

Dongguan Rural Commercial Bank Co., Ltd. is not an authorized institution within the meaning of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorized to carry on banking and/or deposit-taking business in Hong Kong.



DRC Bank

Dongguan Rural Commercial Bank Co., Ltd.*

東莞農村商業銀行股份有限公司*

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

(Stock code: 9889)

Articles of Association

(April 2023)

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CHAPTER 1 GENERAL PROVISIONS

Article 1

For the purpose of protecting the legitimate rights and interests of Dongguan Rural Commercial Bank Co., Ltd. (hereinafter referred to as the “**Bank**”), its shareholders and creditors, and of regulating the structure and acts of the Bank, the Articles of Association of the Bank are hereby formulated in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “**Company Law**”), the Commercial Bank Law of the People’s Republic of China (hereinafter referred to as the “**Commercial Bank Law**”), the Special Regulations of the State Council on the Overseas Offering and the Listing of Shares by Joint Stock Limited Companies (hereinafter referred to as the “**Special Regulations**”), the Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas (hereinafter referred to as the “**Mandatory Provisions**”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “**Hong Kong Listing Rules**”) as well as other relevant laws and regulations, departmental rules and regulatory documents.

Article 2

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

The Bank was established on December 16, 2009 by way of promotion with the “Approval Regarding the Opening of Dongguan Rural Commercial Bank Co., Ltd.” (Yinjianfu No. [2009]519) issued by the China Banking Regulatory Commission. On December 22, 2009, the Bank has been registered with the Administration for Industry and Commerce of Dongguan Municipality and obtained a business license. The unified social credit code of the Bank is 914419007829859746.

The promoters of the Bank include 69 legal persons such as Dongguan New Century Science and Education Development Limited (東莞市新世紀科教拓展有限公司) and 57,842 natural persons.

- Article 3** Chinese name in full of the Bank: 東莞農村商業銀行股份有限公司
Chinese name in short of the Bank: 東莞農村商業銀行
English name in full of the Bank: Dongguan Rural Commercial Bank Co., Ltd.
English name in short of the Bank: DRC Bank
- Article 4** Domicile of the Bank: No.2, East Hongfu Road, Dongcheng Street, Dongguan, Guangdong Province
Postal code: 523123
Telephone number: (0769) 21383108
Facsimile number: (0769) 21383108
- Article 5** The Bank is a perpetually existing joint stock limited company.
- Article 6** The chairman of the Board of Directors shall be the legal representative of the Bank.
- Article 7** The Bank is an independent corporate legal person and is entitled to all the legal person properties contributed by shareholder investors. The Bank shall have civil rights and separately assume civil liabilities for all its legal person properties in accordance with the laws. The properties, lawful rights and interests and the legally-compliant operations of the Bank are under protection of the relevant PRC laws and regulations and shall not be infringed upon or interfered with by any entities or individuals in breach of the laws.
- Shareholders of the Bank shall be entitled to various rights including receipt of the returns on assets, participation in major decisions and selection of managers in accordance with the laws based on the number of shares held. They shall be accountable to the Bank to the extent of their respective shareholdings.
- Article 8** As from the date when the Articles of Association come into force and effect, they 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 9

In accordance with the relevant regulations of the Constitution of the Communist Party of China and the Company Law, the Bank shall establish organizations of the Communist Party of China (hereinafter the “Party”), play the key role of leadership and politics, provide direction, manage the overall situation and ensure implementation of regulations. The working organizations of the Party shall be equipped with a certain number of full-time staff to deal with Party affairs and guarantee the working expense.

Article 10

The Articles of Association shall be legally binding on the Bank, its shareholders, directors, supervisors, president, and other members of senior management. The aforementioned personnel shall be entitled to the rights on matters relating to the Bank in accordance with the Articles of Association.

Pursuant to the Articles of Association, the shareholders may initiate legal proceedings against other shareholders, the directors, supervisors, president, other members of senior management of the Bank and the Bank itself. The Bank may initiate legal proceedings against the shareholders, directors, supervisors, president and other members of senior management of the Bank.

The lawsuits referred to in the preceding paragraph shall include legal proceedings initiated in the people’s courts or the application to arbitration institutions for arbitration.

Article 11

The senior management referred to in the Articles of Association shall mean the personnel in the head office subject to the approval of the regulatory system for qualifications of senior management of banking and insurance institutions, including but not limited to the president, vice presidents, assistants to president, secretary to the Board of Directors, financial officers of the Bank and other personnel as designated by the Board of Directors or qualified by regulatory departments.

Members of the Board of Directors, senior management of the Bank and other management personnel whose qualifications are subject to the approval of relevant regulatory departments shall have the qualifications as required by such regulatory departments. Their qualifications shall be approved by or filed with the regulatory departments.

Article 12

The Bank may invest in other limited liability companies and joint stock limited companies in accordance with laws and shall assume responsibilities for any such invested enterprises to the extent of its capital contribution.

The Bank adopts a tiered management system under a first-level legal person. Branches and sub-branches of the Bank shall not have the legal person qualification and shall carry out their operations in accordance with the laws within the powers delegated to them by the head office, which shall bear the civil liability of such branches and sub-branches. The head office exercises central leadership and administration over the major personnel appointment and removal, business policies, comprehensive planning, basic rules and regulations and external affairs of branches and subsidiaries. The financial system of branches and sub-branches shall adopt unified auditing, unified transfer of capital and tiered management.

Article 13

The Bank implements relevant PRC laws and regulations and adheres to the financial principles and policies of the Chinese government. The Bank is under the supervision and management of the banking regulatory authority of the State Council in accordance with the laws.

CHAPTER 2 OBJECTIVES AND SCOPE OF BUSINESS

- Article 14** The business objectives of the Bank are to: insist on operating by laws and rules; independently conduct various banking activities of a commercial bank; actively participate in the competition in the financial market; provide premium and efficient financial services for urban and rural residents and the economic development; actively support “Sannong” economy and the development of small and micro enterprises; ensure stable operation, risk prevention and control; create satisfactory returns for all shareholders in accordance with relevant laws; and promote geographically-balanced economic growth.
- Article 15** Adhering to the principles of “safety, sufficient liquidity and efficiency”, the Bank operates independently with self-discipline and is solely responsible for any risks, profits and losses arising from its operation.
- Article 16** The operation and management of the Bank shall comply with laws and regulations, including the Commercial Bank Law and the relevant administrative regulations issued by the banking regulatory authority of the State Council.
- Article 17** The Board of Directors is responsible for ensuring the market positioning of the Bank in support of agricultural and small enterprises and formulating corresponding strategies. The board of supervisors (the “Board of Supervisors”) is responsible for supervising the performance of duties by the Board of Directors and senior management in support of agricultural and small enterprises and monitoring the rectification. The senior management is responsible for the implementation of specific measures and the continuous improvement of service level of the Bank in support of agricultural and small enterprises.
- When performing their duties, the substantial shareholders, chairman of the Board of Directors, chairman of the Board of Supervisors and the president shall assist the Bank in extensively improving its ability to support agricultural and small enterprises through further exploring its effective service mechanism and broadening the scope of financial services.

Article 18

Upon approval by the banking regulatory authority of the State Council and registration pursuant to the laws, the business scope of the Bank includes:

- (I) taking deposits from the public (including domestic and foreign currency);
- (II) extending short-term, medium-term and long-term loans (including domestic and foreign currency);
- (III) effecting domestic and overseas payment settlements;
- (IV) accepting and discounting instruments;
- (V) acting as the issuing agent, payment agent and underwriter of government bonds;
- (VI) trading government bonds and financial bonds;
- (VII) interbank placements (including domestic and foreign currency);
- (VIII) bank cards (including credit cards) business;
- (IX) collecting and making payment as agents and acting as insurance agents;
- (X) providing deposit box service;
- (XI) foreign currency remittance and foreign currency exchange;
- (XII) foreign exchange purchases and sales against Renminbi;
- (XIII) acting as an agent for forward settlement and sales of foreign exchange;
- (XIV) foreign credit investigations, advisory and attestation service;
- (XV) sales of securities investment funds;
- (XVI) physical gold business and precious metal trading business;
- (XVII) credit asset securitization business;

(XVIII)engaging in derivatives trading business;

(XIX) other businesses approved by the banking regulatory authority of the State Council and other relevant regulatory authorities.

CHAPTER 3 REGISTERED CAPITAL AND SHARES

Section 1 Issuance of Shares

Article 19 The registered capital of the Bank is RMB6,888,545,510, which is equal to its paid-up capital.

Article 20 The total capital of the Bank shall be divided into stocks of equal value, and the par value of each share of the Bank is RMB1.

Article 21 The shares of the Bank shall be in the form of share certificates. 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.

A share certificate issued by the Bank is a certificate certifying the ownership of shares of the Bank by its shareholders.

Article 22 The Bank may issue shares to investors both within and outside the PRC upon approval from the banking regulatory authority of the State Council or the competent securities authorities of the State Council.

For the purposes of the preceding paragraph, the term “investors outside the PRC” refers to investors who are located overseas or in the Hong Kong Special Administrative Region, the Macau Special Administrative Region or Taiwan subscribing for shares issued by the Bank. The term “investors within the PRC” refers to investors who are located within the People’s Republic of China (the “**PRC**”) (excluding the aforementioned regions) subscribing for the shares issued by the Bank.

Article 23

Shares issued by the Bank to investors within the PRC and subscribed for in RMB shall be referred to as “domestic shares”. Shares issued by the Bank to investors outside the PRC and subscribed for in foreign currency shall be referred to as “foreign shares”. Holders of domestic shares and holders of foreign shares are both holders of ordinary shares who shall be entitled to the same obligations and rights. Foreign shares listed outside the PRC shall be referred to as “overseas listed foreign shares”.

For the purposes of the preceding paragraph, the term “foreign currencies” refers to the lawful currencies of other countries or regions other than RMB, which are recognized by the State Administration of Foreign Exchange for payment of subscribing for shares of the Bank.

Subject to the applicable laws, regulations and regulatory requirements, shareholders of the Bank may trade all or part of their domestic shares in overseas stock exchanges upon approval from the relevant regulatory authorities, such as the banking regulatory authority of the State Council and the securities regulatory authority of the State Council. The listing and trading of the aforementioned shares in overseas stock exchanges shall not be subject to the voting of shareholders’ general meetings or class shareholders’ meetings, but shall comply with the regulatory procedures, regulations and requirements of overseas stock exchanges. If the domestic shares held by shareholders of the Bank are approved to be listed on and traded in an overseas stock exchange, the shares shall be changed into overseas listed shares on the date of overseas listing, which shall be the same class of shares as the original overseas listed foreign shares.

Article 24

The domestic shares issued by the Bank shall be held in central custody at China Securities Depository and Clearing Corporation Limited. The overseas listed shares of the Bank shall be held in custody mainly at the authorized depository companies under Hong Kong Securities Clearing Company Limited and may also be held by shareholders in their names. The custodian organizations of the domestic shares shall, in accordance with the agreements signed with the Bank, provide the Bank with safe and efficient equity custody services, and report the equity custody information of the Bank to the banking regulatory authority of the State Council in accordance with relevant regulations. Aforementioned requirements shall not be applicable to the authorized depository companies for overseas listed shares.

Article 25

The issuance of shares of the Bank shall be conducted in a fair and just manner. Shares of the same class shall rank pari passu with each other. Dividends of domestic shares shall be declared and paid in RMB, and dividends of overseas listed foreign shares shall be declared and paid in RMB and Hong Kong Dollars, respectively.

Shares issued at the same time and within the same class must be issued on the same conditions and at the same price. Any entity or individual who subscribes for the shares shall pay the same price for each share.

Article 26

The shareholding proportion of a single natural person and his/her close relatives, the aggregate shareholding of natural persons who are employees and the shareholding proportion of a single domestic non-financial institution and its related parties shall comply with the laws, regulations and regulatory requirements.

Substantial shareholders and financial products shall invest in and hold the shares of the Bank in accordance with the Interim Measures on Shareholding Management of Commercial Banks (《商業銀行股權管理暫行辦法》) and relevant requirements of the banking regulatory authority of the State Council on the responsibilities of shareholders and information disclosure.

Article 27

As approved by the approval department authorized by the State Council, the Bank may issue a total of 6,888,545,510 ordinary shares. Upon its establishment, the Bank issued 4,312,888,438.00 ordinary shares to its promoters, representing 100% of the total number of prevailing ordinary shares of the Bank then available for issue.

The Bank issued 6,888,545,510 ordinary shares, including 1,148,091,000 overseas listed foreign shares (representing 16.67% of the total number of ordinary shares of the Bank available for issue) and 5,740,454,510 domestic shares to the public. The share capital of the Bank consists of 6,888,545,510 ordinary shares, among which 5,740,454,510 shares are domestic shares, representing 83.33% of the total number of ordinary shares of the Bank available for issue; and 1,148,091,000 overseas listed foreign shares, representing 16.67% of the total number of ordinary shares of the Bank available for issue.

Article 28

Subject to approval of the securities regulatory authority of the State Council in respect of the issuance plan of the overseas listed foreign shares and domestic shares of the Bank, the Board of Directors may implement arrangements regarding the issuance of the shares respectively.

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

Article 29

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

Section 2 Increase and Reduction of Share Capital and Share Repurchase**Article 30**

Subject to approval by shareholders' general meeting and the banking regulatory authority of the State Council, the Bank may increase its registered capital as follows in the light of its business and development needs, in accordance with the relevant laws, regulations, and the Articles of Association:

- (I) open offer of new shares to investors;
- (II) private placement of new shares;
- (III) rights issue of new shares to existing shareholders;
- (IV) bonus issue of new shares to existing shareholders;
- (V) capitalization of reserve;
- (VI) other methods permitted by laws and administrative regulations.

According to the Articles of Association, the increase of capital of the Bank by issuing new shares shall be conducted in accordance with the procedures provided in relevant laws, regulations and regulatory provisions, after being approved by the banking regulatory authority of the State Council.

Article 31

The Bank may reduce its registered capital upon the approval of the banking regulatory authority of the State Council. Any reduction of registered capital of the Bank shall be handled in compliance with the procedures stipulated by the Company Law, the Commercial Bank Law and other relevant laws, regulations and provisions of the Articles of Association.

Article 32

The Bank shall not purchase its own shares. However, the Bank may, in accordance with the Articles of Association and with the approval of the competent authorities, repurchase its issued shares in the following circumstances:

- (I) to cancel shares in order to reduce the capital of the Bank;
- (II) to merge with another company that holds its shares;
- (III) to use shares for employee stock ownership plan or equity incentives;
- (IV) a shareholder requests the Bank to purchase the shares held by him/her since he/she objects to a resolution of shareholders' general meeting on the merger or division of the Bank;
- (V) to use shares for conversion of convertible corporate bonds issued by the Bank;
- (VI) necessary for protection of corporate value and the rights and interests of its shareholders;
- (VII) any other circumstances as permitted by laws, regulations and relevant authorities of the PRC.

Except for the circumstances set out above, the Bank shall not be engaged in sale and purchase of its shares.

Article 33

The Bank's repurchase of its own shares due to reasons set forth in items (I) to (II) of Article 32 under the Articles of Association shall be subject to a resolution of the shareholders' general meeting.

The repurchase of the shares of the Bank under any of the circumstances set forth in items (III), (V) and (VI) of Article 32 under the Articles of Association may, pursuant to the Articles of Association of the Bank or the authorization of the shareholders' general meeting, be subject to a resolution of a board meeting at which more than two-thirds of directors are present.

After repurchasing its shares pursuant to the provisions of Article 32, the Bank shall, under the circumstance set forth in item (I), cancel the shares within 10 days after the repurchase; while under the circumstance set forth in either item (II) or (IV), transfer or cancel the shares within six months; and while under the circumstance set forth in item (III), (V) or (VI), aggregately hold not more than 10% of the total number of shares that have been issued by the Bank, and transfer or cancel the shares within three years.

The repurchase of the shares of the Bank under the circumstances set out in items (III), (V) and (VI) of Article 32 under the Articles of Association shall be conducted by way of open and centralized transaction.

Article 34

With the approval from the relevant competent authorities of the PRC, the Bank may repurchase its shares in one of the following manners:

- (I) to make a repurchase tender offer to all shareholders in the same proportion;
- (II) to repurchase its own shares through public transaction on a stock exchange;
- (III) to repurchase shares under an off-market agreement;
- (IV) by other means as permitted by the laws, administrative rules and regulations and the relevant competent authorities.

After the repurchase of shares according to law, the Bank shall deregister or transfer the said shares before the deadline specified by the laws and regulations and regulatory rules, and shall file the change of the registered capital with the registration authority of the Bank after deregistration of the shares. The aggregate par value of the deregistered shares shall be deducted from the registered capital of the Bank.

Article 35

A prior approval shall be obtained from a shareholders' general meeting in respect of any share repurchased by the Bank through an off-market agreement instead of on a stock exchange in accordance with the provisions of the Articles of Association. After the shareholders' 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 aforesaid contract to repurchase shares includes, but not limited to, an agreement to become obliged to repurchase or to acquire the right to repurchase shares.

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

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

Article 36

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

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

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

Section 3 Transfer and Pledge of Shares

Article 37

Unless otherwise specified by the laws, regulations and the rules of the securities regulatory authorities at the place where the shares of the Bank are listed, the fully paid-up shares of the Bank may be transferred freely without any lien attached.

Registration shall be made in the local share registrar authorized by the Bank for the transfer of the shares of the Bank and the transfer instruments and other documents related to the title of any shares or which may affect the title of any shares.

The Bank shall comply with the rules of the banking regulatory authorities under the State Council and other relevant regulatory authorities in transferring its shares.

Article 38

All overseas fully paid-up shares listed on the Hong Kong Stock Exchange may be transferred freely in accordance with the Articles of Association without any lien of the Bank. However, save under the following conditions, the Board of Directors may refuse to recognize any transfer instrument without providing any reason:

- (I) the transfer instruments and other documents related to the title of any shares or which may affect the title of any shares have been registered, and the Bank has been paid all fees as stipulated in the Hong Kong Listing Rules, which shall not exceed the maximum fees required in the Hong Kong Listing Rules as may be amended from time to time;
- (II) the transfer instruments are only in relation to overseas listed shares listed on the Hong Kong Stock Exchange;
- (III) the stamp duties required by the laws of Hong Kong for the transfer instruments have been paid;
- (IV) the relevant share certificate(s) and any other evidence which the Board of Directors may reasonably require to show that the transferor has the right to transfer the shares have been provided;
- (V) where the shares are intended to be transferred to joint holders, the number of such joint holders is no more than four.

If the Board of Directors refuses to register the share transfer, the Bank shall issue a notice of refusal to the transferor and the transferee within two months since the date of application for share transfer.

Article 39

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

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

Article 40

The shares held by the shareholders of the Bank shall not be surrendered, but may be transferred, inherited and gifted in accordance with the relevant management rules of the Bank. The qualification and shareholding percentage of the holders (transferee) of the transferred shares of the Bank shall comply with the requirements of the banking regulatory authorities under the State Council regarding the investment in rural commercial banks, and the total shares held by them and the percentage and manner of their shareholding must comply with the relevant provisions of the Articles of Association. Substantial shareholders who intend to transfer the shares of the Bank shall inform the Board of Directors of the Bank in advance.

Where a shareholder who has materially violated his/her fiduciary duties and caused imprudent operations in the Bank and its investees or subsidiaries, or directly or indirectly violated the regulations on the maximum shareholding, or whose qualification do not meet regulatory requirements, the Board of Directors shall be entitled to impose restriction on the rights of the shareholder or demand the shareholder to transfer his/her shares.

The Bank has established substantial shareholders commitment management system and substantial shareholders commitment file, regularly evaluates the performance of substantial shareholders' commitments, and reports the results to the banking regulatory authority under the State Council or its local offices. The substantial shareholders shall, in accordance with the relevant laws, regulations and regulatory requirements, truthfully make undertakings, earnestly fulfill the undertakings, and actively cooperate with the Bank, the banking regulatory authority under the State Council or its local offices to carry out the management and evaluation of shareholders' undertakings.

The Board of Directors of the Bank is responsible for the management of the commitments made by substantial shareholders, and for determining the performance of the commitments made by substantial shareholders. For shareholders who breach their undertakings, the Board may take corresponding restrictive measures, which shall be implemented after being considered and approved at the general meeting, and the relevant shareholders or shareholder representatives shall abstain from voting. The restrictive measures include but not limited to the exercise of the right to request the convening of the general meeting, the right to vote, nominate, propose and dispose of by the relevant shareholders.

Domestic shareholders intending to transfer their domestic shares shall report to the Board of Directors or the equity management institution for approval beforehand, and the relevant matters shall be approved by the regulatory authorities before formalizing with the transferee. The relevant matters shall be reported to the regulatory authorities in accordance with relevant requirements.

When the people's court orders the mandatory transfer of shares by shareholders of the Bank, the shareholders (including the successors of such shareholders) shall notify the Bank 30 days before the transfer or possible transfer, and the Bank will verify the transfer in accordance with the above regulations.

Article 41

Changes due to share transfer shall not be made to the register of shareholders within 30 days before a shareholders' general meeting or within 5 days before the record date set by the Bank for the purpose of determining entitlements to dividend distributions.

The regulations of the securities regulatory authority in the place where the shares of the Bank are listed shall prevail.

Article 42

The Bank shall not accept its shares as security.

Article 43

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 or other departments designated by the Board of Directors shall be responsible for the daily collection, preparation and reporting of information regarding the equity pledge of the Bank. Where a shareholder who is director or supervisor of the Bank, or directly, indirectly or jointly holds or controls no less than 2% of the shares or voting rights of the Bank pledges his/her shares of the Bank, he/she shall make filing to the Board of Directors in advance, which shall state the basic information of the pledge, including the reasons for the pledge, the number of shares involved, the term of pledge and the particulars of the pledge holders. Where the Board of Directors considers the pledge to have material adverse impact on the stability of the control of the Bank over its shareholdings, corporate governance, risks and related-party transactions, no filing shall be made. Directors nominated by a shareholder who proposes to pledge his/her shares of the Bank shall abstain from voting at the meeting of the Board of Directors at which such proposal is considered;

- (I) Upon the completion of registration of the pledge of equity interests, the shareholders involved shall provide the Bank with the relevant information in relation to the pledge of equity interests in a timely manner, so as to facilitate the risk management and information disclosure compliance of the Bank;
- (II) Shareholders shall not pledge the shares of the Bank if the outstanding balance of the loans they have borrowed from the Bank exceeds the audited net equity value held by them in the Bank in the previous year;
- (III) Where a shareholder pledges 50% or more of his/her equity interests in the Bank, the voting rights of such shareholder at the shareholders' general meetings and the directors appointed by him/her at the meeting of the Board of Directors shall be subject to restrictions, which means that at the shareholders' general meetings, the pledged or frozen equity of the shareholder shall not be counted in the vote whereas the unpledged or unfrozen equity shall be counted; and the directors appointed by the shareholder may attend the board meeting of the Bank, but shall abstain from voting at the meetings.

Article 44

The transfer of shares of the Bank held by the promoter shall comply with the laws, regulations and regulatory requirements. Shares of the Bank held by the promoter shall not be transferred within one year from the date of incorporation of the Bank. Shares of the Bank that have been issued before their public issuance shall not be transferred within one year from the date when the shares are listed and traded on the stock exchange. Shares of the Bank held by the substantial shareholders shall not be transferred within five years from the date of share acquisition.

