

ARTICLES OF ASSOCIATION OF BANK OF ZHENGZHOU CO., LTD.

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CHAPTER 1 GENERAL PROVISIONS

Article 1 For the purpose of regulating the organization and activities of Bank of Zhengzhou Co., Ltd. (the “Bank”) and protecting the legitimate rights and interests of the Bank, its shareholders, employees and creditors, the Articles of Association (the “Articles”) are hereby formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), Securities Law of the People’s Republic of China (the “Securities Law”), Law of the People’s Republic of China on Commercial Banks (the “Commercial Banking Law”), Guidelines for the Articles of Association of Listed Companies, Corporate Governance Rules for Banking and Insurance Institutions and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”) as well as other relevant laws and administrative regulations, departmental rules, securities regulatory authorities and stock exchange of the locality in which the Bank’s shares are listed in light of the actual condition of the Bank.

Article 2 The Bank is a commercial bank established in the form of a joint stock limited company in accordance with the Company Law, the Commercial Banking Law and other applicable laws.

The Bank was established by way of promotion on 6 August 1996 with the approval of the People’s Bank of China (Yin Fu (1996) No. 198 and Yin Fu (1996) No. 245). The Bank was registered with the Henan Administration for Industry & Commerce on 16 November 1996 and obtained its business license. The uniform social credit code of the Bank is 914100001699995779.

Article 3 The Bank is under the supervision and administration of the banking regulatory and administrative authorities under the State Council and its agency (hereinafter collectively referred to as the banking regulatory and administrative authorities under the State Council) and the relevant regulatory authorities of the State in accordance with laws.

With the approval of China Securities Regulatory Commission on July 27, 2018, the Bank issued 600,000,000 RMB denominated ordinary shares for initial public offering, which were listed on the Shenzhen Stock Exchange on September 19, 2018.

Article 4 Registered name of the Bank:

Chinese name: 鄭州银行股份有限公司, in short: 鄭州银行

Full English name: BANK OF ZHENGZHOU CO., LTD.

English in short: BANK OF ZHENGZHOU.

Domicile of the Bank: No. 22 Shangwu Waihuan Road, Zhengdong New District, Zhengzhou City, Henan, the PRC

Postal code: 450018

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

Article 6 The legal representative of the Bank shall be the chairman of its Board of Directors. When the chairman resigns, he/she shall be deemed to have resigned as the legal representative concurrently.

Article 7 The legal consequences of civil activities conducted by the legal representative on behalf of the Bank shall be borne by the Bank.

Restrictions on the authority of the legal representative as stipulated in the Articles of Association or the shareholders' meeting shall not be enforceable against bona fide counterparty.

Where the legal representative causes damage to others in the performance of his and her duties, the Bank shall bear civil liability. The Bank may, after assuming such civil liability, seek compensation from the legal representative at fault in accordance with the laws or these Articles of Association.

Article 8 The Bank is an independent legal person and carries out its business operations according to laws without interference from any entity and individual. The Bank is entitled to independent legal person properties and has properties rights as a legal person. Shareholders of the Bank shall bear the liabilities of the Bank to the extent of their respective shareholdings and the Bank shall bear liability for its debts to the extent of all its properties.

Article 9 From the date on which it becomes effective, the Articles shall become a legally binding document that regulates the organization and acts of the Bank, as well as the rights and obligations between the Bank and its shareholders, and amongst the shareholders themselves.

The Articles shall be binding on the Bank and the shareholders, directors, president and other senior management personnel of the Bank. The aforementioned persons can enforce their rights on matters relating to the Bank in accordance with the Articles.

According to the Articles, shareholders may initiate legal proceedings against other shareholders, against directors, president and other senior management personnel of the Bank as well as against the Bank itself. The Bank may initiate legal proceedings against its shareholders, directors, president and other senior management personnel.

The term of "initiating legal proceedings" referred to in the preceding paragraph shall include the initiation of legal proceedings at courts or the application of arbitration to arbitration institutions.

Article 10 The term of “other senior management personnel” referred to in the Articles shall mean the Bank’s vice president, Secretary to the Board of Directors, assistant to the president, finance chief, chief risk officer, chief compliance officer, chief auditor, chief accountant, chief information officer and other senior management personnel as determined by the Board of Directors.

Chairman, vice chairman, directors, president, vice president, Secretary to the Board of Directors, assistant to the president, finance chief, chief risk officer, chief compliance officer, chief auditor, chief accountant, chief information officer and other personnel of the Bank whose qualifications shall be subject to the audit by regulatory authorities such as the banking regulatory and administrative authorities under the State Council shall have the qualifications as required by the regulatory authorities and shall have their qualifications approved by or filed with the regulatory authorities.

Article 11 The Bank may invest in other enterprises and shall assume responsibilities to the invested enterprises to the extent of its capital contribution or subscribed shares. If the law stipulates that the Bank shall not become a joint and several liability investor for the debts of the invested enterprise, such provisions shall apply.

