the relevant regulations of the State to audit the Bank's annual financial statements and review the Bank's other financial reports. The accountant firm appointed by the Bank shall hold office from the conclusion of the annual general meeting of shareholders at which the appointment is made until the conclusion of the next annual general meeting of shareholders.

**Article 232** The accountant firm appointed by the Bank shall have the following rights:

- i) the right to inspect at any time the books, records and vouchers of the Bank, and to require the directors, President and other senior officers of the Bank to provide any relevant information and explanation thereof;
- ii) the right to require the Bank to take all reasonable steps to obtain from its subsidiaries such information and explanation as are necessary for the performance of duties of such accountants' firm; and
- iii) the right to attend general meetings and to receive all notices of, and other communications relating to, any general meeting which any shareholder is entitled to receive, and to be heard at any general meeting in relation to matters concerning its role as the accountants' firm of the Bank.

**Article 233** The Board may fill any casual vacancy in the office of the accountants' firm by appointing other accountants' firm before general meeting is held, but while there is still any such vacancy, the surviving or continuing accountants' firm, if any, may continue to act.

**Article 234** The shareholders at a general meeting may, by ordinary resolution, remove an accountants' firm before the expiration of its office, notwithstanding the stipulations in the contract between the Bank and the firm, without prejudice to the firm's right to claim, if any, for damages in respect of such removal.

**Article 235** The remuneration of an accountants' firm or the manner in which such remuneration is to be fixed shall be determined by the shareholders in a general meeting. The remuneration of an accountants' firm appointed by the Board shall be determined by the Board and be submitted to the general meeting for approval.

**Article 236** The Bank's appointment, removal and non-reappointment of an accountants' firm shall be resolved by shareholders at a general meeting. The shareholders' resolution of the general meeting shall be filed with the securities regulatory authority of the State Council.

Where it is proposed that any resolution be passed at a general meeting concerning the appointment of an accountant firm, which is not an incumbent firm, to fill a casual vacancy in the office of the accountant firm, or to reappoint an accountant firm which was appointed by the Board to fill a casual vacancy, or to remove the accountant firm before the expiration of its term of office, the following provisions shall apply:

i) A copy of the proposal about appointment or removal shall be sent to the firm proposed to be appointed or proposing to cease to act or the firm which has ceased to act in the relevant financial year before the notice of meeting is given to the shareholders.

Ceasing to act includes leaving by removal, resignation and retirement.

ii) If the firm which is about to cease to act makes representations in writing and requests the Bank to notify the shareholders of such representations, the Bank shall (unless the representations are received too late):

a) in any notice given to shareholders about a resolution to be made, state the representations that have been made by such accountant firm; and

b) attach a copy of the representations to the notice and deliver it to the shareholders entitled to receive notices of general meetings in the manner stipulated in these Articles of Association.

iii) If the firm's representations are not sent in accordance with paragraph (ii) above, the relevant firm may require that the representations be read out at the general meeting and may lodge further complaints.

iv) An accountant firm which is about to cease to act shall be entitled to attend:

a) the general meeting relating to the expiry of its term of office;

b) any general meeting at which it is proposed to fill the vacancy caused by its removal; and

c) any general meeting convened on its voluntary resignation,

and to receive all notices of, and other communications relating to, any such meetings, and to speak at any such meeting in relation to matters concerning its role as the former accountant firm of the Bank.

**Article 237** In dismissing or discontinuing the appointment of an accountant firm, the Bank shall notify the said accountant firm 15 days in advance and the said accountant firm has the right to make representations to the shareholders at a general meeting.

If an accountant firm resigns from the post, it shall clarify to the shareholders at a general meeting whether or not there is any improper affair in the Bank.

An accountant firm may resign from its position by depositing its written notice of resignation at the legal address of the Bank. The notice shall take effect from the date of deposit at the legal address of the Bank or any later date specified in such written notice. Such notice shall contain one of following statements:

- i) a declaration that its resignation did not involve any circumstances which should be brought to the attention of the shareholders or creditors of the Bank; or
- ii) a description of such circumstances that should be stated.

The Bank shall send a copy of the written notice specified in the preceding paragraph to the relevant competent authority within 14 days after receiving such notice. If the notice contains the representations referred to in the above paragraph (ii), the Bank shall deposit the aforesaid copy at the Bank for inspection by the shareholders and, unless otherwise provided for in these Articles of Association, send it to each holder of overseas listed shares by pre-paid mail. The addresses of addressees shall be those registered in the register of shareholders; or, without violating the laws and regulations or the Hong Kong Listing Rules, the Bank may also send the aforesaid copy through the website of the securities exchange of the place where the shares of the Bank are listed or by publishing such copy in one or more newspapers designated by such securities exchange or provided for in these Articles of Association.