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

Where the laws, regulations and rules of the securities regulatory authorities of the place where the shares of the Bank are listed provide otherwise, such provisions shall prevail.

Article 45

Investors, together with their related parties and persons acting in concert, who intend to hold for the first time or increase by in aggregate, severally or jointly, more than 5% of total capital or total shares of the Bank, shall report to the banking regulatory authorities under the State Council or its local offices for approval.

Investors, together with their related parties and persons acting in concert, who hold, severally or jointly, more than 1% but less than 5% of total capital or total shares of the Bank, shall report to the banking regulatory authorities under the State Council or its local offices within 10 working days after obtaining their equities.

CHAPTER 4 FINANCIAL ASSISTANCE FOR THE ACQUISITION OF SHARES OF THE BANK

Article 46 The Bank (including its branches and sub-branches) or its subsidiaries shall not offer any financial assistance at any time by any means to purchasers or prospective purchasers of the shares of the Bank. The purchasers of the shares of the Bank as mentioned above 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 its branches and sub-branches) or its subsidiaries 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 set out in Article 48 of the Articles of Association.

Article 47 The financial assistance stated in the Articles of Association shall include but not be 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 the compensation given for acts where the Bank is at fault) or the release or waiver of any rights;
- (III) the provision of loans or entering into any contract under which the obligations of the Bank are to be fulfilled before the obligations of another party, and a change in the parties to, or the assignment of rights arising under such loans or contract;
- (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 contract or arrangement is enforceable, or whether such obligations are assumed by the obligator individually or jointly with any other person) or any obligations that arise out of any changes made in any other way to the financial conditions of the obligator.

Article 48

Except as otherwise prohibited by relevant laws, administrative regulations, rules or rules governing securities of the place where shares of the Bank are listed, the acts listed below shall not be prohibited by Article 46 of the Articles of Association:

- (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 overall plans of the Bank;
- (II) any lawful distribution of the assets of the Bank 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 the 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 stock ownership plan (provided that this does not lead to a reduction in the net assets of the Bank or that if this causes a reduction, the financial assistance is taken from the distributable profits of the Bank).

Where the laws, administrative regulations, rules and rules governing securities of the place where shares of the Bank are listed provide otherwise in respect of the financial arrangement relating to the aforesaid share repurchase, such provisions shall prevail.

CHAPTER 5 SHARES CERTIFICATE AND SHARE REGISTER

Article 49 Share certificates of the Bank shall be in registered form. Share certificates of the Bank must specify the following details:

- (I) the name of the Bank;
- (II) the incorporation date of the Bank;
- (III) the class, par value and number of shares that each share certificate represents;
- (IV) the serial number of the share certificates;
- (V) other matters that must be specified according to the Company Law, the Special Regulations and the requirements of the securities regulatory authorities and the stock exchange of the place where the shares of the Bank are listed;
- (VI) where share capital of the Bank includes any shares without any voting rights, such shares shall be specified as “Without Voting Right”;
- (VII) if shares carrying different voting rights are counted towards the share capital of the Bank, these classes of shares (except for the class of shares with the most privileged voting rights) shall bear the phrase “restricted voting rights” or “limited voting rights” in their titles.

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

Article 50

The share certificates of the Bank shall be signed by the Chairman of the Board of Directors. Where the stock exchange in the jurisdiction in which the shares of the Bank are listed requires the senior management of the Bank to sign the share certificates, the share certificates shall be signed by the president or other relevant members of senior management. The share certificates shall become effective after a seal of the Bank is affixed or imprinted thereon. The affixation and imprint of the seal of the Bank on the share certificates shall be subject to the authorization of the Board of Directors. The signatures of the chairman of the Board of Directors, the president or other relevant members of senior management of the Bank on the share certificates can be provided in printed form.

When scripless shares of the Bank are issued and traded, the applicable provisions of the securities regulatory authorities and the stock exchange in the place where the shares of the Bank are listed shall be followed.

Article 51

The Bank shall maintain a register of shareholders to state the following matters:

- (I) the name, address of each shareholder, the identity card number, occupation of each natural person shareholder, the 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 or payable for the shares held by each shareholder;
- (IV) the serial number of the share certificates held by each shareholder;
- (V) the date on which each shareholder is registered as a shareholder;
- (VI) the pledge of shares of each shareholder;
- (VII) other necessary shareholder information;
- (VIII) the date on which each shareholder ceases to be a shareholder.

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

Article 52

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

The Bank shall keep at its domicile duplicates of the register of shareholders of overseas listed shares. The appointed overseas agent shall ensure that the originals and the duplicates of these registers are consistent at all times. In the event that there is any inconsistency between the originals and the duplicates of the registers of shareholders of overseas listed shares, the originals shall prevail.

Article 53

The Bank shall keep a complete register of shareholders. The register of shareholders shall comprise the following parts:

- (I) the register kept at the domicile of the Bank, apart from those mentioned under items (II) and (III) of this Article;
- (II) the registers of shareholders of the overseas listed foreign shares of the Bank kept at the location(s) of the overseas stock exchange(s) on which the shares are listed;
- (III) any other register of shareholders kept at such other places as the Board of Directors deems necessary for the purpose of listing the shares of the Bank.

Article 54

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

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

Article 55

When the Bank convenes a shareholders' general meeting, distributes dividends, undergoes liquidation or engages in any other act requiring the confirmation of shareholders' identities, the Board of Directors or the convener of the shareholders' general meeting shall stipulate a date for shareholding registration. The shareholders whose names appear on the register of shareholders at the close of shareholding registration date shall be entitled to the relevant rights.

Article 56

Anyone objecting to the register of shareholders, who either requests that his/her name be registered in the register of shareholders or that his/her name be removed from the register of shareholders, shall have the right to apply to the people's court having the appropriate jurisdiction in order to rectify the register. The court may determine the title of the shares of the applicant and may order the rectification of the register of shareholders (except as described in Article 57).

Article 57

If the share certificate (i.e. the "**original share certificate**") of any shareholders registered in the register of shareholders or any persons who request that their names be registered in the register of shareholders is lost, these shareholders may apply to the Bank for replacement certificates in respect of such shares (i.e. the "**Relevant Shares**").

Holders of domestic shares who have lost the share certificates and wish to apply for the replacement shall comply with the relevant provisions of the Company Law.

Holders of overseas listed shares who have lost the share certificates and wish to apply for the replacement shall comply with the laws, the rules of the stock exchange and other relevant regulations of the jurisdiction in which the original register of shareholders of overseas listed shares is kept.

If the holders of overseas listed shares have lost the share certificates and wish to apply for the replacement, the replacement shall comply with the following requirements:

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

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

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

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

Article 58

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

Article 59

The Bank shall not assume any compensatory obligations towards persons who may suffer loss from the cancellation of the lost Original Share Certificates by the Bank or the issuance of replacement share certificates, unless such persons can prove fraud on the part of the Bank. Where warrants are issued to bearer, no replacement warrant shall be issued to replace the one that has been lost unless the Bank is satisfied beyond reasonable doubt that the original warrant has been destroyed.

Article 60

A holder 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 request convention, convene, preside over, attend shareholders' general meeting in person or by a proxy, and exercise voting rights based on the number of the shares held by him in accordance with the law;
- (III) to supervise the business operation of the Bank, and to make suggestions and enquires accordingly;

- (IV) to transfer, bestow or pledge shares held by him/her in accordance with the laws, regulations, regulatory provisions and the provisions of the Articles of Association;
- (V) to obtain relevant information in accordance with the laws, regulations, regulatory provisions and the provisions of the Articles of Association, including:
 - 1. to obtain a copy of the Articles of Association after its cost has been paid;
 - 2. to inspect and copy the following documents after a reasonable fee has been paid:
 - (1) all parts of the shareholders register;
 - (2) the personal information of directors, supervisors, and senior management of the Bank, including:
 - (i) present and past names and alias;
 - (ii) main address (domicile);
 - (iii) nationality;
 - (iv) professional job and all other part-time occupation, position;
 - (v) identification documents and its number.
 - (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 expense paid by the Bank in relation to such repurchases;
 - (5) minutes of the general meetings;

- (6) the latest audited financial statements and the reports of the Board of Directors, auditors and the Board of Supervisors;
- (7) special resolutions;
- (8) the copy of the latest annual return submitted to the State Administration for Market Regulation or other competent authorities for filing;
- (9) counterfoil of bonds, resolutions of the meetings of the Board of Directors, and resolutions of the meetings of the Board of Supervisors of the Bank;

Except for the documents mentioned in item (2) above, the Bank shall maintain all documents set out in items (1) to (8) above at its domicile in Hong Kong according to the Hong Kong Listing Rules to make them available for free inspection by the public and shareholders of its overseas listed shares. Documents mentioned in item (5) shall only be available for the shareholders. Copies of minutes of the general meetings are available for inspection of shareholders free of charge during working hours of the Bank. Upon request of any shareholder for obtaining the copies of the relevant meeting minutes, the Bank shall dispatch the relevant copies within seven days after receipt of a reasonable fee.

- (VI) 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;
- (VII) to request the Bank to repurchase shares from such shareholders who voted against the resolutions adopted at a general meeting to merge or divide the Bank;
- (VIII) to have other rights conferred in accordance with the laws, regulations and the Articles of Association.

If any person who has direct or indirect interest of the Bank does not disclose such interest to the Bank and exercises the rights of shares, the Bank shall not damage his/her rights based on shares of the Bank in freezing or other ways.

Article 61

Where a shareholder requests the inspection of or access to the relevant information as set forth in item (V) of Article 60, such shareholder shall provide the Bank with written documents evidencing the class and number of shares held by such shareholder in the Bank and the Bank shall provide the above information at the request of such shareholder upon verification of the shareholder's identity.

Shareholders shall fulfill their confidentiality obligation to the Bank while exercising the aforesaid right to know and use the information of the Bank in a reasonable manner. Shareholders who violate the obligation of confidentiality and thereby cause damage to the Bank shall be liable for compensation.

Article 62

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

If the procedure of convening a shareholders' general meeting or meeting of Board of Directors, or the method of voting at either type of meeting, violates the laws, administrative regulations or the Articles of Association, or the contents of a resolution violates the Articles of Association, a shareholder shall have the right to request the people's court to rescind the resolution within 60 days from the date on which the resolution is adopted.

Article 63

If any director or member of senior management has violated the laws, administrative regulations or provisions of the Articles of Association in performing their duties in the Bank and therefore has caused loss to the Bank, shareholders who have individually or jointly held 1% or more of the shares of the Bank for no less than 180 consecutive days may make a written request to the Board of Supervisors to initiate legal proceedings at the people's court. If any supervisor has violated laws, administrative regulations or provisions of the Articles of Association in performing his/her duties in the Bank and therefore has caused loss to the Bank, the aforesaid shareholders may make a written request to the Board of Directors to initiate legal proceedings at a people's court.

If the Board of Supervisors or the Board of Directors rejects or fails to initiate legal proceedings within 30 days after receiving the request as specified in the preceding paragraph, or the situation is so urgent that the interests of the Bank will suffer irremediable harm if legal proceedings are not initiated immediately, the shareholders specified in the preceding paragraph shall have the right to directly initiate legal proceedings at the people's court in their own names for the benefit of the Bank.

If a third party other than a director, supervisor or member of senior management infringes the legal interest of the Bank and therefore has caused loss to the Bank, the shareholders who have individually or jointly held 1% or more of the shares of the Bank for no less than 180 consecutive days may initiate legal proceedings at a people's court pursuant to procedures stated in the two preceding paragraphs of this Article.

Article 64

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

Article 65

A shareholder of the Bank shall have the following obligations:

- (I) to abide by the laws, regulations, regulatory provisions and the Articles of Association;
- (II) to pay the share capital as determined by the number of shares subscribed for and by the method of capital contribution;
- (III) not to return the shares to the Bank except for the purpose of abiding by the requirements of the laws, regulations or regulatory provisions;
- (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) to invest in the Bank with legitimate self-owned funds other than the non-self-owned funds such as entrusted funds and debt funds, unless otherwise provided by laws, regulations or regulatory systems;
- (VII) to truthfully inform the Bank of the information of financial information, shareholding structure, source of capital contribution, controlling shareholders, de facto controllers, related parties, parties acting in concert, ultimate beneficiaries and investment in other financial institutions in accordance with laws, regulations and regulatory provisions. The proportion of shareholding and the number of shareholding institutions shall comply with the regulatory requirements, and shall not entrust others or accept entrust to hold the shares of the Bank, unless otherwise provided by laws, regulations or regulatory systems;
- (VIII) if there is any change in the controlling shareholders, de facto controllers, related parties, persons acting in concert and ultimate beneficiaries of the shareholders, the relevant shareholders shall promptly notify the Bank in writing of such changes in accordance with the laws, regulations and regulatory requirements;
- (IX) in the event of a merger or division of shareholders, being ordered to suspend business for rectification, designated custody, takeover or cancellation, or the shareholders are in the process of dissolution, liquidation or bankruptcy, or there are changes in their legal representatives, company name, business premises, business scope and other material matters, they shall notify the Bank in writing in a timely manner in accordance with laws, regulations and regulatory requirements;
- (X) in the event that the capital adequacy ratio of the Bank is lower than the legal requirements or the lowest standard as required by the banking regulatory and administrative authorities under the State Council, the shareholder shall support the measures of increasing the capital adequacy ratio proposed by the Board of Directors;
- (XI) in case of liquidity difficulties encountered by the Banks, the shareholders who have borrowings from the Banks should immediately repay the borrowings which fall due and the outstanding borrowings in advance;

- (XII) the shareholders and their controlling shareholder and de facto controllers shall not harm the legitimate rights and interests of the Bank, other shareholders and stakeholders by abusing their rights or taking advantage of its affiliate relationship; shall not interfere with the decision-making power and management rights of the Board of Directors and senior management according to the Articles of Association, and shall not bypass the Board of Directors and senior management to directly interfere with the operation and management of the Bank;
- (XIII) where the shares of the Bank held by shareholders are involved in litigation, arbitration, or subject to legal enforcement measures, pledges or pledges release, the shareholders shall inform the Bank in writing of the relevant information in a timely manner in accordance with the laws, regulations and regulatory requirements;
- (XIV) where shareholders who transfer or pledge their shares in the Bank or conduct related party transactions with the Bank, they shall comply with laws, regulations and regulatory requirements, and shall not prejudice the interests of other shareholders and the Bank;
- (XV) in case of risk events or major violations of the Bank, shareholders shall cooperate with the regulatory authorities to carry out investigation and risk disposal;
- (XVI) the major shareholders shall support the Board of Directors of the Bank to formulate reasonable capital planning, make long-term commitments of the capital replenishment to the Bank in writing, replenish capital for the Bank when necessary, and that commitments shall become a part of the capital planning of the Bank, so that the capital of the Bank can meet the regulatory requirements on an on-going basis. If the capital of the Bank fails to meet the regulatory requirements, a capital replenishment plan shall be formulated, including increasing core capital, to meet the regulatory capital adequacy ratio within the time limit. Under such circumstances, substantial shareholders shall not obstruct the capital injection by other shareholders or the participation of new qualified shareholders;

(XVII) shareholders who fail to apply to the regulatory authority for approval or fail to report to the regulatory authority, despite being required to do so, are not permitted to exercise the right to request convening of a shareholders' general meeting, the voting right, right of nomination, right of submitting proposals, and right of disposition, etc.;

(XVIII) for a shareholder that makes any false statement, abuses shareholders' rights or otherwise damages the interests of the Bank, the banking regulatory authority of the State Council may restrict or prohibit connected transactions between the Bank and the shareholder, restrict the limit of equity held in Bank, and equity pledge ratio, etc., and restrict his/her right to request convening of a shareholders' general meeting, the voting right, right of nomination, right of submitting proposals, and right of disposition, etc.;

(XIX) other obligations as required by the laws and regulations, regulatory requirements and the 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.

Liquidity difficulties mentioned in item (XI) of this Article shall be determined according to laws and regulations. In the event of the absence of relevant provisions in laws and regulations, it shall be determined by the Board of Directors.

In the event of a major risk event of the Bank, the Bank will adopt an appropriate loss absorption and risk resistance mechanism in accordance with the provisions of relevant laws and regulations and the recovery and disposal plans formulated by the Bank, and shareholders shall actively support it.

Article 66

The shareholders (especially the substantial shareholders) shall be restricted from voting in shareholders' general meetings and Directors he/she nominated or appointed shall be restricted from voting in meetings of the Board of Directors when the Bank's credit facilities are overdue. The aforementioned situation shall be recorded in minutes of shareholders' general meetings and meetings of the Board of Directors.

Where shareholders fail to repay the Bank any loans overdue, the Bank shall have the right to withhold the dividends of such shareholders as the repayment of their overdue loans. Any assets to be distributed to such shareholders in the liquidation process of the Bank shall also be used in priority for the repayment of the outstanding loans of the Bank.

Article 67

Credit terms offered by the Bank to the shareholders shall not be more favorable than those offered to other customers.

The credit balance granted by the Bank to an entity such as a substantial shareholder or its controlling shareholder, de facto controller, related party, party acting in concert and ultimate beneficiary shall be in compliance with the Interim Measures on Shareholding Management of Commercial Banks and relevant requirements of the banking regulatory authority of the State Council.

Article 68

The Bank shall not provide financing guarantee for debts of shareholders and their related parties unless they provide counter-guarantee by bank deposits or treasury bonds.

The aforementioned financing guarantee refers to the guarantee provided by the Bank for financing activities of shareholders and their related parties.

Article 69

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

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

- (I) Controlling shareholders shall nominate candidates for directors and supervisors of the Bank in strict compliance with applicable laws, regulations as well as the conditions and procedures stipulated in the Articles of Association of the Bank. Controlling shareholders shall have no rights to approve any resolutions on the election of members of shareholders' general meetings and any appointment of members of the board of directors, or appoint or remove any members of the senior management of the Bank without approval of the shareholders' general meeting and the board of directors;
- (II) Controlling shareholders, de facto controllers and their related parties shall not interfere with the normal decision-making procedure of the Bank or impair the legal interests of the Bank and other shareholders in violation of any laws, regulations and the Articles of Association of the Bank;
- (III) Controlling shareholders, de facto controllers and the Bank shall be independent of each other in respect of staff, asset, finance, institutions and business and shall have separate accounting and assumption of liabilities and risks;
- (IV) Members of the Bank shall be independent of controlling shareholders. No senior management of the Bank shall hold any position at any entity of the controlling shareholders other than the post of directorship; (V) Any assets contributed by a controlling shareholder in the Bank shall be independent and in its entirety, and with ownership unencumbered. The controlling shareholder shall not use or dispose of the assets of the Bank, or interfere with the operation and management of such assets of the Bank;
- (VI) The Bank shall establish a comprehensive financial and accounting management system according to laws, regulations and the Articles of Association, and adhere to independent accounting. Controlling shareholders, de facto controllers and their related parties shall respect the financial independence of the Bank and shall not interfere with the financial and accounting activities of the Bank;

(VII) The board of directors, the board of supervisors and other internal institutions of the Bank shall separately operate. Controlling shareholders and their subordinate authorities shall not make any plans or instructions with regard to the businesses of the Bank, or affect its independence in business management in any manner.

Controlling shareholders, de facto controllers and their related parties shall not interfere with the operation of the Bank or affect its independence in business management in violation of laws, regulations, the Articles of Association and stipulated procedures.

Article 70

In addition to the obligations required under the laws, regulations, regulatory provisions or the listing rules of the place where the securities of the Bank are listed, when exercising his/her rights as a shareholder, a controlling shareholder shall not exercise his/her voting rights and make decisions on the following issues which are detrimental to the interests of all or some of the shareholders:

- (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 (for his/her own or for the benefit of others) in depriving the Bank of its assets in any form, including but not limited to any business opportunities advantageous to the Bank;
- (III) Approving a director or a supervisor (for his/her own or for the benefit of others) in depriving other shareholder of their personal interests, including but not limited to any distribution rights and voting rights, unless the deprivation is made pursuant to the restructuring of the Bank submitted to and adopted at the shareholders' general meeting in accordance with the Articles of Association.

CHAPTER 6 SHAREHOLDERS AND SHAREHOLDERS' GENERAL MEETINGS

Section 1 Shareholders

Article 71

A shareholder of the Bank is a person who lawfully holds shares of the Bank and whose name is entered in the register of shareholders. A shareholder of the Bank shall be qualified for share subscription as required by the banking regulatory authority of the State Council.

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

To the extent permitted by the laws, regulations and regulatory requirements, where two or more persons are registered as the joint holders of any shares, they shall be deemed as the joint owners of such share, provided that they are subject to the following constraints:

- (I) the Bank shall not register more than four persons as the joint holders of any share(s);
- (II) all the joint holders of any share(s) shall be jointly and severally liable for payment of all amounts due from such share(s);
- (III) if one of the joint shareholders is deceased, only the surviving persons among the joint shareholders shall be regarded as the owners of relevant shares of the Bank, provided that the Board of Directors shall have the right to require the surviving persons to provide a certificate of death (in a manner deemed appropriate by the Board of Directors) for the purpose of changing the register of shareholders; and

(IV) as far as all joint shareholders of any shares are concerned, only the joint shareholder whose name appears first in the register of shareholders has the right to receive the share certificate of the relevant shares and notices of the Bank; and any notice served on such a shareholder shall be treated as having been served on all the other joint shareholders of those shares. Any joint shareholder may sign the proxy form. If more than one joint shareholder is present in person or by proxy, the vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint shareholders and for this purpose seniority will be determined by the order in which the names stand in the register of members in respect of the joint shareholding.

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

Section 2 General Provisions of the Shareholders' General Meetings

Article 72

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 business policies and investment plans of the Bank;
- (II) to elect and replace non-employee directors and supervisors and decide the remuneration of relevant directors and supervisors;
- (III) to consider and approve reports prepared by the Board of Directors;
- (IV) to consider and approve reports prepared by the Board of Supervisors;
- (V) to consider and approve annual budgets and final accounts;
- (VI) to consider and approve 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 issuance of corporate bonds or other securities of the Bank and the listing thereof;
- (IX) to adopt resolutions on the merger, division, dissolution, liquidation or change of the form of the Bank;
- (X) to amend the Articles of Association;
- (XI) to resolve the appointment, removal and non-reappointment of accounting firm that conducts regular statutory audits of the Bank's financial reports;
- (XII) to consider and approve the annual report of the Bank;
- (XIII) to consider and approve the procedural rules of shareholders' general meetings, the meetings of Board of Directors and Board of Supervisors;

- (XIV) to consider and approve the share option incentive plan;
- (XV) to adopt resolutions on the acquisition of shares of the Bank in accordance with laws;
- (XVI) to consider the issues of fixed asset investment, guarantees, investment, acquisition, disposal or write-off of assets, asset mortgage, entrusting other bodies to manage capital or other assets of the Bank as required by the laws and regulations, regulatory provisions, the Article of Association and other internal regulations to be approved by a shareholders' general meeting, including a single purchase or sale of material assets in an amount exceeding 10% of the latest audited net asset value of the Bank, a single equity investment in an amount exceeding 5% of the net capital of the Bank, or any equity investment that would result in the balance of equity investment exceeding 20% of the net capital of the Bank;
- (XVII) to consider any proposals submitted by any shareholders who individually or jointly hold 3% or more of the total voting rights shares of the Bank;
- (XVIII) to consider and approve any other matters that have significant impacts on the Bank; and
- (XIX) to consider and approve other matters required by the laws and regulations, regulatory provisions or the Articles of Association to be approved by a shareholders' general meeting.