Article 12 The Bank adopts the “tier-one legal person and uniform accounting” system. Based on the needs of its business development and subject to review and approval by the banking regulatory and administrative authorities under the State Council, the Bank may establish branches inside and outside the PRC. Such branches shall not have the status of legal person, and shall legally carry out their business operations within the scope of powers delegated to them by the head office, and their civil liability shall be borne by the head office.

Article 13 In accordance with the relevant regulations of the Constitution of the Communist Party of China and the Company Law of China, organizations of the Communist Party of China shall be established and Party activities shall be conducted by the Bank. The Bank provides necessary conditions for the activities of Party’s organizations; the Party Committee shall play the core leadership role, providing direction, managing the overall situation and ensuring implementation. The Party’s working bodies shall be established, equipped with sufficient staff to deal with the Party’s affairs and provided with sufficient funds for operating the Party’s organizations.

CHAPTER 2 BUSINESS OBJECTIVES AND SCOPE OF BUSINESS

Article 14 The business objectives of the Bank are: to pursue a market-oriented and customer-focus policy, to carry out business operations in compliance with laws and regulations following the principles of “equality, free will, fairness and integrity”, to provide quality financial services to the society, to create maximum economic benefits for shareholders on the basis of prudent operation and sound development, to assume social responsibilities and to promote and support local economic development and social progress.

The Bank shall adhere to the operating principles of safety, liquidity and profitability, while conducting independent operations, bearing its own risks, assuming sole responsibility for its own profit or loss, being self-constrained and pursuing self-development.

Article 15 The business scope of the Bank is as follows:

- (1) Public deposits-taking;
- (2) Short-term lending, medium-term lending and long-term lending;
- (3) Domestic and overseas clearing;
- (4) Bill acceptance and discounting;
- (5) Financial bond issuances;
- (6) Acting as agents in issuance and honoring and underwriting of government bonds;
- (7) Buying and selling government bonds and treasury bonds;
- (8) Inter-bank borrowings;
- (9) Foreign exchange deposits, foreign exchange loans, foreign exchange remittances and foreign currency conversion;
- (10) Bank card businesses;

- (11) Providing letters of credit services and guarantees;
- (12) Acting as agents in the collection and payment of money and insurance business;
- (13) Providing safe deposit box services;
- (14) Sales business of securities investment fund; and
- (15) Any other business approved by the banking regulatory and administrative authorities under the State Council.

CHAPTER 3 SHARES AND REGISTERED CAPITAL

Section 1 Shares Issue

Article 16 The registered capital of the Bank is RMB6,514,125,090, which is paid in capital, being the aggregate amount of capital contributed by shareholders of the Bank. The paid-in capital of the Bank is divided into shares with equal par value. All of the ordinary shares issued by the Bank shall be ordinary shares with a par value of RMB1 each.

The Bank shall have ordinary shares at all times. The Bank may issue other classes of shares such as preference shares as required by applicable laws, according to its needs. In the Articles, preference shares refer to classes of shares governed separately under the Company Law as compared to the ordinary shares governed by the general provisions. Preference shareholders shall participate in the distribution of profits and residual assets of the Bank in priority to ordinary shareholders, but their rights in respect of participating in decision making and management of the Bank (such as voting rights) are restricted.

Unless otherwise specified, references in Chapters 3 to 16 of the Articles to share(s) (including H Shares) and share certificate(s) shall refer to ordinary share(s) and ordinary share certificate(s) and references to shareholders shall refer to ordinary shareholders. Special matters relating to preference shares are set out separately in Chapter 17 of the Articles.

Article 17 The shares in the Bank shall be issued in a fair and equal manner and each share of the same class shall have the same rights.

For shares of the same class that are issued in the same tranche, the issue terms and price shall be identical. Any subscriber subscribing for shares shall pay the same price for each share.

Article 18 Upon approval of the banking regulatory and administrative authorities under the State Council and performance of the relevant procedures of the securities regulatory and administrative authorities under the State Council or the departments authorized by the State Council, the Bank may issue shares to domestic investors and overseas investors.

The term of “overseas investors” referred to in the preceding paragraph shall mean investors from foreign countries and from the Hong Kong Special Administrative Region (“Hong Kong”) of the People’s Republic of China (the “PRC”), Macao Special Administrative Region and Taiwan Region who have subscribed for the shares issued by the Bank. The term of “domestic investors” referred to in the preceding paragraph shall mean investors other than those mentioned above who have subscribed the shares issued by the Bank and are located within the PRC.

Article 19 Upon performance of the relevant procedures of the securities regulatory and administrative authorities under the State Council or the departments authorized by the State Council, and upon an issuance of shares as well as verification and approval by a domestic stock exchange, shares that are listed domestically shall be referred to as “domestically listed shares”.

Upon performance of the relevant procedures of the securities regulatory and administrative authorities under the State Council or the departments authorized by the State Council, and an issuance of shares, ordinary shares listed and traded on overseas stock exchanges with approval from overseas securities regulatory authorities shall be referred to as “overseas listed shares”.

Overseas listed shares issued by the Bank and listed on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) are referred to as H shares.