If the resignation notice of an accountant firm contains any statement of explaining the situations as contained in the (ii) item above, the accountant firm may request the Board of Directors to convene an extraordinary general meeting for presenting the explanations regarding the resignation given by the accountant firm.

## Chapter XIV Notice and Announcement

**Article 238** The notice of the Bank (including but not limited to the notice of general meetings, Board meetings and meetings of the Board of Supervisors) may be delivered as follows:

- i) by hand;
- ii) by mail, fax or telephone;
- iii) by announcement in newspapers and other designated media;
- iv) subject to laws, administrative regulations, department regulations and normative documents, the relevant regulations of the relevant regulators and these Articles of Association, by publishing on the websites designated by the Bank and Hong Kong Stock Exchange;
- v) through other means recognized by the securities regulator of the place where the Bank's shares are listed or as required under these Articles of Association.

Notwithstanding any other provisions in these Articles of Association in respect of any documents, announcement and other communications of the Bank or the form of any notice, subject to the relevant regulations of the securities regulators of the place where the Bank's shares are listed, the Bank may select to publish communications as provided for in item (iv) of the first clause of this Article instead of sending any written documents by dispatching or sending any written documents by prepaid mail to each holder of overseas listed shares. Such communication of the Bank shall mean any documents sent or to be sent by the Bank for shareholders to refer to or act on, including but not limited annual reports (including annual financial reports), interim reports (including interim financial reports), Board reports (including balance sheets and profit and loss statements), notice of general meetings, circulars and other communications.

**Article 239** Any notice of the Bank given by public announcement shall be deemed to be received by all relevant persons once such public announcement is published. Where the securities regulator of the place where the Bank's shares are listed provide otherwise, such provisions shall prevail.

**Article 240** Any notice of general meetings of the Bank shall be sent by public announcement or as required under these Articles of Association.

**Article 241** Where a notice of the Bank is served by hand, the addressee shall sign his name (or affixes his chop) on the receipt, and the date on which the addressee signs the receipt shall be the date of service; where a notice of the Bank is to be sent by post, such notice is deemed to be served five working days after the date on which it is deposited at the post office. Where a notice is sent by facsimile or email or telephone, the date of email, fax or telephone shall be the date of service; where a notice of the Bank is sent by public announcement, the date on which the announcement is first published shall be the date of service.

**Article 242** Accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions passed at the meeting.

**Article 243** Where the securities regulator of the place where the Bank's shares are listed stipulates that the Bank shall send, post, distribute, publish or otherwise provide relevant documents of the Bank in English and Chinese and where the Bank has made an appropriate arrangement to confirm whether the shareholders hope to receive only the English version or the Chinese version, the Bank may (as per the intent stated by the shareholders) send only the English version or the Chinese version to relevant shareholders, subject to and in accordance with applicable laws and regulations.

**Article 244** The Bank shall issue announcements and disclose information to the holders of domestic shares through the newspapers and the website of the Bank for information disclosure as required by laws, regulations or designated by relevant domestic regulators. If the Bank is required to issue announcements to the holders of H shares according to these Articles of Association, relevant announcements shall also be published as required by Hong Kong Listing Rules.



## Chapter XV Merger and Division

**Article 245** In the event of a merger or division of the Bank, a proposal of merger or division shall be made by the Board and after the proposal is approved in accordance with the procedures stipulated in these Articles of Association, such proposal shall be examined and approved in accordance with the law. If a shareholder objects to a proposal of merger or division, such shareholder shall have the right to demand the Bank or those shareholders who approved the proposal of merger or division to purchase his/her shares at a fair price. The content of a resolution on the merger or division of the Bank shall be made into a special document to be available for inspection by the shareholders.

Unless otherwise provided for by the securities regulator of the place where the Bank's shares are listed, for holders of overseas listed shares of the Bank, the aforesaid document shall be delivered by post.

**Article 246** The Bank may merge and divide according to laws. A merger and division of the Bank shall comply with the Company Law, the Commercial Bank Law and other laws, rules and regulations.

**Article 247** A merger or division of the Bank shall be handled in accordance with the following procedures:

- i) The Board of Directors shall make a proposal on merger or division;
- ii) A resolutions shall be adopted at a general meeting in accordance with the provisions of these Articles of Association;
- iii) Parties concerned shall execute a contract of merger or division;
- iv) Examination and approval formalities shall be handled according to laws;
- v) Matters with respect to creditor's rights and debts shall be handled for merger and division;
- vi) Registration of dissolution or changes shall be handled.

**Article 248** For the purpose of a merger or division of the Bank, parties to such merger or division shall prepare a balance sheet and an inventory of assets. After a resolution on merger or division is adopted at a general meeting, the Bank shall notify its creditors within ten days and publish an announcement in the newspapers designated by competent authorities with thirty days.