The functions and powers of the general meeting prescribed by the Company Law and Article 18 of the Corporate Governance Standards for Banking and Insurance Institutions shall not be delegated to the Board, other institutions or individuals.

Article 73

A shareholders' general meeting shall be convened by the Board of Directors. Shareholders' general meetings consist of annual general meetings and extraordinary general meetings. Annual general meeting shall be held once a year and shall be held within six months from the end of the previous financial year. The decision to convene an extraordinary general meeting shall be reported in writing to the banking regulatory authority under the State Council for the record.

An extraordinary general meeting shall be convened by the Board of Directors within two months of the date of the occurrence of any of the following events:

- (I) the number of directors is less than the number required by the Company Law or less than two-thirds of the number required by the Articles of Association;
- (II) the outstanding losses of the Bank has reached one-third of the contributed 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 meeting;
- (IV) when the Board of Directors deems it necessary to convene such meeting;
- (V) when the Board of Supervisors suggests to convene such meeting;
- (VI) when more than half and not less than two of independent Directors proposed; and
- (VII) in other circumstances as provided for in the laws, regulations, regulatory provisions or the Articles of Association.

For item (II) above, the time limit for convening an extraordinary general meeting shall be calculated from the date on which the Bank becomes aware of the occurrence of the event.

For item (III) above, the number of shares held shall be calculated as of the date of request in writing made by the shareholders.

Article 74

If the Bank is unable to convene the annual general meeting or extraordinary general meeting within a required period, it shall report in writing to the banking regulatory authority under the State Council and provide reasons of postponement.

Article 75

The shareholders' general meeting shall be held at the domicile of the Bank or such other place as specified in the notice of the shareholders' general meeting.

The shareholders' general meeting of the Bank shall have a meeting place for convening the onsite meetings. The Bank shall facilitate a safe, economical and convenient network or adopt other means to provide convenience for minority shareholders to attend the general meeting on condition that the meetings shall be held legally and validly. A shareholder who participated in a shareholders' general meeting in the aforesaid manners shall be deemed to have been present at the meeting.

Article 76

The Bank can appoint lawyers for attestation at the shareholders' general meeting and provide legal opinions and issue announcements in respect of the following matters:

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

Section 3 Convening of Shareholders' General Meetings

Article 77

A shareholders' general meeting shall be convened by the Board of Directors according to the laws and regulations and the Articles of Association. In the event that the Board of Directors is incapable of performing or is not performing its duties of convening the shareholders' general meeting, the meeting shall be convened by the Board of Supervisors in a timely manner. If the Board of Supervisors fails to convene such meeting, shareholders individually or in aggregate holding 10% or more of the shares of the Bank for 90 days or more consecutively may unilaterally convene such meeting.

Article 78

No less than half of the independent directors shall be entitled to propose the convening of an extraordinary general meeting to the Board of Directors. If there are only two independent directors, the proposal for the convening of the extraordinary general meeting shall be approved by both of them. In relation to the aforesaid proposal of the convening of the extraordinary general meeting, the Board of Directors shall provide a written response as to whether or not it agrees to convene the extraordinary general meeting within ten days in accordance with the requirements of the laws, regulations, regulatory requirements and the Articles of Association.

If the Board of Directors agrees to convene the extraordinary general meeting, a notice convening such meeting shall be issued within five days after the resolution of the Board of Directors is passed. If the Board of Directors does not agree to convene the extraordinary general meeting, it shall provide reasons.

Article 79

The Board of Supervisors shall have the right to propose to the Board of Directors to convene an extraordinary general meeting and shall make its proposal to the Board of Directors in writing. The Board of Directors shall, in accordance with the laws, regulations, regulatory requirements and the Articles of Association, make a written response as to whether or not it agrees to convene an extraordinary general meeting within ten days of receiving the proposal.

If the Board of Directors agrees to convene the extraordinary general meeting, a notice convening such meeting shall be issued within five days after the resolution of the Board of Directors is passed. The Board of Directors shall obtain approval from the Board of Supervisors if there are any changes to the original proposal.

If the Board of Directors does not agree to convene the extraordinary general meeting or fails to give its response within ten days of receiving the proposal, the Board of Directors shall be deemed to be unable or to have failed to perform its duty in convening a shareholders' general meeting, and instead the Board of Supervisors may convene and preside over the shareholders' general meeting on its own initiative.

When all the external supervisors reach a consensus, they shall have the right to propose in writing that the Board of Supervisors should recommend the Board of Directors to convene an extraordinary general meeting. The Board of Supervisors shall, in accordance with the laws, regulations and the Articles of Association, make a written response as to whether or not it agrees to recommend the Board of Directors to convene an extraordinary general meeting within ten days of receiving the proposal.

Article 80

The shareholders shall provide a written proposal to the Board of Directors when they make a request to convene an extraordinary general meeting or class meeting and shall act in compliance with the following procedures:

- (I) Two or more shareholders holding in aggregate 10% or more of the shares carrying the right to vote at the meeting sought to be held shall sign one or more counterpart requisitions in writing requiring the Board of Directors to convene an extraordinary general meeting or a class meeting and stating the objectives of the meeting. The above-mentioned number of shares held shall be calculated as of the date of requisitions in writing made by the shareholders. The Board of Directors shall, in accordance with the laws, administrative regulations and the Articles of Association, make a written response as to whether or not it agrees to convene an extraordinary general meeting or class meeting within ten days of receiving the proposal.
- (II) If the Board of Directors agrees to convene the extraordinary general meeting or class meeting, a notice convening such meeting shall be issued within five days after the resolution of the Board of Directors is passed. In the event of any changes of the original proposal set out in the notice, approval of the related shareholders shall be sought.
- (III) If the Board of Directors does not agree to convene the extraordinary general meeting or class meeting, or fails to give its response within ten days of receiving the proposal, the shareholders who individually or jointly hold 10% or more of the shares carrying the right to vote shall have the right to propose to the Board of Supervisors to convene an extraordinary general meeting or class meeting and this proposal shall be made to the Board of Supervisors in writing.

- (IV) If the Board of Supervisors agrees to convene an extraordinary general meeting or a class meeting, a notice for convening such meeting shall be issued within five days upon receiving the proposal. In case of any change to the original proposal contained in the notice, approval of the related shareholders shall be sought.
- (V) If the Board of Supervisors fails to issue notice of the shareholders' general meeting or class meeting within the prescribed period, it shall be deemed to have failed to convene and preside over the shareholders' general meeting. Shareholders individually or jointly holding 10% or more of the shares carrying the right to vote at the meeting to be held for 90 days or more consecutively may unilaterally convene and preside over such meeting.

Article 81

If either the Board of Supervisors or shareholders propose to convene a shareholders' general meeting on their own initiatives, the Board of Directors shall be informed in writing and the relevant documents shall be filed with the securities regulatory authorities under the State Council of the jurisdiction where the Bank is located.

The shareholding percentage of the convening shareholders before the announcement of resolution made at the shareholders' general meeting shall not be less than 10%.

The convening shareholders shall, upon issuing the notice of shareholders' general meeting and the announcement of the resolution thereof, submit the relevant evidencing materials to the securities regulatory authorities under the State Council of the jurisdiction where the Bank is located.

Article 82

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

Article 83

Necessary costs arising out of a shareholders' general meeting convened by the Board of Supervisors or the shareholders on their own shall be borne by the Bank and shall be deducted from any sums owing by the Bank to the directors who have defaulted on their duties.

Section 4 Proposals and Notices of Shareholders' General Meetings

Article 84 A proposal of the shareholders' general meetings shall meet the following requirements:

- (I) the contents shall fall within the business scope of the Bank and terms of reference of the shareholders' general meeting, and shall comply with the relevant laws, regulations and the Articles of Association;
- (II) the proposal shall have definite topics for discussion and specific issues for resolution;
- (III) the proposal shall be submitted or delivered to the Board of Directors in written form.

Article 85 When the Bank convenes a shareholders' general meeting, the Board of Directors, the Board of Supervisors and the shareholders who individually or jointly hold a total of 3% or more of the shares of the Bank carrying the right to vote shall be entitled to submit their proposals to the Bank.

Shareholders who individually or jointly hold a total of 3% or more of the shares of the Bank carrying the right to vote may submit provisional proposals to the convener in writing ten days prior to the date of the shareholders' general meeting. The convener shall issue a supplemental notice setting out the contents of the provisional proposals within two days upon receiving the proposals. Regulations as otherwise stipulated by the listing rules of the place where the securities of the Bank are listed shall also be observed.

Except for the circumstances provided in the above paragraph, the convener shall not amend or add any new proposal to those set out in the original notice of the shareholders' general meeting after the notice of the general meeting has been issued.

Proposals which have not been set out in the notice of shareholders' general meeting or which are not in compliance with Article 84 of the Articles of Association shall not be put forward and voted upon as resolutions at the shareholders' general meeting.

Article 86

The Board of Directors of the Bank shall consider the proposals of the shareholders' general meeting in accordance with foregoing requirements in the best interest of the Bank and shareholders. Where the Board of Directors of the Bank decides not to include any of the proposals proposed to the shareholders' general meeting in the agenda thereof, it shall give an explanation at the meeting and file the contents of such proposal and explanation of the Board of Directors, together with the resolutions of the shareholders' general meeting after the conclusion of the meeting.

Article 87

Where the Bank convenes an annual general meeting, a written notice shall be given twenty-one days prior to the date of the meeting to notify all the shareholders whose names appear on the register of shareholders of the issues to be considered at the meeting, and the date and venue of the meeting. When the Bank is to convene an extraordinary general meeting, a written notice shall be given fifteen days prior to the date of the meeting to notify all the shareholders whose names appear on the register of shareholders of the issues to be considered at the meeting, and the date and venue of the meeting.

Article 88

In accordance with relevant regulations, the Bank may convene a shareholders' general meeting after issuing a notice of shareholders' general meeting. Such notice shall be published in a newspaper in compliance with the relevant requirements.

Matters not included in the notice shall not be deliberated at the shareholders' general meeting.

Article 89

The notice of a shareholders' general meeting shall:

- (I) be in writing;
- (II) specify the venue, date, time and duration of the meeting;
- (III) set out 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, or other senior management 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, and senior management in their capacity as shareholders different from the effect on other shareholders of the same 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 all shareholders are entitled to attend the shareholders' general meeting or appoint a proxy to attend and vote at such a meeting in writing and that such proxy needs not to be a shareholder;
- (VIII) specify the time and venue for delivering the proxy form for the voting proxy for the meeting;
- (IX) specify the equity registration date of the shareholders entitled to attend the shareholders' general meeting;
- (X) contain the name and telephone number of the contact person for the meeting;
- (XI) other requirements stipulated by laws, regulations, regulatory provisions and the Articles of Association.

The interval between the equity registration date and the meeting shall comply with the requirements of the regulatory authority of the place where the securities of the Bank are listed. Once the equity registration date is determined, it shall not be amended.

Article 90

Unless otherwise provided by laws, regulations, regulatory provisions and the Articles of Association, the notice of the shareholders' general meeting shall be served on all shareholders (whether or not such shareholder is entitled to vote at the shareholders' 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 shareholders. 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. Once the announcement has been made, all holders of domestic shares shall be deemed to have received the notice of the shareholders' general meeting.

The notice, information or written statement shall be delivered to the shareholders of overseas listed shares listed in Hong Kong before the convening of the meeting in any of the following ways:

- (I) sending to the registered address of each of the holders of overseas listed shares by personal delivery or mail;
- (II) publishing on the website of the Hong Kong Stock Exchange and one or more of the newspapers designated by it in accordance with applicable laws, administrative regulations and relevant listing rules;
- (III) in accordance with other requirements of the listing rules of the place where the securities of the Bank are listed.

Article 91

The convener shall duly disclose the details of the candidates for directors and supervisors in relation to the election of directors and supervisors to be discussed on the shareholders' general meeting, which include the followings:

- (I) personal details including the education background, work experience and positions held;
- (II) if there are any relationship between them and the Bank or the controlling shareholders and de facto controllers of the Bank;
- (III) number of shares held of the Bank;
- (IV) any penalty by the related regulator or reprimand by the stock exchange;
- (V) information in relation to the directors or supervisors newly appointed or redesignated that is required to be disclosed under the Hong Kong Listing Rules.

Article 92

The general procedures for nomination and election of directors are as follows:

- (I) subject to the size of the Board of Directors prescribed by the Articles of Association, shareholders individually or jointly holding 3% or more of the total voting shares of the Bank and Nomination and Remuneration Committee of the Board of Directors shall have the right to propose candidates for non-independent directors in accordance with the number of Directors required to be elected;
- (II) the Nomination and Remuneration Committee of the Board of Directors shall conduct preliminary verification on the qualifications and eligibility of the director candidates, and submit qualified candidates to the Board of Directors for consideration. After approval by the Board of Directors, written resolutions regarding director candidates shall be proposed to the shareholders' general meeting;
- (III) the director candidates shall provide written undertakings that they accept the nomination, the information disclosed publicly is true and complete and that they shall conscientiously perform their obligations as a director upon being elected prior to the commencement of the shareholders' general meeting;
- (IV) the Board of Directors shall disclose detailed information of the director candidates to shareholders before the commencement of the shareholders' general meeting in accordance with the laws, regulations and the Articles of Association, to ensure shareholders having a sufficient understanding of the candidates when voting;
- (V) each director candidate shall be voted separately at the shareholders' general meeting;
- (VI) if it is necessary to fill a vacant position for a director, the Nomination and Remuneration Committee of the Board of Directors or shareholders eligible to make nominations shall submit proposals to the Board of Directors for consideration, and the position shall be elected or replaced at the shareholders' general meeting.

Where specific nomination methods and procedures are required for independent directors and employee representative directors by the laws and the Articles of Association, such laws and provisions shall prevail.

The Nomination and Remuneration Committee of the Board of Directors shall avoid being affected by shareholders and exercise the right to nominate directors independently and prudently.

Article 93

The nomination and election procedures of supervisors are as follows:

- (I) shareholder representative supervisors shall be nominated by the Board of Supervisors and shareholders who individually or jointly hold 3% or more of the shares of the Bank with voting rights. External supervisors shall be nominated by the Board of Supervisors and shareholders who individually or jointly hold 1% or more of the shares of the Bank with voting rights. Employee representative supervisors shall be nominated by the Board of Supervisors and labor union of the Bank. Shareholder representative supervisors and external supervisors shall be elected, removed and replaced by the shareholders' general meeting. Employee representative supervisors shall be elected, removed and replaced by the employee representative meeting in a democratic manner;
- (II) the nomination committee of the Board of Supervisors shall conduct preliminary verification on the qualifications and eligibility of the candidates for non-employee representative supervisors;
- (III) before the shareholders' general meeting is convened, the candidates for non-employee representative supervisors shall provide written undertakings that they accept the nomination, that the publicly disclosed information is truthful and complete and that they shall conscientiously perform their obligations upon election;
- (IV) the Board of Supervisors shall disclose, in accordance with the laws, regulations and the Articles of Association, detailed information of the candidates for non-employee representative supervisors to shareholders before the shareholders' general meeting is convened to ensure shareholders will have a sufficient understanding of the candidates before voting;

- (V) each candidate for non-employee representative supervisor shall be voted for on a separate basis at the shareholders' general meeting;
- (VI) if it is necessary to fill a vacant position for a non-employee representative supervisor, the Board of Supervisors shall propose candidate for supervisor, and the position shall be elected or replaced at the shareholders' general meeting.

Article 94

Once the notice of shareholders' general meeting is issued, the meeting shall not be postponed or cancelled without proper reasons, and proposals contained in the notice or supplementary notice shall not be withdrawn. In the event of any postponement or cancellation, the convener shall inform the shareholders and provide reasons at least two working days before the original meeting date.

Section 5 Holding of Shareholders' General Meetings

Article 95

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

Article 96

Shareholders whose names appear in the register of shareholders shall be entitled to attend the shareholders' general meeting, and vote in accordance with the related laws and regulations and the Articles of Association. Any shareholder entitled to attend and vote at a shareholders' 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. A proxy so appointed may exercise the following rights pursuant to the authorization by such shareholder:

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

Article 97

An individual shareholder attending the meeting in person shall present his/her identification documents or other valid certificate bearing evidence of his/her identity or share certificate; a proxy attending the meeting on behalf of an individual shareholder shall present his/her valid identification documents, copy of shareholder's identification documents, power of attorney of the shareholder and share certificate.

A corporate shareholder shall attend the meeting through its legal representative or a proxy appointed by its legal representative. The legal representative attending the meeting shall present his/her own identification documents, valid certificate bearing evidence of his/her qualifications as a legal representative and share certificate; a proxy attending the meeting on behalf of the legal representative shall present his/her identification documents, power of attorney lawfully issued by the legal representative of the corporate shareholder and share certificate (other than recognized clearing houses or agents thereof).

Shareholders, who are recognized clearing houses or agents thereof, may authorize one or more persons as their proxies as they deem appropriate to act on their behalf at any shareholders' general meeting or class meeting. However, in the event that more than one person is authorized, the power of attorney shall specify the number and class of 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 agent) (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 a shareholder of the Bank.

Article 98

The power of attorney shall be in writing under the hand of the principal or his/her agent duly authorized in writing. If the principal is a legal person, it shall be under seal or under the hand of a director or agent duly authorized.

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

- (I) name and valid identification documents of the proxy and the number and class of shares to be represented by the proxy so authorized;

- (II) whether the proxy has the right to vote;
- (III) instructions to vote for or against or abstain from voting on each and every matter included in the agenda of the shareholders' general meeting;
- (IV) whether the proxy has the voting right in respect of any temporary proposals which may possibly be included in the agenda of the shareholders' general meeting; if any, the specific instructions to vote;
- (V) date of issue and validity period of the power of attorney;
- (VI) signature (or seal) of the principal or his/her agent duly authorized in writing; if the principal is a corporate shareholder, it shall be executed by an authorized person and affixed with the corporate seal.

The format of the power of attorney issued to the shareholder by the Board of Directors of the Bank for the appointment of proxies shall provide the shareholder with the flexibility to instruct his/her proxy to vote for or against and to give separate instructions for each resolution to be decided at the meeting.

The power of attorney shall indicate whether the proxy may vote at his/her discretion in the absence of instructions by the shareholder.

Article 99

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

Where the principal is a legal person, its legal representative or a person authorized by its Board of Directors or other decision-making body shall attend the shareholders' general meeting of the Bank.

- Article 100** If the principal has deceased, incapacitated to act, withdrawn the appointment or authorization to sign the power of attorney, or where the relevant shares have been transferred prior to the voting at the shareholders' general meeting, a vote given by the proxy in accordance with the power of attorney shall remain valid provided that no written notice of such event has been received by the Bank prior to the commencement of the relevant meeting.
- Article 101** The attendance register of the shareholders' general meeting shall be prepared by the Bank. The attendance register shall, amongst other matters, contain the names (or corporate names) of the attendees, numbers of their identification documents, their residential addresses, the number of voting shares held or represented by them, and the names (or corporate names) of the principals.
- Article 102** The convener and the lawyer appointed by the Bank shall jointly verify the qualification of shareholders according to the register of shareholders provided by the securities registration and clearing institution and register the names and their number of voting rights shares. The registration shall be closed before the convener announces the number of attending shareholders and proxies and the total number of their voting shares.
- Article 103** When the shareholders' general meeting is being convened, all the directors, supervisors and secretary of the Board of Directors of the Bank shall attend the meeting, and the president and other senior management shall be present at the meeting without voting rights.
- Article 104** A shareholders' general meeting shall be presided over by the chairman of the Board of Directors. In the event that the chairman is incapable of performing or is not performing his duties, the meeting shall be presided over by the vice chairman (the vice chairman nominated by half or more of the directors shall preside over the meeting if there are two or more vice chairmen at the Bank). In the event that the vice chairman is incapable of performing or is not performing his duties, a director nominated by half or more of the directors shall preside over the meeting. If no chairman is appointed, the attending shareholders may elect a single shareholder to chair the meeting. If the shareholders fail to elect a chairman for whatever reason, the attending shareholder (including any proxy thereof) holding the most voting shares shall preside over the meeting.

A shareholders' general meeting convened by the Board of Supervisors on its own initiative shall be presided over by the chairman of the Board of Supervisors. If the chairman of the Board of Supervisors is incapable of performing or is not performing his duties, a supervisor elected by not less than half of the supervisors shall preside over the meeting.

A shareholders' general meeting convened by the shareholders on its own initiative shall be chaired and presided over by a representative recommended by the convener.

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

Article 105

The rules of procedure for a shareholders' general meeting shall be formulated by the Bank to specify the convening and voting procedures of the shareholders' general meeting and the principles of authorization of the power by the shareholders' general meeting to the Board of Directors, including notice of meeting, convening manner, document preparation, forms of voting, proposition mechanism, minutes of meetings and the signatures thereof and abstention of related shareholders. The rules of procedure for shareholders' general meetings shall be formulated by the Board of Directors of the Bank and implemented after being approved at the shareholders' general meetings.

Article 106

The Board of Directors and the Board of Supervisors shall report their work of the previous year at the annual general meetings, and every independent director shall also make his/her work report.

Article 107

The directors, supervisors and senior management shall respond and give explanations to queries or recommendations from shareholders at the shareholders' general meeting except for the matters related to the trade secrets of the Bank which shall not be disclosed at the shareholders' general meeting.

Article 108 The chairman of the meeting shall, prior to voting, announce the number of attending shareholders and proxies and the total number of voting shares represented by them, but the figures recorded in the attendance register shall prevail.

Article 109 Minutes shall be recorded for the shareholders' general meeting, and the secretary to the Board of Directors shall be in charge of recording the minutes. The minutes shall contain the following information:

- (I) the time, venue, and agenda of the meeting, as well as the name (or corporate name) of the convener;
- (II) the names of the chairman of the meeting, and the directors, supervisors, president and other members of senior management attending or present at the meeting;
- (III) the number of attending shareholders and their proxies, the total number of voting shares held by them and the proportion of these shares to the total number of shares of the Bank;
- (IV) the deliberation process for each resolution, key points of speeches and the voting result;
- (V) any enquiries or suggestions made by shareholders and the corresponding explanation or response;
- (VI) the name of the lawyer, vote counter and scrutineers; and
- (VII) any other matters that shall be recorded in the meeting minutes in accordance with the Articles of Association.

Article 110 The convener shall ensure the meeting minutes are true, accurate and complete. The attending directors and supervisors, secretary of the Board of Directors, the convener or representative thereof and the presider of the meeting shall sign the meeting minutes. The meeting minutes, the signature list of shareholders attending the meeting and the power of attorney for attendance by proxy, the valid information relating to the voting shall be kept by the Bank perpetually.

Article 111 Documents including minutes and resolutions of a shareholders' general meeting shall be filed with the banking regulatory authorities of the State Council immediately after the conclusion of the meeting.

Article 112

The convener shall ensure that the shareholders' general meeting is held continuously until final resolutions have been concluded. In the event that the shareholders' general meeting is adjourned or resolutions cannot be reached due to force majeure or other special circumstances, necessary measures shall be taken to reconvene the meeting as soon as possible or directly terminate the meeting and an announcement shall be promptly published. In addition, the convener shall report to the securities regulatory authorities of the State Council at the location of the Bank and the stock exchange where the securities of the Bank are listed in accordance with relevant regulations.