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

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

Article 20 The Bank was established by promotion. Promoters of the Bank include the operation department of Zhengzhou City Cooperative Credit Union, all of the original shareholders of 47 city cooperative credit unions, Zhengzhou City Cooperative Credit Union and 47 city cooperative Finance Bureau as a promoter as well as other 14 legal person enterprises. Capital was contributed by the former union operation department of Zhengzhou credit unions through conversion of net assets to shares and by other promoters in cash on 6 August 1996. The total number of shares issued upon the establishment of the Bank was 452,759,882, with a par value of RMB1 per share.

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

Share certificates represent share certificates issued by the Bank to its shareholders to evidence their equity interests in the Bank or other certificates evidencing their holding of shares in the Bank.

Article 22 The total number of ordinary shares of the Bank is 6,514,125,090.

The Bank's ordinary share capital structure is: 6,514,125,090 ordinary shares, including 4,844,325,090 domestically listed shares, representing 74.37% of the total shares issued by the Bank; and 1,669,800,000 H shares, representing 25.63% of the total shares issued by the Bank.

Article 23 The Bank, or any of its subsidiaries (including affiliated enterprises), shall not provide financial assistance to others for the purpose of acquiring shares of the Bank or its parent Bank through means such as gifts, advances, guarantees, or loans, except in the case of implementing an employee stock ownership plan.

Section 2 Increase or Reduction and Repurchase of Shares

Article 24 The Bank may, based on its operating and development needs and in accordance with the laws and regulations, subject to respective resolutions adopted in the shareholders' meeting and the approval by the relevant competent authorities, increase its capital in the following ways:

- (1) Issuing shares to non-specific entities;
- (2) Issuing shares to specific entities;
- (3) distribute bonus shares to existing shareholders;
- (4) convert capital reserves into share capital;
- (5) Other methods required by applicable laws, administrative regulations or required by relevant competent authorities of the State.

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

Article 25 The Bank may reduce its registered capital. The reduction of the registered capital of the Bank shall be conducted in accordance with the procedures stipulated by the Company Law, the Commercial Banking Law and other applicable laws and provisions of the Articles.

Article 26 The Bank shall not acquire its own shares, except in any of the following scenarios:

- (1) Reduction of the Bank's registered capital;
- (2) Merging with another company holding shares in the Bank;
- (3) Use of shares for employees' stock ownership plans or equity incentives;
- (4) Requests for the Bank to repurchase its own shares from shareholders who have voted against the resolutions passed at a shareholders' meeting on the merger or division of the Bank;
- (5) Use of shares for the conversion of corporate bonds which were issued by the Bank and are convertible into stocks;
- (6) Necessary for the Bank to protect the corporate value and shareholders' rights and interests;
- (7) In case there are other regulations about repurchase of preference shares issued by the bank under the laws, administrative regulations, departmental rules, the Articles and preference share issue plan of the Bank, such regulations prevail; or
- (8) Other circumstances permitted by applicable laws and permitted by the relevant competent authorities of the State.

Article 27 Approval shall be obtained at a shareholders' meeting when the Bank is to repurchase its own shares because of the circumstances set out in (1) and (2) of Article 26. Where the Bank purchases its own shares due to the circumstances set out in (3), (5) and (6) under Article 26 hereof, such purchase may be resolved at a board meeting attended by more than two-thirds of the directors in accordance with the provisions hereof or a mandate at a shareholders' meeting.

After the Bank has repurchased its own shares in accordance with the preceding article, the shares so repurchased shall be cancelled within ten (10) days from the date of purchase (under the circumstances set out in (1)), or shall be transferred or cancelled within six (6) months (under the circumstances set out in (2) and (4)). Under the circumstances set out in (3), (5) and (6), the total number of its own shares held by the Bank shall not exceed 10% of the total issued shares of the Bank, and shall be transferred or cancelled within three (3) years.

Where relevant matters in connection with the aforesaid share repurchase herein are otherwise provided by laws, administrative regulations, departmental rules, other regulatory documents, the securities regulatory authorities in the place where the Bank's shares are listed, and these Articles of Association, those provisions shall prevail.

Article 28 The Bank may acquire its shares by means of an open and centralized trading method or other methods approved by laws, regulations and CSRC.

The Bank shall acquire its own shares due to the circumstances set out in (3), (5) and (6) of Article 26 hereof by means of an open and centralized trading method.

Section 3 Transfer of Shares

Article 29 The shares of the Bank shall be transferred in accordance with the law.

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

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

Article 30 All transfers of H shares 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). The written instruments of transfer may be signed by hand or (where the transferor or transferee is a corporation) by 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 (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 31 Shares of the Bank held by promoters shall not be transferred within one (1) year from the date of the Bank's establishment. Shares issued before the IPO of the Bank shall not be transferred within one (1) year from the date of the listing of shares of the Bank.

Directors and senior management personnel of the Bank shall inform the Bank about their holdings of the shares in the Bank and any changes in their shareholding. During their terms of office determined upon taking office, the shares transferred each year shall not exceed 25% of the total number of the same classes of shares of the Bank held by any such aforementioned persons. Shares of the Bank held by them shall not be transferred within one (1) year from the date of the listing of shares of the Bank. Any such aforementioned persons shall not transfer shares of the Bank held by them within six (6) months after they cease to be employed.