**Article 249** A creditor has the right, within thirty days of receiving the notice or, in the case of a creditor who does not receive the notice, within forty-five days from the date of the announcement, to require the Bank to repay its debt or provide a corresponding guarantee for such debt. Where the Bank fails to repay its debts or provide a corresponding guarantee for such debt, no merger or division shall be effected.

**Article 250** In case of a merger or division of the Bank, the Board of Directors of the Bank shall take necessary measures to protect the legitimate rights and interests of the shareholders who object to such merger or division.

**Article 251** The assets, creditors' rights and debts of the Bank and parties to such merger or division shall be handled according to a contract concluded. In case of a merger of the Bank, the creditors' rights and debts of the parties to such merger shall be succeeded by the surviving company or newly incorporated company after such merger. The surviving company shall be jointly and severally liable for the debts of the Bank prior to its division, except such debts in respect of which the Bank and the creditors have entered into a written agreement to settle before such division.

**Article 252** Change in registered particulars resulting from a merger or division of the Bank shall be registered with the registration authority according to laws if an approval from the Banking Regulator under the State Council has been obtained; If the Bank is dissolved, it shall be deregistered according to laws upon approval by the Banking Regulators under the State Council; If a new company is incorporated, such new company shall be registered according to laws.

## Chapter XVI Dissolution and Liquidation

**Article 253** The liquidation or dissolution of the Bank shall comply with the provisions of the Company Law and the Commercial Bank Law. The Bank shall be dissolved and liquidated according to laws in any of the following circumstances:

- i) The general meeting has resolved to dissolve the Bank;
- ii) Merger or division of the Bank entails dissolution;
- iii) The Bank is declared insolvent according to laws because the Bank fails to pay debts when they are due payable; and
- iv) The Bank has been ordered to dissolve for violation of laws or regulations.

**Article 254** Where the Bank is dissolved according to item (i) of the preceding article, a liquidation group shall be established within 15 days after an approval from the Banking Regulator under the State Council has been obtained. The members of the liquidation group shall be determined by an ordinary resolution passed at a general meeting.

Where the Bank is dissolved according to item (ii) of the preceding article, the liquidation shall be handled in accordance with the contract entered into by the parties to the merger or division at the time of such merger and division.

Where the Bank is dissolved according to item (iii) of the preceding article, a people's court shall organize shareholders, relevant bodies and professionals to set up a liquidation group for liquidation.

Where the Bank is dissolved according to item (iv) of the preceding article, relevant competent authorities shall organize shareholders, relevant bodies and professionals to set up a liquidation group for liquidation.

**Article 255** If the Board decides to liquidate the Bank (save for liquidation when the Bank is declared bankrupt), the notice of general meeting to be held therefor shall contain a statement that the Board has made thorough investigation on the conditions of the Bank and that the Bank may repay all the debts within 12 months after commencement of liquidation.

After the resolution on liquidation is adopted at the general meeting, the functions and powers of the Board and the President shall cease forthwith. The Bank shall not conduct any new activities of any operation.

The liquidation group shall report to the general meeting at least once a year about the revenues and expenses of the liquidation group, the businesses of the Bank and the progress of liquidation, and shall deliver a final report to the general meeting at the end of liquidation according to the instruction of the general meeting.

**Article 256** During the liquidation period, the liquidation group shall exercise the following powers and duties:

- i) to notify creditors by notice or by announcement;
- ii) to ascertain the Bank's assets and prepare a balance sheet and an inventory of assets;
- iii) to settle the Bank's outstanding business;
- iv) to settle outstanding taxes and taxes arising in the course of liquidation;
- v) to ascertain claims and debts;
- vi) to dispose of any remaining assets of the Bank after the repayment of debts; and
- vii) to represent the Bank in any civil proceedings.

**Article 257** The liquidation group shall notify creditors within ten days after its establishment and shall publish an announcement within 60 days in the designated newspapers. Creditors shall, within thirty days after receipt of the notice, or for those who do not receive the notice, within forty-five days from the date of the announcement, submit their claims to the liquidation group.

**Article 258** Creditors shall declare their claims to the liquidation group within the period of time as provided for in these Articles of Association. When submitting their claims, creditors shall explain relevant particulars of their claims and provide supporting materials. The liquidation group shall register the claims.

**Article 259** After ascertaining the Bank's assets and preparing a balance sheet and an inventory of assets, the liquidation group shall formulate a liquidation plan and submit to the general meeting or the relevant competent authorities for confirmation.

**Article 260** The assets of the Bank shall be used for settlement in the following order:

- i) payment of liquidation expenses;
- ii) payment of employees' salaries and labor insurance premiums of the Bank;
- iii) settlement of outstanding taxes;
- iv) repayment of any debts of the Bank;
- v) distribution in proportion to the shares held by shareholders.