Section 6 Voting Procedures and Resolutions of Shareholders' General Meetings**Article 113**

Shareholders (including proxies thereof) who vote at a shareholders' general meeting shall exercise their voting rights based on the number of shares with voting rights held. Each share shall have one vote.

When a related party transaction is considered at a shareholders' general meeting, the related shareholders shall not vote, and the voting shares represented by them shall not be counted in the total number of valid votes. The announcement of the shareholders' general meeting shall fully disclose the voting results of the non-related shareholders.

Related shareholders may voluntarily avoid voting or other shareholders or shareholder representatives attending the shareholders' general meeting may request related shareholders to avoid voting. If other shareholders or shareholder representatives attending the shareholders' general meeting request a shareholder to avoid voting but such shareholder does not think so, the shareholder shall give reasons. If such shareholder fails to convince the shareholders requesting him to avoid voting with the reasons, the shareholders' general meeting may respectively record the voting results when the shareholder with a disputed related relation identity avoids or does not avoid voting. After the shareholders' general meeting, the Board of Directors shall finalize the voting results after applying to the relevant authorities for determining the related relation identity of the relevant shareholder and notify all shareholders of the results.

Shares held by the Bank shall have no voting rights and shall not be counted in the total number of the voting shares represented by the shareholders attending the meeting.

The Board of Directors, independent directors and shareholders who meet the relevant requirements may solicit votes from shareholders publicly. While soliciting votes of shareholders, sufficient disclosure of information such as the specific voting preference shall be made to the shareholders from whom voting rights are being solicited. No consideration or other form of de facto consideration shall be involved in the solicitation of voting rights from shareholders. The Bank shall not impose any limitation related to the minimum shareholding ratio on the solicitation of voting rights.

Article 114

Resolutions of the shareholders' 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 shareholders' 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 shareholders' general meeting.

Article 115

The following matters shall be approved by ordinary resolutions at the shareholders' general meeting:

- (I) the work reports of the Board of Directors and the Board of Supervisors;
- (II) the profit distribution plans and loss recovery plans prepared by the Board of Directors;
- (III) election and replacement of members of the Board of Directors and non-employee representative supervisors, remunerations of all directors and supervisors and the payment thereof;
- (IV) the annual financial budgets, final accounts, balance sheets, income statements and other financial reports of the Bank;
- (V) the annual reports of the Bank; and
- (VI) other matters than those that should be passed by special resolutions pursuant to the laws, regulations and the Articles of Association.

Article 116

The following matters shall be approved by special resolutions of shareholders' general meeting:

- (I) an increase or reduction in the registered capital and the issue of any class of shares, warrants and other securities of the Bank;
- (II) the issue and listing of bonds or other securities of the Bank;
- (III) the merger, division, dissolution, liquidation, or change of the form of organization of the Bank;
- (IV) the purchase or sale of single material asset that exceed 10% of the latest audited net assets of the Bank;
- (V) amendment to the Articles of Association of the Bank;
- (VI) the dismissal of independent directors;
- (VII) the consideration and approval of equity incentive plans; and
- (VIII) other matters required to be approved by special resolution in accordance with the laws and regulations, regulatory requirements or the Articles of Association, or by ordinary resolution of shareholders' general meeting as the matters are significantly important to the Bank.

Article 117

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

Article 118

The suggested list of candidates to serve as directors and supervisors (other than employee representative directors and employee representative supervisors) shall be put forward to the shareholders' general meeting for voting.

The candidates for directors and non-employee representative supervisors shall not be nominated by the same shareholder or its affiliates concurrently. Generally, the number of directors or non-employee representative supervisors nominated by the same shareholder and its affiliates shall not exceed one-third of the total number of the members of the Board of Directors or the Board of Supervisors. If such candidate for director (or non-employee representative supervisor) as nominated by the same shareholder and its affiliates has served as director (or non-employee representative supervisor), such shareholder shall not nominate another candidate for non-employee representative supervisor (or director) until the term of office of the director (non-employee representative supervisor) expires or the director (non-employee representative supervisor) is replaced, unless otherwise provided by the state.

- Article 119** All proposals shall be voted separately at the shareholders' general meeting. If there are a number of proposals related to the same matter, votes shall be cast in the order of which the proposals are presented. Except where there is force majeure or other special circumstances resulting in the adjournment of the shareholders' general meeting or the failure to pass resolutions, no resolutions proposed in the shareholders' general meeting shall be set aside or skipped.
- Article 120** No amendment shall be made to a proposal when it is considered at the shareholders' general meeting. Otherwise, the relevant amendment shall be deemed as a new proposal which shall not be voted on at the current shareholders' general meeting.
- Article 121** The same vote may only be cast once at the venue of a shareholders' general meeting, or by online voting or other means. In the event of multiple casting of the same vote, only the outcome of the first casting of such vote shall be counted.
- Article 122** Apart from proposals regarding the procedure or administration of the shareholders' general meeting for which resolutions may be made by a show of hands and counted by the chairman of the meeting acting in good faith, all other matters shall be decided on by a poll that records the name of the voter.

Article 123

For resolutions in relation to the procedure of shareholders' general meeting or administrative matters, unless vote is cast on poll particularly as required by the listing rules of the place where the shares of the Bank are listed, or a poll is (before or after any voting by a show of hands) demanded by the following persons, voting at a shareholders' general meeting shall be by a show of hands:

- (I) chairman of the meeting;
- (II) at least two shareholders entitled to vote or their proxies;
- (III) one or more shareholders (including proxies) individually or jointly holding more than 10% of the voting shares represented by all shareholders present at the meeting.

Unless otherwise provided by the Hong Kong Listing Rules or a poll is so 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 in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution at the meeting.

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

Article 124

If the matter demanded to be resolved by a poll is the election of the chairman of the shareholders' general meeting or the adjournment of the meeting, a poll shall be taken immediately. The chairman can decide when a poll will be taken if it is demanded for any other matters, the meeting may continue and other matters may be discussed. The results of that poll shall be considered as resolutions passed at the meeting.

Article 125

Before a proposal is put to vote at a shareholders' general meeting, two representatives of the shareholders shall be nominated to count the votes and to act as the scrutineers. If a shareholder has a material interest in the matter to be considered, the shareholder and his proxy shall neither count the votes nor act as the scrutineer.

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

Article 126

The chairman of a meeting shall determine whether the resolutions are approved at a shareholders' general meeting or not. His/her decision shall be final. The decision shall be announced at the meeting and recorded into the minutes.

Prior to the formal announcement of the voting results, all parties involved the shareholders' general meeting in person or in other voting form, including the Bank, the vote counter, the scrutineer and substantial shareholders, have an obligation to keep the voting results confidential.

Article 127

Shareholders present at a shareholders' general meeting shall adopt one of the following stances when a resolution is put forward for voting: for, against or abstention, except for the declaration by the securities registration and clearing institution as the nominal holder of certain shares based on the intention of actual holders.

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

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

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

Where a shareholder shall be abstained from voting on a specific resolution, or is restricted to only vote for or against a resolution under the Hong Kong Listing Rules, any vote of such shareholder or his/her proxy against the relevant requirement or restriction shall not be counted.

Article 128

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

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

Minutes, attendance records of shareholders and proxy forms shall be maintained at the domicile of the Bank.

Article 129

Resolutions adopted at a shareholders' general meeting shall be promptly announced. The announcement shall specify the number of shareholders and proxies attending the meeting, the total number of shares with voting rights held by them and the proportion relative to the total number of shares with voting rights of the Bank, the voting method, the voting outcome of each proposal and the details of each adopted resolution.

The announcement on the voting results of the shareholders' general meeting shall give a special indication if a resolution is not adopted or the shareholders' general meeting amended a resolution passed at the previous shareholders' general meeting.

The term of office of directors who are elected at a shareholders' general meeting shall start from the date when approval is obtained from the banking regulatory authority of the State Council. The term of office of supervisors who are elected at a shareholders' general meeting shall start from the date when the resolution of the shareholders' general meeting is adopted. The term of office of employee representative supervisors shall start from the date of approval by the employee representative meeting.

CHAPTER 7 SPECIAL PROCEDURES FOR VOTING BY A CERTAIN CLASS OF SHAREHOLDERS

Article 130 Shareholders who hold different classes of shares are classified as class shareholders.

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

Article 131 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 shareholders' general meeting and approval by the shareholders of the class so affected at a class meeting convened in accordance with Articles 133 to 137.

Article 132 The following circumstances shall be deemed to be a change 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 reduction or removal of pre-emptive rights to obtain dividends or property distribution in the liquidation of the Bank attached to shares of such class;
- (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 or 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 Bank which will result in shareholders of different classes bearing a disproportionate liability in such proposed restructuring;
- (XII) the change or abrogation of the provisions as contained in the Articles of Association.

Article 133

In relation to the matters mentioned in (II) to (VIII), (XI) and (XII) of Article 132, affected class shareholder, no matter if he has voting right at a shareholders' general meeting or not, shall be entitled to vote at the class meeting. However, interested shareholders shall not be entitled to vote at class meeting.

Interested shareholders mentioned in the preceding paragraph shall have the meaning as follows:

- (I) in 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 34 of the Articles of Association, a controlling shareholder within the meaning defined in Article 322 of the Articles of Association;
- (II) in case of a repurchase by the Bank of shares by an off-market agreement outside of the stock exchange under Article 34 of the Articles of Association, a shareholder to whom the proposed agreement relates;

(III) in 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 134 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 in accordance with Article 133.

Article 135 The written notice of a class meeting of the Bank shall be sent at the same time as that of non-class meeting proposed to be convened together, to inform all the registered shareholders of that class of the matters to be considered at the meeting as well as the time and venue of the meeting.

Pursuant to the relevant provisions, once the notice of class meeting is issued by the Bank, the class meeting may be held. Such notice shall be published in a newspaper in compliance with the relevant requirements.

The class meetings (excluding adjourned meetings) convened to consider modifying or abrogating the rights of any class of shareholders may be held only when at least 1/3 of such class of shareholders attend the meeting.

Article 136 Notice of a class meeting shall be served exclusively on shareholders entitled to vote at such meeting.

The procedures of any class meeting shall be conducted in a similar manner as any shareholders' general meeting as far as possible. Provisions in the Articles of Association which relate to any shareholders' general meeting shall apply to any class meeting.

Article 137 Apart from holders of other classes of shares, holders of domestic shares and overseas listed foreign 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:

- (I) any proposed issue of domestic shares and overseas listed foreign shares by the Bank in every twelve months, whether separately or concurrently, if such proposed issue of domestic shares and overseas listed foreign shares are approved by the shareholders in a shareholders' general meeting by way of special resolution, and the number of domestic shares and overseas listed foreign shares proposed to be issued by the Bank does not exceed 20% of the shares of such class in issue;
- (II) where the Bank's plan to issue domestic shares and overseas listed foreign 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;
- (III) with the approval of such relevant regulators as the banking regulatory authorities of the State Council and the securities regulator under the State Council, holders of domestic shares of the Bank transfer the shares to foreign investors, and list and trade the shares in overseas stock exchanges.

CHAPTER 8 PARTY COMMITTEE

Article 138

The Bank has established the Party Committee of Dongguan Rural Commercial Bank Co., Ltd. (hereinafter referred to as the "**Party Committee**"). The Party Committee shall consist of 1 secretary, 1 to 3 deputy secretaries and several other members. The chairman of the Board of Directors 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. 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. Meanwhile, a discipline inspection commission shall also be established in accordance with relevant requirements.

Article 139

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

- (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, procedures, 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 shareholders' 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 9 BOARD OF DIRECTORS

Section 1 Directors

Article 140

Directors of the Bank are natural persons and shall not be required to hold shares of the Bank. The directors shall possess the requisite qualifications stipulated by laws, regulations and requirements of the banking regulatory authority of the State Council.

Directors of the Bank are composed of executive directors and non-executive directors (including independent directors). An executive director means a director assuming the responsibilities of senior management in addition to holding directorship of the Bank. A non-executive director means a director of the Bank who does not hold any position in the Bank other than that of a director and does not assume the responsibilities of senior management.

Article 141

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

- (I) a person without or with limited capacity for civil conduct;
- (II) a person who has been penalized or sentenced due to corruption, bribery, embezzlement, appropriation of property or disruption of the social economy, or deprivation of political rights for the crimes committed was carried out;
- (III) a director, factory director or manager of companies or enterprises that were bankrupt and liquidated due to poor operational management whereby such person was personally liable for the bankruptcy;

- (IV) a legal representative of a company or a firm which has had its business license revoked or ordered to close down due to a violation of laws in which such person was personally liable;
- (V) a person having large amounts of debts due and outstanding;
- (VI) a person under investigation by judicial authorities for suspected violations of criminal law;
- (VII) a person banned from holding leadership positions by laws and administrative regulations;
- (VIII) a non-natural person;
- (IX) a person ruled by competent authorities as having violated the provisions of securities laws and regulations involving fraudulent or dishonest acts and less than five years have elapsed since the ruling;
- (X) a person having criminal records of deliberate or material misconduct;
- (XI) a person who had served in a leading position in a company or a firm which was involved in illegal activities or had suffered material loss for which such person had personal or direct responsibility;
- (XII) a person who acts against public morality resulting in serious consequences;
- (XIII) a person who had violated professional ethics or conducts or had major default causing serious loss or consequences;
- (XIV) a person who had instructed or participated in the resistance of a firm being served to regulatory supervision or investigation;
- (XV) a person banned from holding the position of director or senior management for a lifetime or had been punished by regulatory authorities or financial management department for more than twice;
- (XVI) a person who is not qualified for his position or seeking approval for qualification through irregular means;

- (XVII) a public servant and a person who is prohibited from taking part-time positions in a company by the laws, rules, regulatory rules or the rules of the securities regulatory authority in the place where the securities of the Bank are listed;
- (XVIII) a person who is prohibited from trading in securities market by China Securities Regulatory Commission, where such prohibition has not been removed; and
- (XIX) any other persons prohibited from acting as director, supervisor, president or senior management of the Bank by the laws, regulations, regulatory rules and the Articles of Association.

The election, appointment or employment of a director, supervisor or senior management in violation of these provisions shall be invalid and the Bank shall dismiss a director, supervisor or senior management if he/she is involved in circumstances mentioned in this Article during his/her term of office.

Article 142

Directors shall be elected or replaced at a shareholders' general meeting. The term of office of the directors shall be three years, and a director may be re-elected and re-appointed upon expiry of his/her term of office. Before the expiry of the director's term of office, the shareholders' general meeting shall not dismiss any director without any reason.

The term of office of a director shall commence from the date on which directorship of the said director was confirmed by the banking regulatory authority of the State Council to the expiry of the current term of the Board of Directors.

A director shall work in the Bank for at least 15 workdays every year.

A written notice of intent to nominate a candidate to become a director of the Bank, together with the candidate's consent to such nomination and relevant written materials of the candidate's information, shall be given to the Bank no earlier than the day after the issue of the notice of the shareholders' general meeting, but no later than seven days before such meeting. The time period given by the Bank for the submission of the aforesaid notices and documents by the nominators and candidates shall not be less than seven days (from the next day after the issue of the notice of the shareholders' general meeting).

Subject to the relevant laws, regulations and regulatory requirements, a director whose term of office has not expired may be removed by an ordinary resolution (but such removal shall not cause prejudice to any claim which may be instituted by the director under any contract). Where re-election is not carried out promptly after a director's term of office expires, the director shall continue to perform the duties owed by a director before a new director is elected to take up the office, subject to the laws, regulations, regulatory requirements and the Articles of Association.

The Board of Directors may comprise employee representative(s) of the Bank. Employee representatives who serve as directors shall become members of the Board of Directors after elected by employee representatives at the staff representative assembly of the Bank, which shall be reported by the Board of Directors to the shareholders' general meeting.

The members of the Board of Directors shall have professional knowledge in areas such as finance, accounting, risk management, financial management and financial technology, and the proportion of directors and independent directors with international exposure and management experience may be duly increased.

After a director is elected and his/her directorship is approved by the banking regulatory authority of the State Council, the Bank shall enter into an employment contract with such director in a timely manner, which shall specify, among others, rights and duties between the Bank and the director, the term of office of the director, liability of the director due to violation of laws, regulations and his/her responsibilities stipulated by the Articles of Association and compensation on early termination of the said employment contract for any reason by the Bank, in compliance with the laws, regulations and the Articles of Association.

Article 143

The directors shall perform the following duties or obligations:

- (I) to pay continuous attention to the Bank's business operation and management and to request senior management to provide comprehensive, timely and accurate information on the Bank's business operation and management or to provide explanations on relevant issues;

- (II) to attend board meetings on a regular basis, fully examine matters under consideration by the Board of Directors, express their views independently, professionally and objectively, and vote independently on the basis of prudent judgment;
- (III) to assume responsibilities for resolutions of the Board of Directors;
- (IV) to supervise the implementation of resolutions of shareholders' general meetings and the Board of Directors by senior management;
- (V) to actively participate in trainings organized by the Bank and regulatory authorities understand the rights and obligations of directors, get familiarised with relevant laws and regulations and regulatory provisions, and continue to have the necessary professional knowledge and capabilities required for performing their duties;
- (VI) to be accountable to the Bank and all shareholders in the performance of their duties and treat all shareholders fairly;
- (VII) to apply high standards of professional ethics and consider the legitimate interests of stakeholders;
- (VIII) to be faithful and diligent to the Bank, exercise due diligence and care in the performance of duties and to ensure sufficient time and attention to discharge duties; and
- (IX) to comply with laws and regulations, regulatory provisions and the Articles of Association of the Bank.

Article 144

Directors shall undertake the following fiduciary duties to the Bank in accordance with laws, regulations, regulatory requirements, relevant rules of the securities regulatory authority in the place where shares of the Bank are listed and the Articles of Association:

- (I) not to abuse their authority in accepting bribes or other unlawful income, and not to misappropriate the Bank's assets;
- (II) not to misappropriate funds of the Bank;

- (III) not to deposit any funds of the Bank into any account under their own names or names of other individuals;
- (IV) not to loan any fund of the Bank or provide guarantee in favour of others supported by the assets of the Bank in violation of the Articles of Association or without approval of the shareholders' general meeting or the Board of Directors;
- (V) not to enter into any contract or transaction with the Bank in violation of the Articles of Association or without approval of the shareholders' general meeting;
- (VI) not to use their positions to procure business opportunities for themselves or others that should have otherwise available to the Bank, or operate businesses similar to that of the Bank for their own benefits or on behalf of others without approval of the shareholders' general meeting;
- (VII) not to accept commissions paid by a third party for transactions conducted with the Bank;
- (VIII) not to divulge any confidential information of the Bank without authorization;
- (IX) not to use their affiliations to damage the interests of the Bank;
- (X) to fulfill other fiduciary duties stipulated by laws, regulations and the Articles of Association.

Income generated by the directors in violation of the aforementioned requirements shall be returned to the Bank, and he/she shall be liable to the Bank for compensation of any loss resulted therefrom.

Article 145

Directors shall fulfill the following obligations of diligence in accordance with laws, regulations, regulatory requirements, relevant rules of the securities regulatory authority in the place where securities of the Bank are listed and the Articles of Association:

- (I) to exercise the rights conferred by the Bank with due discretion, care and diligence to ensure the commercial activities of the Bank comply with the requirements of PRC laws, administrative regulations and relevant PRC economic policies and are not beyond the business scope specified in the business license of the Bank;
- (II) to treat all shareholders impartially;
- (III) to keep themselves informed of the operation and management conditions of the Bank in a timely manner;
- (IV) to ensure the truthfulness, accuracy and completeness of the information disclosed by the Bank;
- (V) to honestly provide the Board of Supervisors with relevant information and materials, and not to hinder the Board of Supervisors or supervisors from exercising their functions and powers;
- (VI) to fulfill other obligations of diligence stipulated by laws, regulations, regulatory requirements, rules of the securities regulatory authorities in the place where securities of the Bank are listed and the Articles of Association.

The directors shall be legally entitled to be informed of the Bank's business status and financial condition and oversee the performance of duties by other directors and members of the senior management.

Article 146

A director shall be deemed incapable of carrying out their duties if they fail to attend two consecutive board meetings either personally or by appointing other directors to attend on his/her behalf, and the Board of Directors shall make a proposal to the shareholders' general meeting to remove such director. Failure to attend more than two-thirds of the physical board meetings in person every year shall not be rated as competent for the year.

Article 147

A director may resign before his/her term of office expires. He/she shall submit a written resignation to the Board of Directors. The Board of Directors shall disclose such resignation within two days.

In the event that a candidate for a director nominated by a shareholder is elected but the shareholder (being the nominator) transfers all of the shares held by him/her before the term of office of such director expires, the director so nominated shall resign.

Where the resignation of a director during his/her term of office affects the Bank's normal operation or causes the number of directors of the Bank's Board of Directors to fall below the minimum quorum or two-thirds of the number specified in the Articles of Association, such director shall continue to perform the duties owed by a director before a new director is elected to take up the office, subject to the laws, administrative regulations and the Articles of Association. When the Bank is dealing with the disposal of major risks, directors shall not resign without the approval of the regulatory authorities.

The resignation of a director becomes effective when the resignation is submitted to the Board of Directors, unless the circumstances stated above apply.

When the number of the directors on the Board of Directors falls below the minimum number stipulated in the Company Law or the minimum number required for voting by the Board of Directors due to the removal of directors by the shareholders' general meeting or death, the loss of independence and resignation of independent directors, or other circumstances under which directors cannot perform their duties, the powers of the Board of Directors shall be exercised by the shareholders' general meeting until the number of members of the Board of Directors meets the minimum requirement.

- Article 148** Where the resignation of a director becomes effective or the term of his/her office expires, the director shall complete all handover formalities with the Board of Directors. The fiduciary duties that such director undertakes towards the Bank and shareholders 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 length of time between the occurrence of the event and his resignation and the circumstances and the terms under which his relation with the Bank ends.
- Article 149** A director shall not represent the Bank or the Board of Directors in his/her own name, unless otherwise provided in the Articles of Association or legally authorized by the Board of Directors. A director shall announce his/her views and role in advance when he/she acts in his/her own name, if there is a possibility that a third party may reasonably believe that the director is representing the Bank or the Board of Directors.
- Article 150** A director shall be liable for compensation regarding any losses sustained by the Bank caused by his/her violation of the laws, regulations or the Articles of Association in the performance of his/her duties.
- Article 151** A director shall be liable for compensation regarding any losses sustained by the Bank caused by his/her resignation during the term of office without authorization.

Section 2 Independent Directors

Article 152

The Bank shall have independent directors. Independent directors refer to directors who do not hold other positions in the Bank other than a directorship and who have no relationship with the Bank, its shareholders or de facto controllers that may affect their independent and objective judgment on the Bank's affairs. The number of independent directors shall not be less than one third of the total number of directors.

An independent director of the Bank shall attain a high professional level and have good reputation and shall be a professional in law, economics, finance or accounting. He/she shall meet the following criteria:

- (I) have a bachelor's degree or above, or at least intermediate vocational titles of relevant professions;
- (II) have no less than 5 years of work experience in law, economics, finance, accounting or other experiences conducive to performing the duties and responsibilities of an independent director;
- (III) be capable of analysing operation, management and risk condition of commercial banks based on their financial statements and credit analysis reports;
- (IV) understand the corporate structure of the Bank, the Articles of Association and duties and responsibilities of the Board of Directors, possess fundamental knowledge on the operation of listed companies and commercial banks, and be familiar with relevant laws, administrative regulations, provisions and rules;
- (V) fulfil other criteria required by the laws, regulations, regulatory requirements, provisions of the stock exchange on which securities of the Bank are listed and the Articles of Association.