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

Article 32 If the Bank's directors, senior management personnel, or shareholders holding more than 5% of the Bank's shares sell their shares or other securities with the nature of equity interests in the Bank within six months after purchase, or buy the shares within six months after the sale, the earnings gained will be owned by the Bank, and the Bank's Board of Directors will recover the earnings gained. However, except if a securities company holds more than 5% of the shares due to underwriting of the remaining shares after sale and under other conditions as prescribed by the CSRC.

The shares or other securities with the nature of equity interests held by the directors, senior management, natural person shareholders referred to hereinabove include the shares or other securities with the nature of equity interests held by their spouse, parents, children in their own name and under others' accounts.

If the Board of Directors of the Bank does not comply with the provisions of the first paragraph in this Article, the shareholders have the right to request the Board of Directors to execute within 30 days. If the Board of Directors of the Bank fails to execute within the above-mentioned time limit, the shareholders will have the right to file a lawsuit directly to the people's court in their own name for the benefit of the Bank.

If the Board of Directors of the Bank does not comply with the provisions of the first article in this Article, the directors under the liability shall bear joint liability in accordance with the law.

Article 33 Any entity or individual together with its 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 shares of our Bank, shall report to the banking regulatory and administrative authorities under the State Council for its approval in advance. Any entity or individual together with its related parties and persons acting in concert who hold, severally or jointly, more than 1% but less than 5% of total shares of our Bank, shall report to the banking regulatory and administrative authorities under the State Council within ten working days after obtaining the relevant equities. Shareholders shall forthwith report to the Board of Directors if there is related party relationship or acting in concert relationship among shareholders.

Shareholders who should have sought approval from or reported to but failed to seek approval from or report to the banking regulatory and administrative authorities under the State Council shall not exercise rights to request the convening of a shareholders' meeting, vote, nominate, propose, dispose, etc..

The shares of the Bank may be held by financial instruments, but the shares of the Bank accumulatively held by a single investor, issuer or manager and its de facto controller, related parties and persons acting in concert through financial instruments shall not exceed 5% of total shares of the Bank. A substantial shareholder of the Bank shall not hold shares of the Bank through financial instruments issued, managed or through any other means controlled by such substantial shareholder.

If a shareholder, in the absence of prior approval from the banking regulatory and administrative authorities under the State Council, the number of shares held by a shareholder is above 5% of the total number of the issued shares of the Bank (the “Excess Shares”), the shareholder must transfer the shareholding within the period prescribed by the banking regulatory and administrative authorities under the State Council.

Notwithstanding the foregoing provisions, shareholders of the Bank holding the Excess Shares shall not be subject to any restrictions when exercising the rights stipulated in items (1), (6) and (7) of Article 49 of the Articles.

Shares held by shareholders and their related parties shall be calculated together.

Section 4 Pledge of Shares

Article 34 If the shareholders pledge their shares in the Bank to provide guarantees for themselves or others, they shall comply strictly with the laws, regulations, and the requirements of regulatory authorities, and inform the Board of Directors of the Bank in advance. The office of the Board of Directors or other departments designated by the Board of Directors is responsible for the collecting, maintaining and reporting of any matters relating to pledge of the Bank’s shares.

Article 35 The Bank shall not allow its shares to become object of pledge.

Article 36 Shareholders shall not pledge the Bank’s shares if the outstanding balance of the loans they have borrowed from the Bank exceeds the audited net book value of the shares held by them in the previous year.

Article 37 If shareholders who are entitled to nominate candidates of the Directors of the Bank or shareholder who can directly or indirectly, or jointly hold or control above 2% of the shares or voting rights of the Bank pledge the shares of the Bank, they shall make an application to the Board of Directors for filing in advance to state basic information such as reason for pledge, number of shares, duration of the pledge and the pledgee. Filing shall not be made if the Board of Directors determines that it has material adverse effect on the stability of the Bank’s shareholding, corporate governance, risk and related transactions. The Director(s) nominated by a shareholder proposing to pledge his shares in the Bank shall abstain from voting at the meeting of the Board of Directors at which such proposal is considered.

Upon completion of shares pledge registration, shareholders shall in a timely manner provide the Bank with relevant information regarding the pledge of shares in line with the Bank's risk management and information disclosure requirement. For shareholders who hold 5% or more of the shares of the Bank that have voting rights, when they pledge their shares, they shall submit written reports on the date the matter happens.

Article 38 When the shares pledged by a shareholder reaches or exceeds 50% of its holding of shares in the Bank, the voting rights of such shareholder at shareholders' meeting and the voting rights of Directors appointed by such shareholder at meetings of the Board of Directors shall be restricted.

CHAPTER 4 SHARE CERTIFICATES AND REGISTER OF SHAREHOLDERS

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

Apart from the particulars as required by the Company Law, the particulars to be set out in the share certificates of the Bank in paper form shall include other items that should be stated pursuant to the regulations of securities regulatory authorities of the locality in which the Bank's shares are listed.