**Article 261** After ascertaining the Bank's assets and preparing a balance sheet and an inventory of assets, if the liquidation group discovers that the Bank's assets are insufficient to repay its debts, it shall immediately apply to a people's court for declaration of insolvency upon approval by the Banking Regulator under the State Council. After the Bank is declared insolvent by a ruling of the people's court, the liquidation group shall transfer the liquidation matters to such people's court.

**Article 262** Following the completion of liquidation, the liquidation group shall prepare a report on liquidation and prepare a statement of the receipts and payments and the financial accounts for the period of the liquidation which shall be audited by PRC certified public accountants and then submitted to the general meeting or the competent authorities for confirmation. The liquidation group shall within thirty days after the date of the general meeting or the affirmation from the competent authorities concerned, submit the aforementioned documents to the Bank's registration authorities for cancellation of the Bank's registration and announce that the Bank ceases to exist.

**Article 263** Members of the liquidation group shall perform their duties faithfully and carry out the liquidation in accordance with the laws. Members of the liquidation group shall not take advantage of their position to take bribes or other illegal income, or misappropriate the assets of the Bank. If any member of the liquidation group causes any loss to the Bank or its creditors, either willfully or due to gross negligence, he shall be liable for compensation.

## **Chapter XVII Procedures for Amendments to these Articles of Association**

**Article 264** The Bank may amend these Articles of Association according to laws, administrative regulations and these Articles of Association.

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

- i) there is a discrepancy between the provisions of these Articles of Association and those of the laws and administrative regulations after amendments to the Company Law, the Commercial Bank Law or relevant laws and administrative regulations;
- ii) there are changes in the situation of the Bank resulting in inconsistency in relation to that mentioned in these Articles of Association;
- iii) the general meeting resolves to amend these Articles of Association.

**Article 265** The amendments to these Articles of Association adopted by a resolution at a general meeting shall be approved by the Banking Regulators under the State Council; in case of any amendments related to any registration particulars of the Bank, changes of registration shall be made according to the laws.

**Article 266** Where these Articles of Association are to be amended, the Board shall make a proposal which shall be adopted by vote at a general meeting. Any amendments or supplements adopted at such general meeting shall be deemed as part of these Articles of Association upon approval.

**Article 267** Any amendment to the Articles of Association shall be subject to announcement if so required by the laws and regulations.

## Chapter XVIII Settlement of Disputes

**Article 268** The Bank shall act according to the following principles to settle disputes:

- i) Whenever any disputes or claims arise between holders of the overseas listed shares and the Bank, holders of the overseas listed shares and the Bank's directors, supervisors, senior officers, or holders of the overseas listed shares and holders of domestic shares, which are based on these Articles of Association or any rights or obligations conferred or imposed by the Company Law or any other relevant laws and administrative regulations concerning the affairs of the Bank, such disputes or claims shall be referred by relevant parties to arbitration.

Where a dispute or claim of rights abovementioned is referred to arbitration, the entire claim or dispute must be referred to arbitration and any person (being the Bank or a shareholder, director, supervisor, manager or other senior officer of the Bank) who has a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim, shall abide by the arbitration.

Disputes in relation to the identification of shareholders and disputes in relation to the register of shareholders need not be referred to arbitration.

- ii) A claimant may elect arbitration at 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. Once a claimant refers a dispute or claim to arbitration, the other party must submit to the arbitral body elected by the claimant.

If a claimant elects arbitration at Hong Kong International Arbitration Centre, any party to the dispute or claim may apply for a hearing to take place in Shenzhen in accordance with the Securities Arbitration Rules of the Hong Kong International Arbitration Centre.

- iii) If any disputes or claims of rights prescribed in paragraph (i) above are referred to arbitration, the laws of the PRC shall apply, save as otherwise provided in the laws, administrative regulations, department rules and normative documents.
- iv) The award of an arbitration body shall be final and binding on all parties.



## Chapter XIX Miscellaneous

**Article 269** Any matters not covered herein shall be handled in accordance with the relevant laws, rules and regulations of the People's Republic of China and the relevant regulations of the Banking Regulator under the State Council.

**Article 270** These Articles of Association are written in Chinese. In case of any discrepancies between versions in other languages or different versions of these Articles of Association, the latest Chinese version approved by the Banking Regulator under the State Council for registration with the Administration for Industry and Commerce of the place where the Bank is incorporated shall prevail.

**Article 271** Except as otherwise provided for in these Articles of Association, all "over", "within", "under", "no less than", "no more than" in the Articles of Association include the relevant figure itself; "exceed", "less than", "except" and "lower than" does not include the relevant figure itself.

**Article 272** The right of interpretation shall belong to the Board of the Bank whereas the right of amendment shall belong to the general meeting.

**Article 273** The Articles of Association shall become effective from the date of approval by the Banking Regulators under the State Council upon the approval by the general meeting.