Article 153

The following persons shall not act as independent directors of the Bank:

- (I) persons who hold or whose close relatives hold 1% or above of the shares of the Bank;

- (II) persons who are employed or whose close relatives are employed by corporate shareholders which hold 1% or above of the shares of the Bank;
- (III) persons who are or whose immediate family members are natural person shareholders among the top 10 shareholders of the Bank or employed by the top 5 corporate shareholders of the Bank;
- (IV) persons who have had the circumstances cited in the paragraphs (I), (II) or (III) of this Article within the preceding year;
- (V) persons who have held or whose close relatives have held positions in the Bank or in entities in which the Bank holds controlling interests or has de facto control;
- (VI) persons who have held or whose close relatives have held positions in the Bank or in enterprises over which the Bank holds controlling interests or has de facto control in the 3 years before taking up the office;
- (VII) persons who have held or whose close relatives have held positions in the enterprises which are not able to repay the loans granted by the Bank in time;
- (VIII) persons who have held or whose close relatives have held positions in the enterprises which have legal, accounting, auditing, management consulting, guarantee cooperation and other business connections with the Bank or have an interest in the Bank in respect of claims, debts and others, thus impeding his/her independence in the performance of duties;
- (IX) persons who or whose close relatives may be controlled or materially influenced by the major shareholder(s) and senior management of the Bank, resulting in the situations where the independency of their performance of duties would be hindered;
- (X) persons who or whose close relatives can be controlled or materially influenced by the Bank through various ways;

(XI) other persons who are not allowed to act as independent directors by laws, administrative regulations, relevant regulatory authority, the listing rules of the stock exchange of the place in which the Bank's securities are listed and pursuant to the Articles of Association.

The term "close relatives" in this Article means spouses, parents, children, grandparents, maternal grandparents, siblings, grandchildren and maternal grandchildren.

Article 154

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

- (I) person who has been penalized due to corruption, bribery, embezzlement and appropriation of property or disruption of order of the social economy, or subject to deprivation of political rights for the crimes committed;
- (II) director, factory director or manager of any company or enterprise which was bankrupted due to bad operation and was responsible for the bankruptcy of such company or enterprise;
- (III) legal representative of companies or enterprises which have had their business licenses revoked and their business compulsorily closed down due to a violation of laws, for which such person was personally liable;
- (IV) person with a relatively large amount of past-due and outstanding debts;
- (V) person who has been dismissed by the original employer for failure to perform duties diligently;
- (VI) person who used to be key personnel in high-risk financial institutions and there is no proof proving that such person was not responsible for the cancellation or loss of assets of such institutions.

A staff member from a government authority shall not concurrently serve as an independent director of the Bank.

Article 155

The procedures of nomination and election for independent directors shall follow the principles below:

- (I) The Nomination and Remuneration Committee of the Board of Directors, shareholders of the Bank who hold more than 1% of the total voting shares of the Bank in issue individually or jointly, and the Board of Supervisors of the Bank may nominate candidates for independent directors to the Board of Directors who shall be elected by the shareholders' general meeting. Shareholders and their related parties who have nominated candidates for non-independent directors shall no longer nominate candidates for independent directors;
- (II) The consent of the nominees shall be obtained prior to the nomination of candidates for independent directors. Qualification of candidates of independent directors, including the independence, expertise, experience and capability, shall be reviewed by the Nomination and Remuneration Committee of the Board of Directors;
- (III) The appointment of an independent director shall mainly follow the market principle.

Article 156

The appointment of an independent director shall take effect after his/her qualification is approved by the banking regulatory authority of the State Council.

Article 157

Each term of office of an independent director shall be the same as that of other directors 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.

Article 158

Independent directors shall give statements to the Board of Directors before taking up the office, ensuring that they have enough time and energy to perform their duties and undertaking that they will perform duties of diligence. An independent director may serve as an independent director in at most five domestic or foreign enterprises concurrently. For banking or insurance institutions with a common independent director, the relevant institutions shall neither be affiliated with each other nor have conflicting interest.

Independent directors of the Bank shall not serve in more than two commercial banks at the same time.

Article 159

An independent director shall work for the Bank for no less than fifteen working days each year.

An independent director may appoint another independent director to attend the board meetings on his/her behalf but shall attend in person more than two-thirds of the physical board meetings each year.

Article 160

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

- (I) divulgence of business secrets and impairment of the legitimate interests of the Bank;
- (II) acceptance of illicit benefits in the performance of their duties, or the seeking of private benefits by taking advantage of the status of independent director;
- (III) failure to raise an opposing opinion despite being fully aware that a resolution of the Board of Directors violates laws, regulations or the Articles of Association;
- (IV) failure to exercise the veto power to related party transactions which have caused significant loss to the Bank;
- (V) other serious dereliction of duty identified by the banking regulatory authority of the State Council, the securities regulatory authority of the State Council and the securities regulatory authorities of the place in which the Bank's securities are listed.

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

Article 161

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

- (I) serious dereliction of duty;
- (II) failure to resign from the position when he/she is no longer qualified to be an independent director due to a change in his/her position;
- (III) failure to attend in person at least two-thirds of the physical board meetings held within one year;
- (IV) other circumstances where an independent director is no longer suitable for holding such position as stipulated by the laws and regulations, regulatory requirements and the stock exchanges where the securities of the Bank are listed.

If an independent director fails to attend the board meetings in person for three consecutive times, he/she shall be deemed as not performing his/her duties. The Bank shall convene a shareholders' general meeting within three months to remove him/her and elect a new independent director.

Article 162

A proposal submitted by the Board of Directors or the Board of Supervisors in connection with the dismissal of an independent director shall only be submitted to a shareholders' general meeting for consideration after such proposal has been adopted by two-thirds or more of the total number of directors or supervisors. An independent director may, before the Board of Directors or the Board of Supervisors submits the dismissal proposal, explain to the Board of Directors or the Board of Supervisors the relevant circumstance, make representations and defend for himself/herself.

If the Board of Directors or the Board of Supervisors proposes at a shareholders' general meeting to dismiss an independent director, they shall report to the banking regulatory authority of the State Council and issue a written notice to the independent director within one month prior to such shareholders' general meeting. The independent director shall have the right to express his/her opinion orally or in writing before the voting, and shall have the right to submit such opinion to the banking regulatory authority of the State Council 5 days prior to the shareholders' general meeting. The shareholders shall vote after reviewing the independent director's opinion in a legitimate manner.

Article 163

An independent director may resign before the expiry of his/her term of office.

An independent director who intends to resign shall submit a written resignation to the Board of Directors and shall submit a written declaration at the latest shareholders' general meetings specifying any circumstances related to the resignation or any facts that he/she believes require the attention of the Bank's shareholders and creditors.

If the number of independent directors in the Board of Directors falls below one-third of the Board of Directors after the resignation of an independent director, the independent director shall continue to perform his duties until the new independent director takes office, except for the resignation and removal due to loss of independence.

Article 164

In order to give full play to the role of independent directors, in addition to the powers granted to the directors by the Company Law, other relevant laws and regulations, the Bank shall also grant independent directors the following special powers:

1. to approve major related-party transactions and submit them to the Board of Directors for consideration; an independent director may engage an intermediary to produce an independent financial advisor's report to serve as basis for his/her judgment;
2. to propose to the Board of Directors for appointment or dismissal of accounting firm;
3. to request the Board of Directors to convene an extraordinary general meeting;
4. to propose to convene a board meeting;

5. to independently appoint external audit and consulting institutions;
6. to openly collect voting rights from shareholders before a shareholders' general meeting is convened.

An independent director shall seek the consent of more than half of all the independent directors before exercising the above powers.

Where the proposals above fail to be accepted or the said powers cannot be exercised normally, the Bank shall disclose the relevant details.

Independent directors shall constitute more than half of the Nomination and Remuneration Committee and the Audit Committee under the Board of Directors of the Bank.

Article 165

Independent directors shall give objective, impartial and independent opinions on the matters considered at the shareholders' general meeting or the board meetings, and in particular shall express their opinions at the shareholders' general meeting or to the Board of Directors on the following matters:

- (I) major related-party transactions;
- (II) profit distribution plans;
- (III) nomination, appointment and dismissal of directors and appointment and dismissal of senior management;
- (IV) remuneration of directors and senior management;
- (V) matters that may cause significant losses to the Bank;
- (VI) other matters that may materially affect the legitimate rights and interests of the Bank, minority shareholders and financial consumers;
- (VII) engagement or dismissal of accounting firms which conduct regular statutory audits of the Bank's financial reports;
- (VIII) other matters required by laws, regulations, regulatory requirements or the Articles of Association of the Bank.

Independent directors shall give opinions on the matters above in one of the following manners: agree; qualified opinions and the reasons thereof; disagree and the reasons thereof; unable to give opinion and the obstacles thereof.

Independent directors may elect one independent director, who shall be responsible for convening special meetings attended by the independent directors and studying issues related to performance of duties.

Article 166

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

- (I) the Bank shall ensure that the independent directors have the same right to information as other directors. All independent directors shall be notified of all matters to be resolved by the Board of Directors and be provided with sufficient information before the expiry of the statutory notice period. An independent director may request supplementary information if he/she considers the information provided is insufficient. If more than two independent directors consider the information provided is insufficient or the discussion is not clear enough, they may jointly submit request to the Board of Directors in writing to postpone the convention of the board meeting or to postpone the discussion of such matters, and the Board of Directors shall accept such request. Information provided by the Bank to independent directors shall be kept by both the Bank and the independent directors for at least 5 years;
- (II) the Bank shall provide the necessary support to the independent directors in the performance of their duties. The secretary of the Board of Directors shall provide assistance to the independent directors in the performance of their duties, including briefing of background information and provision of materials. The secretary of the Board of Directors shall duly prepare announcements on the independent opinions, proposals and written representations given by the independent directors which shall be made public in the form of an announcement;

(III) the relevant personnel of the Bank shall cooperate positively and shall not refuse to act, hinder or conceal anything and shall not interfere with the independent exercise of authority by the independent directors;

(IV) the expenses incurred from engaging an external organization and other costs incurred by independent directors for their performance of duties shall be borne by the Bank.

Article 167

Independent directors shall honestly, independently and diligently carry out their duties in accordance with laws and regulations, regulatory requirements and the Articles of Association to conscientiously safeguard the legitimate rights and interests of the Bank, minority shareholders and financial consumers from being affected by shareholders, de facto controllers, senior management or other entities or individuals having material interests with the Bank.

In the event of a material defect in the corporate governance mechanism or failure of the corporate governance mechanism of the Bank, the independent directors shall report the relevant information to the regulatory authorities in a timely manner. Independent directors shall keep the Bank's secrets confidential except reporting relevant information to the regulatory authorities in accordance with regulations.

Article 168

The Bank shall pay remunerations and allowances to independent directors. The payment standard shall be formulated by the Board of Directors and approved by the shareholders' general meeting.

Article 169

Independent directors shall carry out their duties in accordance with laws and regulations, regulatory requirements, the Articles of Association and the relevant provisions of the Bank's independent director system.

Article 170

In addition to the specific provisions regarding independent directors in this section, independent directors shall also comply with the general provisions for directors in the Articles of Association. In the event of any inconsistency between the general provisions and specific provisions, these specific provisions shall prevail.

Section 3 Board of Directors

Article 171 The Bank shall establish a board of directors. The Board of Directors shall be accountable to the shareholders' general meeting.

Article 172 The Board of Directors of the Bank shall be consisted of eighteen members with one chairman and may appoint vice chairman. The president or other senior management may concurrently serve as directors, but the total number of directors who concurrently serve as senior management personnel shall not exceed one half of the total number of directors of the Bank, and the number of senior management personnel in the Board of Directors of the Bank shall not be less than two. The number of non-executive directors shall not be less than one-half of the total number of directors of the Bank, of which the number of independent directors shall not be less than one-third and there shall be at least one independent director with accounting expertise.

The size and composition of the Board of Directors shall comply with the relevant laws and regulations and the relevant requirements for corporate governance to ensure the performance of duties of the Board of Directors in a professional and effective manner.

Article 173 The Board of Directors shall take the ultimate responsibility for operation and management of the Bank. The Board of Directors shall exercise the following powers according to the laws:

- (I) to convene shareholders' general meetings and report its work to the shareholders' general meetings;
- (II) to implement the resolutions of the shareholders' general meetings;
- (III) to formulate the development strategy of the Bank, and its specific development strategies in green credit, financial innovation and protection of consumers' interests and supervise the implementation of the said strategies, and to decide on the business plans and investment plans of the Bank;
- (IV) to prepare the annual financial budgets and final accounts of the Bank;

- (V) to prepare the profit distribution plan and the plan for making up the losses of the Bank;
- (VI) to formulate the capital planning and take ultimate responsibility for capital or solvency management, to prepare plans for increase or reduction of the registered capital of the Bank, and to prepare plans for issue and listing of corporate bonds or other securities of the Bank;
- (VII) to prepare plans for the material acquisitions of the Bank, acquisitions of shares of the Bank, merger, division, dissolution or liquidation or alteration of corporate form of the Bank;
- (VIII) to approve, other than daily operation of the Bank, external investments, purchase, disposal and write-off and pledge of assets, external guarantees, related party transactions and data governance and entrustments of others to manage the funds or other assets of the Bank according to the laws and regulations, regulatory requirements and Articles of Association of the bank, except for material matters regulated in the Articles of Association which shall be decided by the shareholders' general meeting;
- (IX) to approve material related-party transactions of the Bank, unless otherwise regulated in the Articles of Association or regulatory authorities;
- (X) to decide on the establishment of internal management structure of the Bank;
- (XI) to decide on the appointment or removal of the president and the secretary to the Board of Directors of the Bank and the remuneration, rewards and punishments thereof based on the recommendations of the Nomination and Remuneration Committee and the proposals of the chairman of the Board of Directors; to decide on the appointment or removal of the vice president, the assistant to the president and other senior management of the Bank based on the proposals of the president and the remuneration, rewards and punishments thereof; and to supervise senior management in performing their duties;
- (XII) to formulate the basic management system of the Bank;

- (XIII) to take the ultimate responsibility for specific risk management of the Bank such as the comprehensive risk management and operation compliance, liquidity risk management, reputation risk management, management of consolidated financial statements and anti-money laundering and anti-terrorist financing as well as the key tasks such as protection of consumers' interests;
- (XIV) to develop risk management culture, formulate the comprehensive risk management policy of the Bank, and establish risk management systems for risk tolerance, risk preference, internal control, reputation risk, financial innovation risk and fraud risk, which shall be taken as the important parts of the risk management of the Bank;
- (XV) to prepare any amendment proposals to the Articles of Association of the Bank; and to formulate the rules of procedure for shareholders' general meeting and the rules of procedure of the Board, and to consider and approve the terms of reference of the specialized committees of the Board;
- (XVI) to formulate information disclosure system of the Bank and take the ultimate responsibilities for the truthfulness, accuracy, completeness and timeliness of financial statements and accounting reports of the Bank;
- (XVII) to take responsibility for the management of the affairs of the shareholders;
- (XVIII) to determine the job responsibilities for any manager, including the president, the vice president, the assistant to president and the secretary to the Board of Directors;
- (XIX) to receive the work report from the president and inspect the work of the president;

- (XX) the Board of Directors shall establish a supervisory system for the management to formulate the code of conduct and terms of reference for management and business officers and that the normative documents shall specifically require employees at all levels to report any potential conflict of interests in a timely manner, provide particular rules and establish corresponding mechanisms;
- (XXI) to propose to the shareholders' general meeting the appointment or dismissal of accounting firms that conduct regular statutory audits of the Bank's financial reports;
- (XXII) to evaluate and refine the corporate governance of the Bank on a regular basis;
- (XXIII) to protect the legitimate interests of financial consumers and other interested parties;
- (XXIV) to establish the mechanism for identification, verification and management of the conflict of interest between the Bank and shareholders, in particular the substantial shareholders;
- (XXV) to exercise any other duties and power conferred by laws and regulations, regulatory provisions and the Articles of Association.

The powers of the Board shall be exercised collectively by the Board. The powers of the Board prescribed by the Company Law shall not, in principle, be delegated to the chairman, directors, other institutions or individuals. If it is necessary to authorize certain specific decision-making matters, such matters shall be carried out by way of resolution of the Board in accordance with the law. The authorization shall be granted on a case-by-case basis and shall not be granted to other institutions or individuals on a permanent basis.

Article 174

The Board of Directors of the Bank shall fully consider the opinions of external auditors while performing duties and explain at the shareholders' general meeting the non-standard audit opinions issued by registered accountants in respect of the financial report of the Bank.

The supervisory opinions of banking regulatory authorities under the State Council on the Bank and the rectification situation of the Bank shall be notified in a board meeting.

Article 175

The Board of Directors shall formulate the rules and procedures for board meetings so as to ensure the implementation of resolutions passed at the shareholders' general meeting, enhance the work efficiency and ensure scientific decision making of the Board of Directors. The Board of Directors shall listen to the opinions of the party committee before making decisions on material matters of the Bank. The rules and procedures for board meetings shall include, among others, notice of meetings, form of meetings, document preparation, voting form, proposal mechanism, meeting minutes and the signing thereof, and authorization rules of the Board of Directors. The rules and procedures for board meetings shall also include proposal mechanisms and procedures for various resolutions, clarify the rights and obligations of each governing body in the corresponding proposals, and clearly record the proposer(s) of each proposal in meeting minutes.

Material matters include business development strategies, important personnel adjustments, and major investment plans.

Article 176

The Board of Directors shall define its authority in relation to external investment, purchase, disposal and write-off of assets, asset pledge, external guarantees, related party transactions and data governance, entrustment of others to manage the funds or other assets of the Bank, and shall establish strict examination and policy-making procedures. Material matters shall be submitted to the shareholders' general meeting for approval in accordance with the Articles of Association, and assessment and examination by relevant experts and professionals shall be arranged when necessary.

Subject to laws, regulations, regulatory requirements and the provisions of the stock exchange on which the securities of the Bank are listed, acquisition and disposition of fixed assets during the ordinary course of operation of the Bank shall be subject to approval as follows:

- (I) a single investment with an amount exceeding 10% of the latest audited net asset value of the Bank shall be approved by the shareholders' general meeting.
- (II) a single investment with an amount of equal to or less than 10% of the latest audited net asset value of the Bank shall be approved by the Board of Directors.

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

Disposals of fixed assets mentioned in this Article include the transfer of certain 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 the second paragraph of this Article.

Article 177

The meetings of the Board of Directors shall be classified into regular meetings and extraordinary meetings and shall be convened and chaired by the chairman of the Board of Directors.

Regular meetings are held at least four times a year at approximately quarterly intervals. These regular meetings shall be convened by the chairman of the Board of Directors and the notice thereof shall be sent to all directors and supervisors at least fourteen days before the convening of the meetings.

Article 178

The chairman of the Board of Directors shall convene and preside over an extraordinary board meeting within ten days of receiving such proposal when:

- (I) such a meeting is proposed by shareholders representing more than 10% of the voting rights;
- (II) the chairman believes it is necessary;
- (III) such a meeting is proposed by more than one-third of the directors;
- (IV) such a meeting is proposed by more than two independent directors;
- (V) such a meeting is proposed by the Board of Supervisors.

Article 179 Notice in written form of an extraordinary board meeting shall be sent to all directors at least 3 days before the convening of the meeting by hand, fax, email or other means.

Where there are emergency situations that an extraordinary board meeting shall be held as soon as possible, notice may be given through telephone or orally at any time. However, the convener shall provide explanation at the meeting.

Article 180 The notice of a board meeting shall contain the following contents:

- (I) date and venue of the meeting;
- (II) the convening method of the meeting;
- (III) the duration of the meeting;
- (IV) the reason for holding the meeting and matters to be discussed;
- (V) the date of notice;
- (VI) the contact person and contact information.

Article 181 The quorum of a board meeting shall be more than half of directors.

The meetings of the Board may be held by way of onsite meeting and written circular. Each director shall have one vote for the resolutions of the Board of Directors. When the votes against and for a resolution are equal, the chairman of the Board of Directors is entitled to one more vote.

All resolutions of the board meeting shall be passed by a majority of the directors, but the following resolutions shall be passed by no less than two-thirds of the directors and shall not be voted in form of written circular voting:

- (I) to review and consider the material events, such as profit distribution plan, remuneration proposals, material investment plan, material asset disposal plan, appointment or dismissal of senior management, capital replenishment plan, material change in equity and financial reorganization of the Bank etc.;

- (II) to formulate the plan for the increase or reduction of registered capital and the issue of corporate bonds of the Bank;
- (III) to formulate the plan for offering of new shares or initial public offering;
- (IV) to formulate the plan for the acquisition of shares of the Bank or merger, division or dissolution of the Bank and change of corporate form of the Bank;
- (V) to formulate the plan for making up losses;
- (VI) to formulate the plan for amendments to the Articles of Association;
- (VII) other matters that shall be passed by no less than two-thirds of directors as stipulated by laws and regulations, regulatory provisions and the Articles of Association, and as considered by the majority of directors to have a material impact on the Bank.

Article 182

director who or whose close associate(s) (as defined in the Hong Kong Listing Rules) is related with any enterprise involved in the matters to be resolved by the board meeting or has any material interest in the contracts, arrangements, suggestions or matters to be resolved by the board meeting, shall not exercise his/her voting right on such proposal, nor can he/she exercise any voting right on behalf of other director(s). Such director shall not be counted towards the quorum of the meeting. The board meeting shall only be held if more than half of the directors who are not related to and non-interested members in the matters are present. Resolutions of the Board of Directors shall be adopted by more than half of the directors who are not related to and do not have material interest in the matters. Resolutions which need to be passed by more than two-thirds of the directors shall be passed by more than two-thirds of the directors who are not related to and non-interested members in the matters. Where fewer than 3 directors who are not related and non-interested members in the matters are present at the board meeting, such proposals shall be submitted to the shareholders' general meeting for approval.

Where laws, regulations, regulatory requirements and the Articles of Association provide otherwise, such provisions shall prevail.

Article 183 Where voting at a Board meeting is conducted by way of an onsite meeting, voting may be cast by open ballot or by show of hands.

All directors shall be provided with matters on voting in form of written circular voting and relevant background information at least three days prior to the voting.

Article 184 An extraordinary board meeting may be held and the resolution(s) thereof may be voted in form of written circular voting provided that all directors can fully express their opinions. Directors attending the meeting shall sign their names on such resolution(s).

Article 185 A director shall attend at least two thirds of the board onsite meetings each year. Where a director is unable to attend a meeting for any reason, he/she shall peruse the meeting documents in advance, form definite opinions, and appoint another director in writing to attend the meeting on his/her behalf. However, independent directors shall not appoint non-independent directors as proxy to attend the meeting on his/her behalf. The proxy letter shall state the name of the proxy, the relevant matters, the scope of authorization, the validity period and personal opinions and voting intentions of the directors on the resolutions, and shall be signed by the appointer or a chop shall be affixed

In principle, a director may accept the appointment as proxy of up to two directors who did not attend the meeting in person. When considering related party transactions, non-related directors shall not appoint related directors to attend the meeting on their behalf.

A director attending a meeting on behalf of another director shall exercise the right of director within the scope of authorization. If a director does not attend the board meeting in person and also fails to appoint a proxy to attend the meeting, it shall be deemed as a waiver of his/her voting right at such meeting.