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 of the locality in which the shares of the Bank are listed prevail.

Article 40 The share certificates of the Bank shall be signed by the chairman of the Board of Directors. Where the securities regulatory authorities in the locality in which the shares of the Bank are listed require the president or other senior management personnel of the Bank to sign the share certificates, the share certificates shall be signed by the president or other relevant senior management personnel. The share certificates shall become effective after a seal of the Bank is affixed or imprinted thereon. The affixation of the Bank's seal on the share certificates shall be subject to the authorization of the Board of Directors. The signatures of the chairman of the Board of Directors, the president or other relevant senior management personnel of the Bank on the share certificates can be provided in printed form.

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

Article 41 The Bank shall keep a share register in accordance with the evidence provided by the share registrar. The share register shall be sufficient evidence of the holding of the Bank's shares by a shareholder. The shareholder register for overseas-listed shares listed on the Hong Kong Stock Exchange is also kept in Hong Kong.

Article 42 If alternate provisions on the period during which the transfer and registration of shares are suspended prior to a shareholders' meeting or a base date on which the Bank decides to distribute dividends are stipulated by laws, administrative regulations, departmental rules, other regulatory documents and the securities regulatory authority located in the locality in which the shares of the Bank are listed, those provisions shall prevail.

CHAPTER 5 PARTY ORGANIZATION (PARTY COMMITTEE)

Article 43 The Committee of the Communist Party of Bank of Zhengzhou Co., Ltd.* (hereinafter the "Party Committee") shall be established within the Bank. The Party Committee shall consist of 1 secretary with 1-2 deputy secretaries as well as other members of the Party Committee to be determined according to the approval by higher level Party organizations. A leadership system of "dual-way joining and alternate appointment" shall be observed and improved. Eligible members of the Party Committee can become members of the Board of Directors and the senior management through legal procedures, while eligible members of the Board of Directors and the senior management can also join the Party Committee in accordance with relevant rules and procedures.

The Zhengzhou Municipal Commission for Discipline Inspection and the Zhengzhou Municipal Supervisory Committee of the Communist Party (hereinafter, the "Zhengzhou Municipal Commission for Discipline and Supervision") shall dispatch a discipline inspection and supervisory team to the Bank, with the number of internal departments and positions to be established in accordance with the requirements of the Zhengzhou Municipal Commission for Discipline and Supervision.

The Bank shall establish working offices such as the Party and Mass Work Department and Inspection Office of the Party Committee, staffed with a certain percentage of full-time and part-time staff for Party's affairs, and the establishment of the Party's offices and their staffing shall be incorporated into the Bank's management structure and staffing. In accordance with the relevant rules of the higher-level authorities, the Bank shall ensure that the Party organization shall be provided with working funds through various means such as the retention of Party fees into these funds.

Article 44 The Party Committee shall focus on political direction, leadership, basic system, major decisions and Party building, and earnestly assume the responsibility of strictly managing and governing the Party. Major business management matters of the Bank must be studied and discussed by the Party Committee, and then the Board of Directors or senior management shall make a decision thereon.

The Party Committee of the Bank shall, in accordance with the Constitution of the Communist Party of China and other Party's regulation and normative documents, perform the following duties:

- (1) to strengthen the political work of the Party of the Bank, heighten political stance, intensify political leadership, enhance political capabilities, and prevent political risks; firmly uphold the "two affirmations" and resolutely implement the "two safeguards", adhering to the centralized and unified leadership of the Party Central Committee over

financial work; adhere to the centralized and unified leadership of the Party Central Committee over financial work;

- (2) to study and implement XI Jinping Thought on Socialism with Chinese Characteristics for a New Era, carry out the Party's principles and policies, ensure the thorough implementation of major decisions and deployments of the Central Committee of the Party and resolutions of higher Party organizations in the Bank, so as to promote the Bank to shoulder its responsibilities and missions, focus on its main responsibilities and main business, serve major strategies of the country and our province, fully perform economic, political and social responsibilities;
- (3) to strengthen its leadership and gate keeping role in the process of selection and appointment of personnel, adhere to the political integrity, professional competence and excellent conduct, focusing on standards, procedure, evaluation, recommendation and supervision, and to uphold the integration of the principle that the Party manages the cadres with the lawful selection of the management by the Board of Directors and the lawful exercise of authority of appointment, promotion and demotion of personnel by the management, to build a high-quality, professional team of financial cadres with integrity, honesty, and a sense of responsibility;
- (4) to study and discuss the reform, development and stability of the Bank, major operational and management issues and major issues concerning employees' interests, and provide advice and recommendations in this regard; to support the shareholders' meeting, the Board of Directors, and the senior management of the Bank in performing their duties in accordance with laws; to support the employee representative meeting in carrying out its work; to lead various groups such as labour unions and support them to carry out their work independently and responsibly in accordance with their respective constitutions;
- (5) to assume the primary responsibility to exercise strict self-governance in every respect of the Party, to lead the Bank's ideological work, ideological and political work, united front work, cultural and ethical cultivation, corporate culture cultivation, as well as the work of groups such as the Labor Union and the Communist Youth League, to lead the construction of the Party's working style and its clean and honest administration, to strengthen the construction of a clean and honest banking system, to strictly clarify political discipline and rules, support the discipline inspection and supervisory team dispatched to perform supervisory duties by supervising Party members, cadres and staff to strictly comply with national laws and regulations as well as financial and personnel policies;
- (6) to strengthen the construction of the Party conduct of the Bank, strictly implement the spirit of the eight-point frugality code issued by the CPC Central Committee, and firmly combat "formalism, bureaucracy, hedonism and extravagance", especially formalism and bureaucracy;
- (7) to strengthen the building of the Bank's primary Party organizations and ranks of Party members, to give full play to the role of Party branches as militant bastions and to the role of Party members as vanguard and exemplary, to unite and lead cadres and employees to devote themselves into the reform and development of the Bank;