Directors shall provide independent, professional and objective opinions at the board meetings.

Article 186

The Board of Directors shall keep minutes of its decisions on the matters discussed at the onsite meeting. Directors attending the meeting shall sign their names on the minutes of the meeting. If any director has different opinions on the minutes of the meeting, he/she may add explanations when signing the minutes.

As the Bank's files, the board meeting minutes shall be kept for permanent.

The Bank shall record the onsite meetings of the Board of Directors by means of audio and video recording.

Article 187

Directors shall be responsible for the resolutions of the Board of Directors. If the resolutions of the Board of Directors violate the laws, administrative regulations or the Articles of Association, and thus causes serious losses to the Bank, the directors participating in the resolutions shall be liable to the Bank for the losses. However, a director may be exempted from such liability if it is verified that he/she has stated his/her objection when voting and the same was recorded in the meeting minutes. Resolutions of the Board of Directors in violation of laws and administrative regulations shall be rendered null and void.

Article 188

Minutes of board meetings shall include the following:

- (I) the date and venue of the meeting, and the name of the convener;
- (II) the names of directors attending the meeting and the names of directors (proxies) appointed by others to attend the meeting;
- (III) the agenda of the meeting;
- (IV) the main points of directors' speeches;
- (V) the method and results of the voting for each proposal (the voting results shall state the number of for and against votes and number of abstention).

Section 4 Chairman of the Board of Directors

Article 189

The chairman and vice chairman of the Board of Directors shall be appointed and removed by vote of more than half of the directors, and the qualifications for their appointment shall be approved by the banking regulatory authorities of the State Council. The term of office of the chairman and vice chairman shall be 3 years and they may be re-elected and re-appointed upon expiry of their term of office.

The chairman and president of the Bank shall be acted by different persons. The chairman and vice chairman shall not be acted by the legal representative of controlling shareholders or major officers-in-charge.

Article 190

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

- (I) to preside over the shareholders' general meetings, and convene and preside over meetings of the Board of Directors;
- (II) to supervise and examine the implementation of resolutions of the Board of Directors;
- (III) to nominate to the Board of Directors candidates for the president of the Bank based on the recommendations of the Nomination and Remuneration Committee;
- (IV) to sign certificates of shares, bonds and other securities of the Bank;
- (V) to sign material documents of the Board of Directors and other documents which shall be signed by the legal representative of the Bank;
- (VI) to exercise the duties and powers of a legal representative;
- (VII) in the event of failure to convene a shareholders' general meeting or a board meeting due to an occurrence of any severe natural disaster or any other force majeure event, to exercise his/her special power of disposition in relation to the Bank's affairs in the Bank's interests and in compliance with the relevant legal provisions, and, subsequently report such disposition to the Board of Directors and the shareholders' general meeting;

- (VIII) during the inter-sessional period of the board meeting, supervise and coordinate the operation and management activities of the senior management to carry out important business operations in accordance with the authorization of the Board of Directors, and continuously improve competitiveness;
- (IX) other powers and rights provided by law, regulations, regulatory requirements and the Articles of Association and conferred by the Board of Directors.

Article 191

The vice chairman shall assist the chairman to perform his/her duties. Where the chairman is incapable of performing or is not performing his/her duties, the duties shall be performed by the vice chairman. Where the vice chairman is incapable of performing or is not performing his/her duties, a director nominated by more than half of the directors shall perform his/her duties.

Section 5 Secretary to the Board of Directors and its Specialized Committees

Article 192

The Bank shall have a secretary to the Board of Directors. A secretary to the Board of Directors is a senior management of the Bank who shall be accountable to the Board of Directors.

The secretary to the Board shall be nominated by the chairman, appointed and dismissed by the Board.

A director or senior management of the Bank may concurrently serve as the secretary to the Board of Directors, but he/she must ensure that he/she has sufficient energy and time to undertake the duties as the secretary to the Board of Directors. The Bank's supervisors and certified public accountants of the accounting firm engaged by the Bank shall not concurrently serve as the secretary to the Board of Directors. Where a director concurrently serves as the secretary to the Board of Directors, if any act needs to be done separately by a director and the secretary to the Board of Directors, the person serving concurrently as director and the secretary to the Board of Directors shall not take such action in both capacities.

The secretary to the Board of Directors shall have the necessary professional knowledge and working experience in the banking industry, and his/her qualification must have been verified by the banking regulatory authorities under the State Council. The circumstances in which a person shall not be appointed as a director provided by the Articles of Association shall be applicable to the secretary to the Board of Directors.

Article 193

The major duties of the secretary to the Board of Directors are:

- (I) ensuring that the Bank will prepare and submit the reports and documents required by the banking regulatory authority of the State Council and other competent authorities according to the laws;
- (II) ensuring that the Bank has complete organizational documents and records;
- (III) ensuring that the Bank's register of shareholders is properly set up and that persons entitled to obtain the Bank's relevant records and documents shall be able to obtain them in a timely manner;
- (IV) preparing meetings of the Board of Directors and shareholders' general meetings;
- (V) drafting documents and relevant rules and regulations of the Board of Directors and shareholders' general meetings;
- (VI) assisting the Board of Directors in managing matters in relation to information disclosure;
- (VII) maintaining the register of shareholders and dealing with issues concerning shareholding management of the Bank;
- (VIII) other duties authorized by the Board of Directors.

The secretary to the Board of Directors shall comply with laws, regulations, regulatory requirements and the Articles of Association.

Article 194

The Board of Directors has established the Strategic Decision and Sannong Committee, Comprehensive Risk Management Committee, Related Party Transaction Control Committee, Audit Committee, Nomination and Remuneration Committee, Consumer Rights Protection Committee and other committees deemed appropriate by the Board of Directors. The Board of Directors may decide on the number and name of the committees based on its own circumstances, but shall not hinder all the committees from exercising their duties and powers.

Each committee shall be consisted of at least three members. The proportion of independent directors in the Audit Committee, the Nomination and Remuneration Committee, the Comprehensive Risk Management Committee and the Related Party Transaction Control Committee shall not be less than one-third in principle, the chairmen of the Related Party Transaction Control Committee, Audit Committee and Nomination and Remuneration Committee shall be independent directors. Audit Committee members shall have the appropriate financial, auditing, accounting or laws expertise and experience. The chairman of the Comprehensive Risk Management Committee shall be experienced in identification and management of all risks. The directors acted as chairmen of the Audit Committee, Related Party Transaction Control Committee and Comprehensive Risk Management Committee should work at the Bank for no less than twenty working days each year. Members of the Related Party Transaction Control Committee and Nomination and Remuneration Committee shall not include directors nominated by the controlling shareholders.

The members of each committee of the Board of Directors shall be nominated by the chairman of the Board of Directors, more than half of the independent directors or more than one third of the directors, and shall be elected by the Board of Directors by ordinary resolutions.

Article 195

The Strategic Decision and Sannong Committee is primarily responsible for formulating business management objectives and long-term development strategic plan, supervising and inspecting the implementation of annual business plan and investment plan, formulating financial services for agriculture, rural areas and farmers as well as green credit development strategy, and promoting the formulation of relevant systems.

- Article 196** The Comprehensive Risk Management Committee is primarily responsible for monitoring the senior management in exercising control over risks such as credit risk, liquidity risk, market risk, operational risk, compliance risk and reputation risk, conducting evaluations on the risk policy, management conditions and risk tolerance ability of the Bank on a regular basis, and making recommendations to refine the risk management and internal control of the Bank, and organizing and guiding case prevention work and internal control and compliance work according to the authorization of the Board.
- Article 197** The Related Party Transaction Control Committee is primarily responsible for managing, examining and approving related party transactions of the Bank, and controlling the risks arising from related party transactions.
- Article 198** The Nomination and Remuneration Committee is mainly responsible for formulating the selection procedures and criteria for directors and senior management, conducting preliminary examination of the qualifications and credentials of directors and senior management and making recommendations to the Board of Directors in respect thereof. The committee shall deliberate the compensation management system and policies of the Bank and formulate proposals on the remuneration of directors and senior management, make recommendations to the Board of Directors on the remuneration proposals and supervise the implementation thereof, and formulate the board diversity policy and measurable objectives.
- Article 199** The Audit Committee is mainly responsible for formulating accounting policy, financial reporting procedures and monitoring financial position of the Bank. The Audit Committee shall take charge of the Bank's annual financial auditing, propose the appointment and replacement of external audit firm, to prepare analytical reports on the authenticity, accuracy, completeness and timeliness of the information set out in audited financial reports and submit the same to the Board of Directors for consideration.
- Article 200** The Consumer Rights Protection Committee is mainly responsible for formulating the strategies, policies and objectives of the Bank's consumer protection efforts, assisting the Board of Directors in the supervision of the senior management for effectively implementation. The committee shall supervise and evaluate the comprehensiveness, timeliness, effectiveness and other aspects of consumer rights protection.

Article 201 The rules of procedures and working procedures of each committee shall be formulated by the Board of Directors. The establishment, composition, terms of reference and information disclosure of each committee shall comply with the laws, regulations and regulatory requirements and relevant provisions of the Articles of Association. Each committee could formulate annual work plans and conduct regular meetings.

Article 202 Each committee shall maintain regular communication with the senior management and relevant department heads with respect to operation and risk of the Bank, and make suggestions and recommendations accordingly.

Article 203 Members of each committee shall closely monitor the matters of the Bank and the impacts thereof within their scope of authority, and bring such matters to the attention of the respective committee.

CHAPTER 10 SENIOR MANAGEMENT

Article 204 The Bank shall have one president, several vice presidents and assistants to the president.

The Bank shall have vice president, assistant to the president, secretary to the Board of Directors and other members of the senior management specified by the regulatory authority, who shall be appointed and removed by the Board of Directors. The president shall be nominated by the chairman of the Board of Directors. The vice presidents, assistant to the president and the persons in charge of finance, internal audit and compliance shall be nominated by the president. If necessary, the Bank may have other senior officers or technical positions to assist the president with his work.

The senior management shall be accountable to the Board of Directors and supervised by the Board of Supervisors, shall report the operation and management of the Company and provide relevant information in a timely, accurate and complete manner as required by the Board of Directors and the Board of Supervisors. The operation and management activities of the senior management within their terms of reference shall not be unduly interfered by the shareholders and the Boards.

The senior management shall carry out operation and management in accordance with the Articles of Association and the authorization of the Board of Directors and actively implement the resolutions of the general meeting and the Board to ensure that the operation of the Bank is in line with the development strategies, risk preference and other policies of the Board of Directors.

Article 205 The senior management of the Bank shall possess the requisite qualifications stipulated by laws, regulations and requirements of the banking regulatory authority of the State Council.

Article 206 The obligations of a director as stated in Article 144 hereof regarding loyalty and honesty and in items (IV) to (VI) of Article 144 hereof regarding diligence shall also be applicable to the senior management.

- Article 207** Persons who have taken up positions other than directorship in the controlling shareholders or de facto controlling entities of the Bank shall not act as members of senior management of the Bank.
- Article 208** The term of office of the president and other members of the senior management shall be three years and shall be re-appointed upon expiry of his/her term of office. The president of the Bank shall not serve concurrently as the chairman of the Board of Directors.
- Article 209** The president shall be accountable to the Board of Directors and have the following powers and duties:
- (I) to manage the business operation of the Bank, organize the implementation of the resolutions of the Board of Directors and report the work to the Board of Directors;
 - (II) to submit business plan and investment plan to the Board of Directors on behalf of the senior management, and to organize the implementation upon approval by the Board of Directors;
 - (III) to prepare plans for the establishment of the internal management structure of the Bank;
 - (IV) to establish the basic management system of the Bank;
 - (V) to formulate detailed regulations of the Bank;
 - (VI) to propose to the Board of Directors for the appointment or removal of the vice president, the assistant of the president, and the persons in charge of finance, internal audit and compliance of the Bank;
 - (VII) to determine the appointment or removal of persons in charge of the internal functional departments and branches of the Bank other than those to be appointed or removed by the Board of Directors;
 - (VIII) to authorize senior management and persons in charge of internal functional departments and branches to engage in operating activities;

- (IX) to adopt emergency measures when any material emergency (such as a run on the Bank) arises and promptly report them to the Board of Directors, the Board of Supervisors and the banking regulatory authorities of the State Council;
- (X) to determine the reward and punishment of employees of the Bank;
- (XI) other functions and rights that should be exercised by the president conferred by laws, regulations and the Articles of Association or granted by the Board of Directors.

Article 210 A non-director president shall attend board meetings, but shall have no voting rights at the board meetings.

Article 211 The president shall, upon request of the Board of Directors or the Board of Supervisors, report to the Board of Directors or the Board of Supervisors on matters concerning the signing and implementation of material contracts, application of funds, profit and loss and major litigation and guarantees of the Bank. The president shall ascertain the authenticity of the report.

Article 212 Any member of the senior management may tender resignation prior to the expiration of his/her term of office. An off-office auditing shall be conducted when any member of the senior management leaves office. The specific procedures and measures for resignation shall be specified in the employment contracts between the senior management and the Bank

Article 213 The president shall formulate the “Terms of Reference of the President” and implement such terms upon approval by the Board of Directors.

The terms of reference of the president shall include the following:

- (I) conditions and procedures for convening a presidential meeting and the participating personnel;
- (II) specific duties and division of work of the senior management;

(III) scope of authority regarding the use of funds and assets and the entering into material contracts of the Bank, and the system of reporting to the Board of Directors and the Board of Supervisors;

(IV) other matters deemed necessary by the Board of Directors.

Article 214

The senior management shall comply with the laws and regulations, regulatory requirements and the provisions of the Articles of Association when discharging their obligations faithfully and diligently.

In the course of performing their duties, the senior management shall not modify the resolutions passed at the shareholders' general meeting and the board meeting or exceed the scope of authorization.

The senior management shall establish and improve various conference systems and formulate corresponding rules of procedures.

Article 215

The vice presidents and the assistant to the president shall assist the president. If the president is unable to perform his/her duties, he/she may appoint a vice president to perform the duties accordingly.

Article 216

The senior management shall be liable for compensation regarding any losses sustained by the Bank due to their violation of laws, administrative regulations or the Articles of Association in the discharge of their duties.

CHAPTER 11 BOARD OF SUPERVISORS

Section 1 Supervisors

Article 217

The supervisors of the Bank include shareholder representative supervisors, employee supervisors and external supervisors. Employee supervisors and external supervisors shall account for no less than one third of all supervisors, respectively.

Article 218 Supervisors shall comply with the laws, regulations and the qualifications and conditions required by the banking regulator under the State Council.

A person shall not serve as a supervisor of the Bank if he/she falls into any circumstance as prescribed in Article 141 of the Articles of Association.

Article 219 Supervisors shall abide by the laws and regulations, regulatory requirements and the Articles of Association and perform the obligations and supervisory duties faithfully and diligently. They shall not accept illegitimate benefits in the course of performing their duties, use their titles and positions for personal gain or embezzlement of the property of the Bank, damage the interests of the Bank for the benefit of shareholders, and damage the legitimate rights and interests of stakeholders.

Article 220 Each term of office of a supervisor is three years.

The term of office is renewable upon re-election and re-appointment. An external supervisor shall serve in the Bank for no more than a cumulative period of six years.

Article 221 If a supervisor fails to attend the meeting of the Board of Supervisors either in person or appoint other supervisors to attend on his/her behalf two times consecutively, the supervisor shall be deemed incapable of performing his/her duty, and the Board of Supervisors may make a proposal either to the shareholders' general meeting or employee representative meeting to remove such supervisor, and shall not be rated as competent for the year if the supervisor fails to attend more than two-thirds of the onsite meetings in person every year.

Article 222

A supervisor shall attend at least two-thirds of the onsite meetings of the Board of Supervisors in person each year. If a supervisor cannot attend the meeting due to certain reasons, he/she may appoint another supervisor in writing to attend on his/her behalf.

The proxy letter shall state the name of the proxy, the matters to be delegated, scope of authorization and validity period, and the personal opinions and voting intentions of the supervisors on the resolutions, and shall be signed by the appointor or affixed with a seal. The supervisor attending the meeting on behalf of another supervisor shall exercise the right of the supervisor within the scope of his/her authorization. If a supervisor does not attend the Board of Supervisors' meeting and fails to appoint a proxy to attend the meeting on his/her behalf, that supervisor shall be deemed to have waived his/her voting rights at that meeting.

A supervisor shall not work for less than fifteen working days each year at the Bank.

Employee supervisors shall report on their duties and work to the employee (representative) meeting on a regular basis, and accept the supervision of the majority of employees. At the meeting of the Board of Supervisors, the employee supervisors shall express their opinions on the matters to be resolved at the employee representative meeting in accordance with the relevant resolutions of the employee (representative) meeting and exercise their voting rights.

Article 223

A supervisor may resign before the expiry of his/her term, and shall submit a written resignation to the Board of Supervisors.

Article 224

A supervisor shall continue to perform his/her duties as a supervisor in accordance with the laws and regulations, regulatory requirements and the Articles of Association until a re-elected supervisor takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or if the resignation of supervisor's results in the number of supervisors being less than the quorum.

Except for the circumstances stated above, the resignation of a supervisor shall take effect when the resignation report is delivered to the Board of Supervisors.

If the number of supervisors is lower than the minimum number required by the Company Law or the minimum number required for voting by the Board of Supervisors due to the removal, death or other circumstances such as violation of regulations or disciplines, the power of the Board of Supervisors shall be exercised by the shareholders' general meeting until the number of supervisors meets the requirements.

Article 225

The supervisor shall ensure the truthfulness, accuracy and completeness of the disclosure of information of the Bank.

Article 226

The supervisors of the Bank shall perform the following duties or obligations:

- (I) to attend the meetings of the Board of Directors, committee meetings of the Board of Directors and meetings of senior management, and have right to raise queries or proposals on the matters to be resolved;
- (II) to attend meetings of the Board of Supervisors on time, to fully examine the resolutions of the Board of Supervisors, to express opinions independently, professionally and objectively, and to vote independently on the basis of prudent judgment;
- (III) to be responsible for the resolutions of the Board of Supervisors;
- (IV) to actively participate in trainings organized by the Bank and regulatory authorities to understand the rights and obligations of supervisors, familiarize themselves with relevant laws and regulations, and continuously possess the professional knowledge and capabilities required for performing their duties;
- (V) to be faithful and diligent to the Bank, perform their duties with due diligence and prudence, and ensure that they have sufficient time and energy to perform their duties;

(VI) supervisors shall actively participate in the supervision and inspection activities organized by the Board of Supervisors, and shall have the right to conduct independent investigation and obtain evidence in accordance with the law, and to put forward questions and supervision opinions based on facts.

(VII) to abide by laws, regulations, regulatory requirements and the Articles of Association.

Article 227 Supervisors shall not use their related relations to harm the interests of the Bank and they shall be liable for compensation regarding any related losses sustained by the Bank in violation of the provisions.

Article 228 If supervisors violate the laws, administrative regulations or the Articles of Association in the performance of their duties, they shall be liable for compensation regarding any related losses sustained by the Bank.

Article 229 The Board of Supervisors shall be assessed as incompetent when the supervisor is involved with any of the following serious misconducts, and may resign on their own initiative or be removed by the Bank in accordance with the relevant procedures and reported to the supervisory department:

(I) divulgence of the secrets of the Bank and impairing the legitimate interests of the Bank;

(II) acceptance of improper benefits during the performance of his/her duties or the misuse of his/her status as a supervisor to obtain personal gain;

(III) participation in or assistance to a shareholder to improperly interfere with the Bank, resulting in significant risk and loss to the Bank;

(IV) concealment of important facts, provision of false materials or participating in the Bank's fabrication of false materials;

- (V) concealment of major violations of laws and regulations by the Bank and related personnel;
- (VI) failure to raise objection when the resolution of the Board of Supervisors violated laws and regulations, regulatory requirements and the Articles of Association, resulting in significant risks and losses to the Bank;
- (VII) refusal to correct the serious problems found in the performance evaluation;
- (VIII) other serious misconduct provided by the laws and regulations, regulatory requirements and the Articles of Association.

Section 2 External Supervisors

Article 230

The Bank shall have external supervisors.

Matters including the qualifications, conditions, removal and resignation of the external supervisors of the Bank shall be implemented with reference to the requirements of independent directors as prescribed in the Articles of Association.

An external supervisor of the Bank shall not serve in the Bank for more than six years in aggregate, shall not simultaneously hold positions in more than 2 commercial banks, and they shall not concurrently serve as an external supervisor in any financial institution which may lead to potential conflicts of interest with the Bank. There shall be no relationship between the external supervisors and the Bank, its shareholders or the de facto controller that would influence their independent judgment.

Article 231

External supervisors shall give statements to the Board of Supervisors before they assume their offices, warranting that they have sufficient time and energy to effectively perform their duties and undertaking that they will duly perform the duties of good faith and diligence.

Section 3 Board of Supervisors

Article 232

The Bank shall establish a board of supervisors which shall be comprised of twelve supervisors, including four shareholder representative supervisors, four employee representative supervisors and four external supervisors. The Board of Supervisors shall have one chairman of the Board of Supervisors (Chairman of the Board of Supervisors) whose appointment and removal shall be adopted by more than two-thirds of all the supervisors by voting. Upon election, qualifications of the chairman shall be reported to the banking regulatory authorities under the State council as required. The chairman of the Board of Supervisors (Chairman of the Board of Supervisors) shall be served by a professional person who shall at least have professional knowledge and work experience in accounting, auditing, finance or law. The term of office of the chairman shall be three years, and a chairman may be re-elected and re-appointed upon expiry of his/her term of office. Appointment and removal of the chairman of the Board of Supervisors (Chairman of the Board of Supervisors) shall be adopted by more than two-thirds of the supervisors by voting.

The chairman of the Board of Supervisors shall convene and preside over meetings of the Board of Supervisors. If the chairman of the Board of Supervisor is unable or fails to perform his/her duties, a supervisor selected by more than half of all the supervisors shall perform such duties.

The employee representatives in the Board of Supervisors shall be elected democratically by the employees of the Bank at the employee representatives' meeting, employees' meeting or in other forms.

Article 233

The Board of Supervisors shall exercise the following powers:

- (I) to supervise and examine the financial activities of the Bank; to review the periodical reports and put forth written review opinions on the truthfulness, accuracy and completeness of reports; to review the Bank's profit distribution plan and offer opinions on the compliance and rationality of the profit distribution plan;

- (II) to monitor the behaviours of directors and senior management members when performing their duties; to propose to remove the directors or senior management who is in breach of the laws, administrative regulations, the Articles of Association or the resolutions of the shareholders' general meeting;
- (III) to demand rectification from a director or senior management when the acts of such person injure the interests of the Bank;
- (IV) to propose the convening of extraordinary general meetings; to host the shareholders' general meetings under the circumstances that the Board of Directors cannot perform its duties of convening and presiding over the shareholders' general meeting;
- (V) to make proposals to the shareholders' general meetings;
- (VI) to bring lawsuits against directors or senior management according to Article 151 of the Company Law;
- (VII) the Board of Supervisors may, as needed, make recommendations, conduct reminders, interviews, address inquiries and request responses in writing or orally to the Board of Directors and senior management and their members or other personnel;
- (VIII) if the Board of Supervisors find any abnormality in operations of the Bank, it may conduct investigations; and when necessary, it may engage such professionals as accountants or solicitors to assist the work for the account of the Bank at the expense of the Bank;
- (IX) to exercise any other functions and powers of the Board of Supervisors prescribed by the laws and regulations, regulatory requirements and the Articles of Association.