- (8) to support the Bank to comply with national laws and regulations and various supervision and management systems of regulatory agencies, and support and promote the Bank's operation in accordance with laws and regulations; and
- (9) other material matters that fall within the duty of the Party Committee.

Article 45 Prior to making decisions on material issues of the Bank, the Board of Directors shall hear the opinion from the Party Committee.

The Bank shall set up internally a grassroots Party organization simultaneously with a management structure to carry out work with a defined focus on production and operation, and play the role as a battle fortress; for business management units that have the power to make decisions on significant matters regarding human, financial and materials resources, the responsible persons for Party members shall generally serve as the secretary, and the grassroots Party organization shall conduct collective research and check on significant matters.

CHAPTER 6 SHAREHOLDERS AND SHAREHOLDERS' MEETING

Section 1 Shareholders

Article 46 A shareholder of the Bank is a legal person or a natural person who lawfully holds shares in the Bank and whose name (description) is entered in the register of shareholders of the Bank. Shareholders of the Bank shall comply with the requirements of being investor and shareholders of financial institutions stipulated by the banking regulatory and administrative authorities under the State Council.

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

- (1) The Bank shall not register more than four (4) persons as the joint holders of any share(s);
- (2) All the joint holders of any share(s) shall be jointly liable for payment of all amounts due from such share(s);
- (3) If one of the joint shareholders is deceased, only the surviving persons among the joint shareholders shall be regarded as the owners of relevant shares of the Bank, provided that the Board of Directors shall have the right to require the surviving persons to provide a certificate of death (in a manner deemed appropriate by the Board of Directors) for the purpose of changing the register of shareholders; and
- (4) For joint shareholders of any shares, only the joint shareholder whose name stands first on the register of members shall be entitled to receive the certificate of relevant shares and notice from the Bank. Any notice which has been served to the aforesaid person shall be deemed to have been served to all of the joint shareholders of relevant shares. Any one of the joint shareholders may sign the proxy form, but if more than one of such joint shareholders be present in person or by proxy, the vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint shareholders, and for this purpose seniority of shareholders shall be

determined by the order in which the names of the relevant joint shareholders of the relevant shares stand in the register of members of the Bank.

Any receipts issued to the Bank by one of the joint shareholders for any dividend, bonus 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.

Article 47 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.

Article 48 When the Bank convenes a shareholders' 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' meeting shall stipulate a date for shareholding registration. After trading hours have ended on the shareholding registration date, the shareholders who are recorded in the register of shareholders shall be the shareholders who are entitled to the relevant rights and interests.

Article 49 Shareholders of the Bank shall enjoy the following rights (if the Articles have other regulations on the rights of holders of preference shares, those other regulations shall apply):

- (1) To receive dividends and other kinds of distributions as determined by the number of shares held by them;
- (2) To request, convene, preside, attend or appoint a proxy to attend shareholders' meeting, and to exercise their right to speak and vote based on the number of shares held by them;
- (3) To supervise the business operation of the Bank, and to make suggestions and enquiries accordingly;
- (4) To transfer, bestow or pledge shares held by them in accordance with the laws, administrative regulations, the regulations of the relevant regulatory authorities and the Articles;

- (5) Shareholders who meet the requirements may inspect and copy these Articles, the shareholder register, minutes of shareholders' meetings, resolutions of the board of directors, and financial accounting reports. Shareholders who meet the requirements may also inspect the bank's accounting books and accounting vouchers. Where laws and administrative regulations such as the Securities Law have separate provisions on the inspection and reproduction of relevant materials by shareholders of listed companies, those provisions shall apply;
- (6) To participate in the distribution of the remaining assets of the Bank based on the number of shares held in the event of the Bank's dissolution or liquidation;
- (7) To demand the Bank to acquire their shares (for shareholders who disagree with the resolutions adopted at a shareholders' meeting in relation to the merger or division of the Bank); and
- (8) To have other rights conferred in accordance with the laws, administrative regulations, departmental rules and the Articles.

Article 50 Where a shareholder and their authorized accounting firms, law firms, and other intermediary institutions that review or copy the information referred to in the preceding paragraph shall comply with the provisions of the Company Law, the Securities Law, and relevant laws and administrative regulations concerning the protection of state secrets, trade secrets, price-sensitive information, personal privacy, and personal information and shall provide the Bank with written documents evidencing the class and number of shares held by this 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.