In addition to performing its duties in accordance with the Company Law and the Articles of Association, the Board of Supervisors shall focus on the following matters:

- (I) to supervise the Board of Directors on the establishment of stable business ideas, value criteria and formulation of development strategies in line with the current situation of the Bank;
- (II) to evaluate the scientificity, reasonableness and soundness of the Bank's development strategy and form an evaluation report;
- (III) to supervise and inspect the Bank's business decisions, risk management and internal controls and supervise their rectification, and to direct the work of the Bank's internal audit department;
- (IV) to supervise the selection and appointment procedures of directors;
- (V) to supervise the implementation of the compensation management systems and the scientific and rational nature of the compensation plan of senior management;
- (VI) other matters as provided by laws, regulations, regulatory provisions and the Articles of Association.

The Board of Supervisors may, in the performance of its duties, adopt a variety of methods of supervision, such as offsite monitoring, inspections, attending meetings, interviews, reviewing reports, research, surveys, audits and engagement of third-party professional organizations for assistance.

Article 234

In the course of exercising its powers, the Board of Supervisors shall be entitled to employ the professionals including lawyers, certified public accountants and practicing auditors, and the reasonable costs thus incurred shall be borne by the Bank.

- Article 235** The chairman of the Board of Supervisors shall exercise the following powers:
- (I) to convene and preside over meetings of the Board of Supervisors;
 - (II) to organize the performance of duties of the Board of Supervisors;
 - (III) to review and sign reports and other material documents of the Board of Supervisors;
 - (IV) to report on the work of the Board of Supervisors on their behalf at the shareholders' general meeting;
 - (V) other powers conferred by relevant laws, regulations, regulatory requirements, the Articles of Association and the Board of Supervisors.
- Article 236** The Board of Supervisors shall properly divide works among supervisors according to their respective duties and report their performance of duties to the shareholders' general meeting.
- Article 237** The Board of Supervisors, while discharging its duties, have the rights to request that the Board of Directors and senior management provide necessary information for information disclosure and auditing. The Board of Supervisors may, if thought necessary, appoint supervisors to attend meetings of the senior management. In the course of performing its duties, the Board of Supervisors shall be entitled to understand the situation through relevant personnel and parties of the Bank. The relevant personnel and parties shall cooperate accordingly.
- Article 238** The Bank shall safeguard that the work of the Board of Supervisors is carried out in the normal way, and provide necessary working conditions and dedicated office premises for the Board of Supervisors. The reasonable costs required by the Board of Supervisors in discharging its duties shall be borne by the Bank.

Article 239

The Board of Supervisors shall, on notice that the Board of Directors and the senior management have acted in contradiction with laws, regulations and the Articles of Association of the Bank, propose to punish those that are held liable, and issue notice of rectification with a deadline. The Board of Directors or the senior management shall impose punishment or rectify the act with no delay, and submit the results in a written report to the Board of Supervisors.

If the Board of Directors and the senior management refuse or delay in the adoption of penalty or rectification measures, the Board of Supervisors shall report to the banking regulatory authorities under the State Council and the shareholders' general meeting.

Article 240

The Board of Supervisors shall convene regular meetings at least four times annually and the supervisors may propose to convene an ad hoc meeting of the Board of Supervisors. The chairman of the Board of Supervisors (Chairman of the Board of Supervisors) shall convene and chair the meeting.

Resolutions of the Board of Supervisors can be made in two ways: by on-site meeting voting and by written circular voting.

Article 241

Notice shall be given to all supervisors 10 days before the convening of a regular meeting.

Notice shall be given to all supervisors 5 days before the convening of an extraordinary meeting. When there are emergency situations and the extraordinary meeting of the Board of Supervisors is to be held as soon as possible, the service of the notice regarding the forthcoming meeting may be made via telephone or orally, but the convener shall provide an explanation at the meeting.

Article 242

The notice of a meeting of the Board of Supervisors shall include the following information:

- (I) date, venue and duration of the meeting;
- (II) reason for holding the meeting and agenda;
- (III) date of issuance of the meeting notice.

Article 243 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/she may appoint another supervisor in writing to attend the meeting on his/her behalf in the same manner as the appointment of directors. No meeting of the Board of Supervisors shall be held unless more than half of supervisors are present at the meeting.

Article 244 Unless the Articles of Association provides otherwise, any resolution made by the Board of Supervisors shall be effective only after such resolutions have been approved by more than two-thirds of the supervisors.

The dismissal of independent directors requested by the Board of Supervisors shall be approved by two-thirds or more of all the supervisors before it is submitted to the shareholders' general meeting for consideration. Independent directors may make statements and explanations to the Board of Supervisors prior to the submittal of the said proposal to the shareholders' general meeting, and the Board of Supervisors shall convene an extraordinary meeting to review and consider the statements and explanations made by independent directors within 3 days of independent directors' request.

Article 245 The Board of Supervisors shall have in place the detailed rules of procedure for its meetings and clarify the method of the discussion and the procedure of the decision-making to be executed after adopting the resolution at the shareholders' general meeting for the purpose of ensuring the effectiveness and scientific decision-making. The rules of procedure of the Board of Supervisors shall include the meeting notice, ways of convening meeting, documents preparation, ways of voting, proposal submission mechanism, meeting minutes and endorsement.

Article 246 Minutes shall be taken by the Board of Supervisors to record resolutions on matters to be discussed at the on-site meeting and shall be kept in perpetuity.

Article 247 The minutes of the Board of Supervisors shall include the following:

- (I) the time, venue, and the name of the convener or presider of the meeting;

- (II) the names of the supervisors attending the meeting and names of the supervisors (proxies) appointed by others to attend the meeting;
- (III) the agenda of the meeting;
- (IV) the speeches and opinion of the supervisors;
- (V) the methods and results of the voting for each proposal (the voting results shall state the numbers of the votes voting in affirmative, negative, or in abstention);
- (VI) special explanations of supervisors on the resolutions or reports;
- (VII) other matters that shall be recorded.

Section 4 Special Committees of the Board of Supervisors

Article 248

The Board of Supervisors shall set up a nomination committee and a supervision committee as appropriate. Each committee shall be consisted of supervisors elected by the Board of Supervisors. A supervisor may concurrently serve on several committees.

Each committee shall consist of at least 3 members, including one chairman who shall be served by an external supervisor. The chairman shall be responsible for convening and presiding over the meetings of the committee. In the event that the chairman is incapable of performing or is not performing his duties, a member nominated by more than half of the members shall convene and preside over the meeting. The rules of procedure and terms of reference of the committees shall be formulated by the Board of Supervisors based on actual circumstances. Each committee shall formulate annual work plans and conduct regular meetings.

Article 249 The nomination committee shall be primarily responsible for setting up the selection procedures and criteria for supervisors, conducting preliminary review on the qualifications of the candidates for supervisors and making recommendations to the Board of Supervisors; supervising the selection and appointment procedures of directors; conducting comprehensive evaluation of the performance of directors, supervisors and senior management and reporting to the Board of Supervisors; supervising the scientific and rational nature of the compensation management systems and policies of the Bank and the compensation plan of senior management; other matters as provided by laws, regulations, regulatory provisions and authorized by the Board of Supervisors.

Article 250 The supervision committee shall be primarily responsible for formulating a supervision plan for the financial activities of the Bank and carrying out relevant inspections, supervising the Board of Directors on the establishment of stable business ideas and value standards and the formulation of practicable development strategies and supervising and inspecting the operation decisions, risk management and internal control of the Bank.

CHAPTER 12 QUALIFICATIONS AND OBLIGATIONS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Article 251 The qualification of the directors, supervisors and senior management of the Bank shall comply with the laws, regulations, regulatory provisions and the Articles of Association. The banking regulatory authorities of the State Council shall evaluate the qualifications of directors and senior management in accordance with the aforementioned requirement.

Article 252 The validity of an act by the directors and senior management of the Bank on behalf of the Bank as against a bona fide third party shall not be affected by any incompliance in his office, election or qualification.

Article 253

In addition to the obligations required under the laws, regulations, regulatory provisions or the listing rules of the place where the securities of the Bank are listed and the Articles of Association, in exercising their duties and functions, the directors, supervisors and members of senior management of the Bank shall also owe the following obligations to each and every shareholder:

- (I) to ensure that the Bank does not operate beyond the scope of business stipulated in its business license;
- (II) to act in good faith and in the best interests of the Bank;
- (III) not to deprive the Bank of its assets in any way, including but not limited to depriving the Bank of any advantageous business opportunities;
- (IV) not to deprive the shareholders of any personal rights and interests, including but not limited to the right to distributions and the right to vote, but excluding the submission of the Bank's restructuring proposals adopted at the shareholders' general meeting in accordance with the Articles of Association.

Article 254

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

Article 255

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

- (I) to act in good faith and in the best interests of the Bank;
- (II) to exercise powers within the scope of their authority and they shall not exceed their scope of authority;

- (III) to exercise the discretion conferred on them in person and free from the influence of others; and not to transfer their discretion for others to exercise in the absence of the laws and administrative regulations providing to the contrary or without the informed consent of shareholders in a shareholders' general meeting;
- (IV) to treat shareholders of the same class in the same way, and to fairly deal with shareholders of different classes;
- (V) not to enter into any contract, transaction or arrangement with the Bank except if otherwise prescribed by the Articles of Association or if there is informed consent from shareholders through a shareholders' general meeting;
- (VI) not to use any assets of the Bank to seek personal advantages in any way without the informed consent of shareholders through a shareholders' general meeting;
- (VII) not to accept bribes or other forms of illegal income by taking advantage of his/her authority, nor to embezzle the assets of the Bank in any way, including but not limited to any business opportunities that are advantageous to the Bank;
- (VIII) not to accept any commission related to transactions of the Bank without the informed consent of the shareholders through a shareholders' general meeting;
- (IX) to comply with the Articles of Association, perform their duties faithfully and safeguard the interests of the Bank, and not to take advantage of their position and authority at the Bank to seek personal gain;
- (X) not to engage in any form of competition with the Bank without the informed consent of the shareholders through a shareholders' general meeting;
- (XI) not to misappropriate the funds of the Bank or lend the funds of the Bank to others, not to put any assets of the Bank under an account opened in his/her own name or in the name of others, and not to use the Bank's assets as security for the debts of the shareholders of the Bank or others;

(XII) not to divulge any confidential information involving the Bank and obtained by them during their term of office without the informed consent of the shareholders through a shareholders' general meeting; and not to use such information except it is in the interests of the Bank. However, the information may be disclosed to the people's court or other government regulatory authorities if the disclosure is:

1. in accordance with the law;
2. in the public interest;
3. required for their own interests of the directors, supervisors and members of senior management.

Article 256

The directors, supervisors and members of senior management of the Bank shall not direct the following persons or institutions (hereinafter referred to as the “**related person(s)**”) to take any acts which the directors, supervisors and senior management are themselves prohibited from taking:

- (I) the spouse or underage children of the directors, supervisors and senior management of the Bank;
- (II) a trustee of any of the directors, supervisors and senior management of the Bank or a trustee of the persons referred to in item (I) of this Article;
- (III) a partner of any of the directors, supervisors and senior management of the Bank or a partner of the persons referred to in items (I) and (II) of this Article;
- (IV) a company which is under the de facto control of the directors, supervisors and senior management of the Bank, or a company which is under the de facto joint control of the persons referred to in items (I), (II) and (III) of this Article or with other directors, supervisors and senior management of the Bank;
- (V) the directors, supervisors, managers and other senior management of the companies referred to in item (IV) of this Article.

Article 257 The fiduciary duties owed by the directors, supervisors and senior management of the Bank shall not necessarily be terminated at the end of their term of office, and their obligation to keep the trade secrets of the Bank confidential shall remain valid after their term of office expires. The duration of other obligations shall be determined by what is fair, and will depend on the length of time between the date on which the directors leave their positions and the relevant event involving the obligations as well as the circumstances and conditions in which their relationship with the Bank is terminated.

Article 258 The shareholders may make an informed decision at the shareholders' general meeting to dismiss any director, supervisor and senior management of the Bank who has violated any obligations, unless the circumstances specified in Article 70 apply.

Article 259 If a director or any of his associates (as defined in the Hong Kong Listing Rules), supervisor or senior management of the Bank has 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 or senior management), he shall disclose the nature and extent of the said interests to the Board of Directors as soon as possible, regardless whether the relevant matters are subject to approval by the Board of Directors in normal circumstances.

Unless the director, supervisor or senior management of the Bank having material interests has disclosed the said interests to the Board of Directors according to the aforesaid requirements in this Article, and the Board of Directors has approved the said matter at a meeting in which he is not counted in the quorum and abstains from voting, 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 or senior management.

If a related person of a director, supervisor or member of senior management of the Bank has any interests in a given contract, transaction or arrangement, the said director, supervisor or senior management shall be deemed as having interests.

Article 260 If, before concluding the relevant contract, transaction or arrangement with the Bank for the first time, the director, supervisor or senior management of the Bank has notified the Board of Directors in writing 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 above.

Article 261 When the conditions are ready, a professional liability insurance system may be established in respect of the directors, supervisors and senior management and proper insurance may be arranged in case of legal actions to be encountered, subject to the approval of the shareholder's general meeting.

Article 262 The Bank shall not in any way pay taxes for the directors, supervisors and senior management.

Article 263 The Bank shall not, directly or indirectly, provide loans or loan guarantees for its and its parent company's directors, supervisors, presidents or other senior management, nor shall it provide the same to their related persons.

The preceding paragraph shall not apply in the following circumstances:

- (I) loans or loan guarantees provided by the Bank to or for its subsidiary;
- (II) loans, loan guarantees or other funds provided by the Bank to the directors, supervisors, president or other senior management of the Bank pursuant to their employment contracts which were adopted by the shareholders' general meeting, so that the foregoing persons can make payments in the interests of the Bank or for the expenses incurred in performing their duties and responsibilities for the Bank;
- (III) the Bank may provide loan or loan guarantee to relevant directors, supervisors, president, other senior management and their related persons if the scope of normal business of the Bank includes provision of loans and loan guarantees, but provision of loans or loan guarantees shall be subject to normal business conditions.

Article 264

If the Bank provides loans in violation of the preceding provisions, the recipient of the loans or borrowers shall return the same immediately regardless of the loan conditions.

If the Bank provides loan guarantee in violation of the preceding provisions, the loans or loan guarantee cannot be enforced, except:

- (I) the debtor was not aware of the violation when it provided loan to the directors, supervisors and senior management of the Bank;
- (II) the secured property provided by the Bank has been legally sold to a bona fide purchaser by the debtor.

Article 265

The “guarantee” referred to in the preceding articles of this Chapter includes acts whereby the assumption of liability by the guarantor or the provision of assets by the guarantor is made to secure the performance of obligations by the obligor.

Article 266

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

- (I) to require the directors, supervisors and senior management concerned to compensate the Bank for the losses caused by their dereliction of duties;
- (II) to rescind any concluded contracts or transactions between the Bank and the directors, supervisors and senior management concerned, and the contracts or transactions concluded between the Bank and third parties (when the third parties know or should have known that the directors, supervisors and senior management of the Bank are in breach of their obligations owed towards the Bank);
- (III) to require the directors, supervisors and senior management concerned to hand over any benefits which have been obtained from their breach of obligations;
- (IV) to recover funds which should have been received by the Bank, including but not limited to commission, from the directors, supervisors and senior management concerned;

- (V) to request the directors, supervisors and senior management concerned to repay the interest which is or may be accrued from the funds which should have been received by the Bank.

Article 267

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

- (I) remunerations as directors, supervisors or senior management of the Bank;
- (II) remunerations as directors, supervisors or senior management of the subsidiaries of the Bank;
- (III) remunerations for providing other services for the management of the Bank and its 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 268

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 shareholders' general meeting, have the right to seek compensations or other monies for losing their positions or for retirement. The acquisition in the preceding paragraph refers to any of the following circumstances:

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

Any monies received by the relevant directors or supervisors in violation of the provision 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 shall not be deducted from the said monies.

CHAPTER 13 FINANCIAL ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

Section 1 Financial Accounting System and Profit Distribution

Article 269 The Bank shall establish a financial and accounting system in accordance with the laws, administrative regulations and the PRC accounting standards set by the competent financial authorities under the State Council.

Article 270 The financial year of the Bank is from January 1 to December 31 in the calendar year.

Article 271 The Bank shall have no accounting books other than the statutory books. The Bank's assets shall not be deposited in any account opened under the name of an individual.

Article 272 The Bank shall comply with the national and local tax laws and pay taxes in accordance with the law.

Article 273 When distributing each year's profits after taxation, the Bank shall set aside 10% of its profits after taxation for the Bank's statutory common reserve fund until the fund has reached 50% or more of the Bank's registered capital.

When the Bank's statutory common reserve fund is not sufficient to make up for the Bank's losses for the previous years, the current year's profits shall first be used to make good the losses before any allocation is set aside for the statutory common reserve fund.

After the Bank has made allocations to the statutory common reserve fund from its profits after taxation, the Bank may make allocations to the general reserve fund as provision for any potential loss which has not been identified yet in accordance with the laws and regulations. After the Bank has made allocations to the statutory common reserve fund and general reserve fund from its profits after taxation, it may, upon passing a resolution at a shareholders' general meeting, make further allocations from its profits after taxation to the discretionary common reserve fund. After the Bank has made good its losses and made allocations to its common reserve fund and general reserve fund, the remaining profits after taxation shall be distributed in proportion to the number of shares held by the shareholders in accordance with the approved profits distribution plan at the shareholders' general meeting, except for those which are not distributed in a proportionate manner as provided by the Articles of Association. Profits distributed to shareholders by a shareholders' general meeting before losses have been made good and allocations have been made to the statutory common reserve fund and general reserve fund in violation of the requirements described above must be returned to the Bank.

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

Where the capital adequacy ratio of the Bank falls below the required standards of the relevant regulatory authorities, the Bank shall not distribute dividends to shareholders. Under the premise that the capital adequacy ratio meets the regulatory requirements, the Bank may distribute profits if it has distributable profits after making up the losses and provision for the common reserve fund and general reserve fund.

Article 274

The common reserve fund of the Bank shall be applied to make good the Bank's losses, expand its business operations or increase its capital. The capital reserve fund, however, shall not be used to make good the Bank's losses.

Upon the capitalization of the statutory common reserve fund, the balance of the fund shall not be less than 25% of the registered capital of the Bank before such capitalization.

Capital reserve fund includes:

- (I) the premium over the nominal value of the shares of the Bank on issue;
- (II) other income as required by the competent financial authorities under the State Council to be treated as the capital reserve fund.

Article 275 After the shareholders' general meeting of the Bank has adopted the resolution on the proposal of profit distribution, the Board of Directors of the Bank shall complete the distribution of dividends (or shares) within 2 months after the shareholders' general meeting.

Article 276 The Board of Directors of the Bank shall make available at each annual general meeting the financial reports prepared by the Bank in accordance with the relevant laws, administrative regulations as well as the regulatory documents issued by local governments and competent authorities.

Article 277 The Bank's financial reports shall be made available for shareholders' inspection at the Bank 21 days before the convening of an annual general meeting. Each shareholder of the Bank shall be entitled to obtain the financial reports mentioned in this chapter.

The Bank shall send (1) the aforesaid report or report of the Board of Directors along with the balance sheet (including all documents attached to balance sheet according to law) and income statement or income and expenditure statement or (2) summary of financial report to each shareholder of overseas listed shares by personal delivery or pre-paid post at least 21 days prior to the convening of the annual general meeting. The address of the recipients shall be the address registered in the register of shareholders. The aforesaid reports can be delivered to the shareholders of overseas listed shares by posting on the website of the Bank or Hong Kong Stock Exchange or other websites allowed by the Hong Kong Listing Rules from time to time subject to the laws, regulations and regulatory requirements.

The regulations, if any, of the securities regulatory authority in the place where the securities of the Bank are listed shall prevail.

Article 278 The financial statements of the Bank shall be prepared in accordance with the PRC accounting standards and regulations as well as the international accounting standards or the accounting standards of the 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 in a given accounting year as stated in the aforesaid two financial statements.

Article 279 The interim results or financial information of the Bank shall be prepared in accordance with the PRC 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 280 The Bank shall publish financial reports twice every financial year, that is to publish an interim 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 end of each financial year.

The regulations, if any, of the securities regulatory authority in the place where the securities of the Bank are listed shall prevail.

Article 281 The Bank may distribute dividends:

- (I) in cash;
- (II) by shares;
- (III) in other forms in accordance with the laws, regulations, regulatory provisions and the rules of the stock exchange of the place where the securities of the Bank are listed.

Article 282 Monies paid in advance of calls on any shares shall carry interest. However, shareholders shall not have any right to receive the dividends declared thereafter in relation to any such monies paid in advance.

For dividends not claimed by anyone, the Bank may exercise the right to retrieve such unclaimed dividend under the pre-condition of abiding by relevant laws, regulations, regulatory provisions and the requirements of the securities regulatory authorities of the place where the securities of the Bank are listed, but the right shall only be exercised after six years from the date of declaration or after the expiration of the given period (whichever is later).

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

The Bank shall have the right to sell the shares of untraceable shareholders of overseas listed shares through the methods the Board of Directors deems appropriate and subject to the following conditions:

- (I) the Bank has distributed dividends on such shares at least three (3) times in a period of twelve (12) years and the dividends are not claimed by anyone during that period;
- (II) after the expiration of the twelve-year period, the Bank makes a public announcement in one or more newspapers in the place of listing, stating its intention to sell such shares and notifies the securities regulatory authorities of the place where the securities of the Bank are listed.

Article 283

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

The recipient agent appointed by the Bank shall comply with the laws of the place where the securities of the Bank are listed or the relevant requirements of the stock exchange where the securities of the Bank are listed.

The recipient agent appointed by the Bank for shareholders of the overseas-listed shares shall be a company which is registered as a trust company under the Trustee Ordinance of Hong Kong.

Section 2 Data Quality Management

Article 284 Data quality management of the Bank shall be enhanced in order to fulfil requirement of the Bank in statistics standardization, improve data quality and provide accurate references for scientific decision making, and comply with the regulatory provisions. It is important to the operational management of the Bank.

Article 285 Data quality management of the Bank aims to enhance the overall data management quality in compliance with the regulatory provision through refining the systems, defining the organizational structure and duties allocation of personnel, strengthening the system security and standards of data, supervising, inspecting and assessing data quality, and standardizing the report, application and storage of data.

The financial department of the Bank takes charge of data quality management, and is responsible for the overall planning and coordination of data quality management, and guiding the risk management department to include data quality management into the internal control system of the Bank.

In order to enhance the review and assessment of data quality control, the internal audit department of the Bank shall strengthen the inspection of the overall data quality control of the Bank and report to the Board of Directors annually.

Section 3 Internal Audit

Article 286 The Bank implements an internal audit system, and was equipped with full-time auditors, who will conduct internal audit and supervise the financial and economic activities of the Bank.

Article 287 The internal audit system and the duties of the audit personnel of the Bank shall be implemented upon approving by the Board of Directors. The head of audit shall be responsible to and shall report to the Board of Directors.

Section 4 Engagement of Accounting Firms

Article 288 The Bank shall engage independent accounting firms that comply with the relevant state regulations to audit annual financial reports and to review other financial reports of the Bank. The term of engagement of an accounting firm engaged by the Bank shall be 1 year starting from the closing of each annual general meeting and ending at the closing of the next annual general meeting, and is subject to renewal upon expiry. No accounting firm controlled by a related party shall be engaged to perform auditing for the Bank.

If no accounting firms or auditors are appointed or re-appointed at the annual general meeting, the competent authority shall, at the request of any member, appoint accounting firms or auditors to fill the vacancy.

Article 289 The appointment of an accounting firm for annual auditing and the asset and capital verification shall be decided upon by the shareholders' general meeting.

Article 290 If a vacancy of the position of accounting firm arises, the Board of Directors may appoint an accounting firm to fill such vacancy before holding of a shareholders' general meeting. However, if there are other engaged accounting firms of the Bank while such vacancy still exists, such accounting firms shall continue to serve.

Article 291 An accounting firm engaged by the Bank shall have the following rights:

- (I) to inspect the books of accounts, records or documents of the Bank at any time, and to require the directors or senior management of the Bank to provide relevant information and explanation;
- (II) to require the Bank to adopt all reasonable measures to obtain from its subsidiaries such information and explanations as required by the accounting firm for performance of its duties;
- (III) to attend the shareholders' meeting to obtain any notice of shareholders' meeting or other information in relation to the meeting, and to speak at the shareholders' meeting on matters involving its duties as the accounting firm appointed by the Bank.

Article 292 The Bank warrants that it will provide true and complete accounting evidence, accounting books, financial and accounting reports and other accounting information to the engaged accounting firm without any refusal or withholding or falsification of information.

Article 293 The shareholders' general meeting may, by way of an ordinary resolution, dismiss an accounting firm, prior to the expiration of the term of office of the accounting firm, regardless of the terms and conditions of the contract between the accounting firm and the Bank. If the accounting firm concerned has the right to make a claim against the Bank due to its dismissal, such right shall not be affected.

Article 294 The remuneration of the accounting firm or the ways to determine the remuneration of the accounting firm shall be determined by the shareholders' general meeting.

Article 295 The appointment, dismissal or non-reappointment of an accounting firm shall be decided upon by the shareholders' general meeting and reported to the securities regulatory authorities of the State Council for filing.

In case of dismissal or non-reappointment of accounting firm of the Bank, a 15-day prior notice shall be given to the accounting firm. The accounting firm should be allowed to make representations when the shareholders' general meeting conduct a vote on the dismissal of the accounting firm.

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

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

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

- (II) if the accounting firm about to leave its post makes a written statement, and requests the Bank to inform the shareholders of its statement, the Bank shall, unless the time of receiving the written statement is too late, adopt the following measures:
1. state in the notice sent out for the purpose of a resolution that the accounting firm to leave its post has made a statement;
 2. send a copy of the statement in the form of an attachment to the notice to shareholders in the manner stipulated by the Articles of Association.
- (III) if the Bank fails to deliver the statement of the accounting firm in accordance with paragraph (II) above, the accounting firm concerned may request that the statement be read out at the shareholders' general meeting and make further elaboration.
- (IV) a leaving accounting firm shall be entitled to attend the following meetings:
1. the shareholders' general meeting at which its term of office shall expire;
 2. the shareholders' general meeting at which the vacancy due to its dismissal is to be filled up;
 3. the shareholders' general meeting convened due to its resignation.

The leaving accounting firm shall be entitled to receive all notices of the aforesaid meetings and other information in relation to the meetings and to speak at the aforesaid meetings on matters concerning its duties as the former accounting firm of the Bank.

Article 296

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

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

- (I) a statement to the effect that there are no circumstances related to its resignation which it considers should be brought to the notice of the shareholders or creditors of the Bank;
- (II) a statement about the matters that shall be disclosed.

The Bank shall, within 14 days after receiving the aforesaid written notice, send a copy of the notice to the relevant regulatory authorities. If the notice contained a statement referred to in the above paragraph (II), the Bank shall also display a copy of the statement in the Bank for shareholders' review. Subject to the Articles of Association, the Bank shall send by prepaid mail a copy of such statement to each shareholder who is entitled to obtain the financial statements of the Bank at the address recorded in the register of shareholders, or according to the applicable laws, regulations, regulatory provisions and Hong Kong Listing Rules, during the above-mentioned period, publish such statement through the website of the stock exchange of the place where the Bank's securities are listed, or in one or more newspapers specified by such stock exchange and by the Articles of Association.

If the accounting firm's notice of resignation contains any statement about circumstances that shall be disclosed, the accounting firm may request that the Board of Directors convene an extraordinary general meeting for the purpose of receiving an explanation of the circumstances in connection with its resignation.

CHAPTER 14 NOTICES AND ANNOUNCEMENTS

- Article 297** The notices shall be given in one or more of the following ways:
- (I) by hand;
 - (II) by post;
 - (III) by fax or email;
 - (IV) subject to the laws, regulations, regulatory requirements, the listing rules of the jurisdiction in which the Bank's securities are listed and the Articles of Association, by way of posting on the website designated by the Bank and the stock exchange;
 - (V) by way of media announcement or disclosure on the website of the Bank or posting at branches;
 - (VI) given by any other means as may be agreed upon by the Bank and the addressee or as may be accepted by the addressee upon receiving the notice;
 - (VII) given by any other means recognized by the regulatory authority of the jurisdiction in which the Bank's securities are listed or provided in the Articles of Association.

In respect of any corporate communications provided or delivered to H shareholders by the Bank in accordance with the Hong Kong Listing Rules, the Bank may, subject to the laws and regulations and the listing rules of the jurisdiction in which the Bank's securities are listed and the Articles of Association, provide or deliver corporate communications to H shareholders on the website designated by the Bank and/or the website of Hong Kong Stock Exchange or via electronic means.

Article 298 Where an announcement is published by the Bank, all persons concerned shall be deemed to have received the notice upon publication.

Article 299 The notice in respect of convening a shareholders' general meeting shall be delivered by way of media announcement or disclosure on the website of the Bank or posting at branches.

- Article 300** The notice in respect of convening a meeting of the Board of Directors shall be delivered by hand, post, phone, fax, email or other methods agreed by the Board of Directors.
- Article 301** The notice in respect of convening a meeting of the Board of Supervisors shall be delivered by hand, post, phone, fax, email or other methods agreed by the Board of Supervisors.
- Article 302** Where a notice of the Bank is delivered by hand, the recipient shall acknowledge receipt by signing (or sealing) the delivery receipt, and the date on which the recipient or its proxy signs the delivery receipt shall be the delivery date. Where a notice of the Bank is sent by mail, the delivery date shall be the fifth working day after such notice is delivered to the post office. Where a notice of the Bank is delivered by way of media announcement or disclosure on the website of the Bank or posting at branches, the delivery date shall be the date on which the announcement is firstly published or delivered by way of media announcement or disclosure on the website of the Bank or posting at branches. Where a notice of the Bank is given by phone or oral notice, the delivery date shall be the date of notice. Where a notice of the Bank is given by email or fax, the delivery date shall be the date of sending the email or fax.
- Article 303** The accidental omission to give notice of meeting to, or the non-receipt of notice of meeting by, any person entitled to receive such notice shall not invalidate the meeting held and the resolutions adopted at such meeting.
- Article 304** Where the listing rules of the jurisdiction in which the securities of the Bank are listed require that the Bank shall send, mail, distribute, release, announce or provide by other means the Bank's relevant documents in both English and Chinese versions, if the Bank has made appropriate arrangements to determine whether its shareholders expect to receive the English or the Chinese version only, the Bank may (based on the preference expressed by shareholders) send the English or Chinese version only to relevant shareholders as permitted by the applicable laws, regulations and regulatory requirements.

Article 305

The Bank shall send announcements and disclose information to the shareholders of domestic shares in newspapers and websites for information disclosure specified by the laws, regulations or relevant domestic regulatory authorities. Where announcements are to be sent to the shareholders of overseas listed shares in accordance with the relevant requirements, the announcements shall be simultaneously published in the methods specified by the Hong Kong Listing Rules, and sufficient notice shall be given so that the shareholders of overseas listed shares with their registered address being outside of Hong Kong have enough time to exercise their rights or act according to the terms of the notice. The disclosure made by the Bank on other public media shall not be earlier than that made on designated newspapers and websites, and press releases or question and answer session shall not be used as an alternative of the announcements of the Bank. If notices may be issued in the form of advertisements in accordance with relevant regulations, such advertisements may be published in the newspaper.

The Board of Directors are entitled to change the newspapers designated for announcement posting, but they must ensure that the designated newspapers fulfil the qualification and conditions required by relevant laws, regulations, regulatory requirements and stock exchanges.

CHAPTER 15 MERGERS, DIVISION, DISSOLUTION AND LIQUIDATION

Section 1 Mergers and Division

Article 306 Upon the approval by the banking regulatory authorities under the State Council, the Bank may implement merger and division in accordance with laws.

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

Article 307 For a merger or division of the Bank, the Board of Directors shall put forward a proposal, and the formalities for approval shall be handled in accordance with the law once the proposal has been passed in compliance with the procedures specified in the Articles of Association. The shareholders who oppose the merger or division plans of the Bank have the right to ask the Bank or the shareholders who approve the merger or division plans to purchase their shares at a fair price. The contents of the resolution on the merger or division of the Bank shall be made into special document, which shall be available for inspection by shareholders.

The aforementioned documents shall be served by mail to the shareholders of overseas listed foreign shares of the Bank.

Article 308 For a merger of the Bank, the parties to the merger shall sign a merger agreement, and shall prepare a balance sheet and asset list. The Bank shall inform creditors within 10 days from the date on which the resolution in favor of the merger is adopted, and shall publish an announcement in 30 days in the newspapers. The creditors shall within 30 days from the day on which a notice is received, and, in the case where no notice is received, within 45 days, request the Bank to repay its debts or provide a corresponding guarantee for repayment.

Article 309 After the merger of the Bank, the entity surviving the merger or the new entity established after the merger shall assume the claims and debts of the parties to the merger.

Article 310 Where the Bank proceeds into a division, its assets shall be divided accordingly.

Where there is a division of the Bank, the parties to the division shall execute a division agreement and prepare a balance sheet and asset list. The Bank shall inform the creditors within 10 days from the date on which a resolution is adopted in favor of the division, and shall publish an announcement within 30 days in newspapers.

Article 311 The entity established after division shall assume joint and several liability for the debts incurred by the Bank before division, unless otherwise stipulated in any settlement agreement of debts which may be reached between the Bank and its creditors prior to the division.

Article 312 Where the Bank reduces its registered capital, a balance sheet and asset list must be prepared.

Article 313 The Bank shall inform creditors within 10 days from the date on which the resolution in favor of the reduction of registered capital is adopted, and shall publish an announcement in 30 days in the newspapers. The creditors shall within 30 days from the day on which a notice is received, and, in the case where no notice is received, within 45 days, request the Bank to repay its debts or provide a corresponding guarantee for repayment.

The registered capital of the Bank after reduction shall not be lower than the legal minimum amount.

Article 314 Changes in the registration of the Bank as a result of the merger or division shall, in accordance with the laws, be registered with the company registration authority. In accordance with the laws, cancelation shall be registered when the Bank is dissolved and incorporation of a company shall be registered when a new company is incorporated.

Section 2 Dissolution and Liquidation

Article 315 The Bank shall be dissolved in any of the following circumstances:

- (I) expiry of the term of business operation of the Bank;
- (II) the shareholders' general meeting has resolved to dissolve the Bank;

- (III) merger or division of the Bank entails dissolution;
- (IV) the Bank is declared insolvent according to the laws because the Bank fails to pay debts when they are due payable;
- (V) if the business license of the Bank is revoked or if it is ordered to close down its business or if its business license is canceled due to its breach of laws and administrative regulations;
- (VI) the Bank is dissolved by the People's Court in response to the request of shareholders with shareholding representing no less than 10% of the voting rights of all shareholders of the Bank, on the grounds that the operation of the Bank experiences serious difficulties that cannot be resolved through other means, rendering ongoing existence of the Bank a source of significant losses for shareholders.

The dissolution of the Bank is subject to the approval of banking regulatory authority of the State Council.

Article 316

Where the Bank is dissolved pursuant to items (I), (II), (V), or (VI) of Article 316, the Bank shall establish a liquidation group within 15 days upon the approval of the banking regulatory authorities under the State Council and the members of the liquidation group shall be determined by the shareholders' general meeting by way of an ordinary resolution.

Where the Bank is dissolved pursuant to item (IV) of Article 316, a liquidation group shall be established by the people's court pursuant to the relevant laws, and the group may comprise representatives from the banking regulatory authorities under the State Council, shareholders, related agencies and professionals.

If the Bank fails to establish a liquidation group on time, creditors may request the people's court to designate certain persons to form a liquidation group to perform liquidation.

Where the Bank is dissolved pursuant to item (V) of Article 316 of these Articles, a liquidation group shall be established by the banking regulatory authorities under the State Council to perform liquidation, and the group may comprise the shareholders, related agencies and professionals.

Article 317

The liquidation group may exercise following functions and powers during the liquidation:

- (I) to liquidate the assets of the Bank and prepare a balance sheet and asset list;
- (II) to notify the creditors or publish announcements;
- (III) to deal with any outstanding business of the Bank that relates to the liquidation;
- (IV) to pay any overdue tax together with any tax arising during the liquidation process;
- (V) to settle financial claims and liabilities;
- (VI) to handle the Bank's remaining assets after its debts have been paid off;
- (VII) to represent the Bank in any civil procedures.

Article 318

The liquidation group shall notify creditors within 10 days of its establishment, and publish an announcement in newspapers within 60 days. A creditor shall lodge his claim with the liquidation group within 30 days of receipt of the notification or within 45 days of the date of the announcement if he has not received any notification.

A creditor shall, in making his claim, state all matters relevant to his creditor's rights and furnish relevant evidence. The liquidation group shall register such creditor's rights.

The liquidation group shall not make any settlement to creditors during the period of the claim.

Article 319

Upon disposal of the Bank's property and preparation of the required balance sheet and asset list, the liquidation group shall draw up a liquidation plan and submit this plan to a shareholders' general meeting or the people's court for endorsement.

The remaining assets of the Bank, after payment of liquidation expenses, employee wages, social insurance expenses and statutory compensation, outstanding taxes and the Bank's debts, shall be distributed to shareholders in proportion to shares held by them.

The Bank should, after paying the liquidation expenses, outstanding employee wages and labor insurance, pay the principal and interest of personal saving deposits first during its bankruptcy liquidation.

The Bank shall continue to exist during the liquidation period, although it cannot engage in operating activities that are not related to the liquidation. Assets of the Bank shall not be distributed to shareholders before repayments are made in accordance with the requirements above.

Article 320

If the Board of Directors decides to liquidate the Bank (save for liquidation when our Bank is declared bankrupt), the notice of shareholders' general meeting to be held therefor shall contain a statement that the Board of Directors 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 shareholders' general meeting, the functions and powers of the Board of Directors shall cease forthwith.

The liquidation group shall report to the shareholders' 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 the liquidation, and shall deliver a final report to the shareholders' general meeting at the end of liquidation according to the instruction of the shareholders' general meeting.

Article 321

Upon liquidation of the Bank's assets and preparation of the required balance sheet and asset list, if the liquidation group becomes aware that the Bank does not have sufficient assets to meet its liabilities, it must apply to a people's court for a declaration of bankruptcy in accordance with the laws, subject to the approval of the banking regulatory authorities under the State Council.

Following such declaration by the people's court, the liquidation group shall hand over the administration of the liquidation to the people's court.

- Article 322** Following the completion of liquidation, the liquidation group shall prepare a liquidation report, income and expenditure statement and financial books of accounts in respect of the liquidation period, and, upon verification by a PRC certified public accountant, submit the same to the shareholders' general meeting or the relevant regulatory authorities for confirmation. Within 30 days from the date of confirmation from the shareholders' general meeting or the relevant regulatory authorities, the liquidation group shall submit the documents mentioned above to the company registration authority, apply for cancellation of the Bank's registration and make an announcement of the closure of the Bank.
- Article 323** Members of the liquidation group are required to discharge their duties in good faith and perform the liquidation obligations in accordance with the laws.
- Members of the liquidation group shall be prohibited from abusing their authority in accepting bribes or other unlawful income and from misappropriating the Bank's assets.
- Members of the liquidation group are liable to indemnify the Bank and its creditors in respect of any loss arising from their willful or material default.
- Article 324** Liquidation of the Bank declared bankrupt according to the laws shall be processed in accordance with the laws on corporate bankruptcy.
- Article 325** Mergers, division, dissolution, liquidation, bankruptcy and closure of the Bank shall comply with the Company Law, the Commercial Bank Law and the special provisions of banking regulatory authority of the State Council and other regulatory authorities.

CHAPTER 16 AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 326 The Bank may amend the Articles of Association in accordance with the laws, regulations, regulatory requirements and the provisions herein.

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

- (I) If, after the Company Law, the Commercial Bank Law or other relevant laws and administrative regulations are amended, any term contained in the Articles of Association becomes inconsistent with the amended laws and administrative regulations;
- (II) If a change in the Bank's circumstances results in inconsistency with certain terms specified in the Articles of Association;
- (III) If the shareholders' general meeting adopts a resolution to amend the Articles of Association.

Article 327 Any amendments to be made to the Articles of Association pursuant to a resolution of the shareholders' general meeting shall be subject to the approval of the banking regulatory authorities under the State Council. The amendments involving contents of the Mandatory Provisions will only be effective upon approval of the company examination and approval department and the securities regulatory department authorized by the State Council, while the amendment involving matters of company registration must be registered with the relevant authority in accordance with applicable laws.

Article 328 The Board of Directors shall amend the Articles of Association according to the resolutions on amending the Articles of Association passed at a shareholders' general meeting and the approval opinions of the relevant regulatory authorities.

Article 329 Where the amendments to the Articles of Association involve information that is required to be disclosed by laws and regulations, such amendments shall be announced in accordance with the relevant requirement.

Article 330

Any matters not covered herein shall be handled in accordance with the relevant laws and regulations of the People's Republic of China and the relevant regulations of the banking regulatory authority under the State Council.

CHAPTER 17 DISPUTE RESOLUTION

Article 331

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 foreign shares and the Bank, holders of the overseas listed foreign shares and the Bank's directors, supervisors and senior management, or holders of the overseas listed foreign shares and holders of domestic shares, which are based on the Articles of Association, the Company Law or any rights or obligations under other relevant laws and administrative regulations concerning the affairs of the Bank, such disputes or claims shall be referred by relevant parties to arbitration.

The aforesaid disputes or claims referred to arbitration shall be the entire claims or disputes and any person (being the Bank or a shareholder, director, supervisor, or senior management of the Bank) that 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 to be resolved by 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 Center in accordance with its Securities Arbitration Rules. Once a claimant refers a dispute or claim to arbitration, the other party must carry out the arbitration at the arbitration body elected by the claimant.

If a claimant elects arbitration at Hong Kong International Arbitration Center, 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 Center.

- (III) if any disputes or claims of rights in above-mentioned subparagraph (I) are referred to arbitration, the laws of the PRC shall apply, save as otherwise provided in the laws, regulations and regulatory provisions.
- (IV) the award of an arbitration body shall be final and binding on all parties.

CHAPTER 18 MISCELLANEOUS

Article 332

Interpretation

- (I) A “controlling shareholder” shall refer to the person satisfying any of the following conditions:
 - 1. such shareholder acting alone or together with other shareholders may elect more than half of the directors;
 - 2. such shareholder 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; or a shareholder who, although holding less than 30% of the shares, has sufficient voting rights based on his or her shares to exercise significant influence on the resolutions of the shareholders’ general meeting.
 - 3. such shareholder acting alone or together with other shareholders holds more than 30% of the issued and outstanding shares of the Bank;
 - 4. such shareholder acting alone or together with other shareholders may in fact control the Bank in any other ways.

- (II) “De facto controller” refers to a person who, though not a shareholder of the Bank, is able to get the de facto control of the Bank through investment relationship, agreement or other arrangements.
- (III) “Substantial shareholders” refer to shareholders who hold or control more than 5% of the shares or voting rights of the Bank, or hold less than 5% of the total capital or total shares but have a significant impact on the business operations of the Bank.

The “significant impact” in the preceding paragraph includes but not limited to nominating or dispatching directors, supervisors or senior management to the Bank, affecting the financial and business operation decisions of the Bank through agreements or other means and other circumstances as determined by the banking regulatory authority of the State Council or its local offices.

- (IV) “Related party relationship” refers to the relationship between the controlling shareholders, de facto controller, directors, supervisors, senior management of the Bank and the enterprises under their direct or indirect control, and any other relationship that may lead to the transfer of interests of the Bank. However, the relationship between fellow state-controlled enterprises shall not be deemed as related party relationship merely because they are under the common control of the State.
- (V) “Concerted action” refers to the act or fact that an investor jointly enlarges the voting rights of shares of the Bank with other investors through agreements and other arrangements. Investors who act in concert are persons acting in concert.
- (VI) “Ultimate beneficiary” refers to a person actually entitled to the return on the Bank’s equity.

- (VII) Failure of the corporate governance mechanism includes, but is not limited to: failure to elect the Board of Directors for more than one consecutive year; failure to make effective resolutions on prolonged conflict among the directors of the Bank and to resolve it through a shareholders' general meeting; failure of the Bank to convene a shareholders' general meeting for more than one consecutive year; failure of the Bank to meet the statutory or Articles of Association the ratio as stated in when voting at a shareholders' general meeting and failure to make effective resolutions at a shareholders' general meeting for more than one consecutive year; failure to pass a proposal to increase capital due to insufficient capital adequacy ratio or solvency; failure of the Bank's existing governance mechanism to function properly resulting in serious difficulties in the Bank's operation and management; other circumstances as determined by the regulatory authorities.
- (VIII) On-site meetings are meetings held through on-site, video, telephone, etc., which can guarantee the participants to exchange and discuss in real time.
- (IX) A written circular is a meeting method of resolving a proposal being served separately or by circulation.

Article 333 The Board of Directors may formulate rules of articles of association in accordance with the Articles of Association. The rules shall not conflict with the Articles of Association.

Article 334 The Articles of Association shall be written in Chinese. Should there be any inconsistency between the Articles of Association and the articles of association in any other language or of different version, the latest Chinese version approved by and registered with the Market Supervision Administration Department of Dongguan shall prevail. In case of any conflicts between the Articles of Association and the laws, regulations, regulatory requirements and the listing rules of the place in which the Bank's securities are listed promulgated from time to time, such laws, regulations, regulatory requirements and the listing rules of the place in which the Bank's securities are listed shall prevail.

Article 335 References to "above", "within", "below" and "at least" herein shall include the actual given figures unless otherwise specified, while references to "not more than", "over", "beyond", "less than" and "more than half" shall exclude such actual given figures.

- Article 336** The Board of Directors of the Bank shall be responsible for the interpretation of the Articles of Association.
- Article 337** Where there are provisions by the PRC governing preference shares, such provisions shall prevail.
- Article 338** References to “regulatory authorities”, “relevant regulatory authorities”, “competent authorities” and “relevant competent authorities” herein include domestic and foreign entities which have power to perform supervisory and regulatory obligations on the Bank according to applicable laws, administrative regulations, departmental rules and regulatory documents.
- Article 339** Upon approval by the shareholders’ general meeting and approval by the banking regulatory authority of the State Council, the Articles of Association shall become effective from 24 April 2023, and the former Articles of Association of Dongguan Rural Commercial Bank Co., Ltd. (Dongnong Yinfa [2021] No. 444) shall be repealed at the same time.