Among these, shareholders who hold more than 3% of the shares individually or collectively for more than 180 consecutive days have the right to request access to the Bank's accounting books and accounting vouchers. Shareholders shall also submit a written request to the Bank, stating the purpose. If the Bank has reasonable grounds to believe that a shareholder's inspection of accounting books and accounting supporting documents is for improper purposes and may harm the Bank's legitimate interests, it may refuse to provide access.

Article 51 If a resolution of a shareholders' meeting or the Board of Directors violates the laws and administrative regulations, a shareholder shall have the right to request a people's court to determine the resolution as invalid.

If the procedure for convening a shareholders' meeting of the Bank or the Board of Directors' meeting, or the method of voting at either type of meeting, violates the laws, administrative regulations or the Articles, or the contents of a resolution violates the Articles, a shareholder shall have the right to request a people's court to rescind the resolution within sixty (60) days from the date on which the resolution is adopted. However, this does not apply to cases where the procedures for convening shareholders' meeting or board meetings, or the voting methods, have only minor defects which do not have a substantial impact on the resolutions.

Any shareholder who fails to be notified to attend the meeting of the shareholders' meeting may, within 60 days as of the day when it knows or ought to know that the resolution of the meeting of the shareholders' meeting is made, request the People's Court to cancel the resolution. If the right of cancellation is not exercised within one year as of the date when the resolution is made, it shall be extinguished.

Resolutions of a shareholders' meeting or the board of directors of the Bank shall not be established in any of the following circumstances:

- (i) The resolution was made without holding a shareholders' meeting or board meeting;
- (ii) The shareholders' meeting or board meeting did not vote on the resolution matter;
- (iii) The number of attendees or the voting rights held by them did not reach the quorum required by the Company Law or these Articles of Association;
- (iv) The number of persons or the voting rights held by them in favour of the resolution matter did not reach the majority required by the Company Law or these Articles of Association.

If the resolutions of the shareholders' meeting or board of directors of the Bank are declared invalid, revoked, or confirmed as invalid by the People's Court, the Bank shall apply to the enterprise registration authority to revoke the change registration that has been processed in accordance with such resolutions.

Article 52 If any director and senior management personnel other than the members of Audit Committee has violated the laws, administrative regulations or provisions of the Articles in performing their duties in the Bank and therefore has caused loss to the Bank, shareholders who have individually or jointly held above 1% of shares in the Bank for above one hundred and eighty (180) consecutive days may make a written request to the Audit Committee to initiate legal proceedings at a people's court; If the member of the Audit Committee has violated laws, administrative regulations or provisions of the Articles in performing its duties and therefore has caused loss to the Bank, the above mentioned shareholders may make a written request to the Board of Directors to initiate legal proceedings at a people's court.

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

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

Article 53 If any director and senior management personnel has violated the laws, administrative regulations or provisions of the Articles and has therefore impaired the interests of the shareholders, the shareholders may initiate legal proceedings at a people's court.

Article 54 Shareholders of the Bank shall have the following obligations (if the Articles have other regulations on the obligations of holders of preference shares, those other regulations shall apply):

- (1) To abide by the laws, regulations, regulatory requirements and the Articles;
- (2) To contribute to the share capital as determined by the number of shares subscribed by them and the prescribed method of capital contribution;

- (3) Not to withdraw their contributed share capital except in circumstances allowed by the laws and administrative regulations;
- (4) To report to the Board of Directors in a timely, complete and truthful manner regarding the particulars of its related enterprises, its related party relationship with other shareholders and its shareholdings in other commercial banks;
- (5) Purchases shares of the Bank with their own funds obtained from legal sources, rather than funds not owned by themselves such as entrusted funds and debt funds, unless otherwise prescribed by laws and regulations or regulatory regime;
- (6) Shareholding percentage and the number of shareholder entities comply with the regulatory requirements and any other person shall not be authorized or accept any other person's authorization to hold the share of the Bank;
- (7) In accordance with laws, regulations, and regulatory provisions, truthfully notify the Bank of other information such as its financial information, equity structure, source of funds to acquire shares, controlling shareholder, de facto controller, related parties, persons acting in concert, ultimate beneficial owner, investments in other financial institutions;
- (8) If there are changes in the controlling shareholder, de facto controller, related parties, persons acting in concert, or ultimate beneficial owner of the shareholder, the relevant shareholder shall notify the Bank of the changes in writing in a timely manner in accordance with the laws, regulations, and regulatory provisions;
- (9) If the shareholder is involved in measures such as a merger or spinoff, is subject to an order for suspension of business for rectification, designated custody, take-over, revocation, or is subject to a dissolution, liquidation, bankruptcy proceeding, or has a change in its legal representative, company name, business premises, business scope, or any other important matter, it shall notify the Bank of the relevant situation in writing in a timely manner in accordance with the laws, regulations, and regulatory provisions;
- (10) If the shares of the Bank held by the shareholder are involved in litigation or arbitration, subject to legal compulsory measures taken by the judicial authorities and others, are pledged or released from a pledge, the shareholder shall notify the Bank of the relevant situation in writing in a timely manner in accordance with the laws, regulations, and regulatory provisions;
- (11) Shareholders who pledge their shares of the Bank or conduct related party transactions with the Bank shall comply with the laws, regulations and regulatory requirements, and shall not impair the interests of other shareholders and the Bank;
- (12) Not to abuse their rights or use the related party relationships in harming the interests of the Bank, shareholders and any other stakeholders; not to seek improper advantages or interfere with the decision-making rights and management rights entrusted to the Board of Directors and senior management in line with the Articles, and not to bypass the Board of Directors and senior management and directly intervene in the Bank's operations and management; not to abuse the Bank's status as an independent, separate legal entity and the limited liability of shareholders to harm the interests of the Bank's creditors. If a shareholder of the Bank abuses his/her/its rights and causes loss to the Bank or other shareholders, he/she/it will be held liable for compensation in accordance with the law. If a shareholder abuses the

Bank's status as an independent, separate legal entity and the limited liability of shareholders to evade the repayment of debts, resulting in material damage to the interests of the Bank's creditors, that shareholder will be jointly liable for the debts of the Bank;

- (13) For shareholders who have made false statements, abused their shareholders' rights or acted to damage the interests of the Bank, the banking regulatory and administrative authorities under the State Council may restrict or prohibit connected transactions between the Bank and such shareholders, limit the maximum number of the Bank's shares that they can hold and the percentage of the Bank's shares that they can pledge, and their rights to request the convening of the shareholders' meeting, vote, nominate, propose, dispose, etc.;
- (14) If a risk event or a major violation of regulations occurs in the Bank, the shareholders shall facilitate the investigation and risk disposal conducted by the regulatory authority; and
- (15) To assume other obligations required by the laws, administrative regulations, regulatory requirements and the Articles.

If a major risk occurs in the Bank, the Bank will adopt appropriate loss absorption and risk resistance mechanisms in accordance with relevant laws and regulations, and the shareholders shall actively support it.

Article 55 The controlling shareholders and de facto controllers of the Bank shall exercise their rights and fulfill their obligations in accordance with laws, regulations, and regulatory provisions, and shall safeguard the interests of the Bank.

The controlling shareholders and de facto controllers of the Bank shall exercise their rights and fulfill their obligations in accordance with the following provisions:

- (1) Exercise shareholder rights in accordance with the law, and shall not abuse the right of control or take advantage of the related party relationships to jeopardize the legitimate rights and interests of the Bank or other shareholders;
- (2) Strictly fulfill all public statements and commitments made, and shall not arbitrarily alter or waive them;
- (3) Strictly fulfill information disclosure obligations in accordance with relevant regulations, actively cooperate with the Bank in information disclosure work, and promptly notify the Bank of any major events that have occurred or may occur;
- (4) Refrain from occupying the Bank's funds in any manner;
- (5) Refrain from compelling, instructing, or requiring the Bank or its personnel to provide guarantees in violation of laws and regulations;

- (6) Refrain from using the Bank's unpublished material information for personal gain, disclosing any unpublished material information related to the Bank in any manner, or engaging in illegal activities such as insider trading, short-term trading, or market manipulation;
- (7) Refrain from harming the legitimate rights and interests of the Bank and other shareholders through any means, including unfair related-party transactions, profit distribution, asset restructuring, or external investments;
- (8) Ensure the integrity of the Bank's assets, the independence of its personnel, finances, institutions, and operations, and refrain from affecting the Bank's independence in any manner;
- (9) Comply with other provisions of laws, administrative regulations, departmental rules, securities regulatory authorities and stock exchanges of the locality in which the Bank's shares are listed and these Articles of Association.

Article 56 Controlling shareholders and de facto controllers who pledge their holdings or actual control of the Bank's shares shall maintain the Bank's control and stable production and operations.

Controlling shareholders and de facto controllers who transfer their shares in the Bank shall comply with the restrictive provisions on share transfers in laws, administrative regulations, departmental rules, securities regulatory authorities and stock exchanges of the locality in which the Bank's shares are listed and these Articles of Association, as well as their commitments regarding restrictions on share transfers.

Article 57 Shareholders, particularly substantial shareholders, shall support the Board of Directors of the Bank in formulating reasonable capital plans, in order to meet the capital regulatory requirements on a continuous basis. The substantial shareholders shall undertake in writing that he/she will replenish the Bank's capital whenever necessary, and report their capital replenishment capacity to the banking regulatory and administrative authorities under the State Council through the Bank on an annual basis. When the capital adequacy ratio of the Bank fails to meet the regulatory requirements, shareholders shall formulate a capital restoration plan where the capital adequacy ratio will meet the regulatory requirements within a limited time frame and restore capital by increasing core capital and other means. Substantial shareholders shall not prevent other shareholders from injecting capital or eligible shareholders from investing in the Bank.

Article 58 The Bank shall not offer better terms for credit to the shareholders and their associates than those of other clients on the same type of transactions.

Article 59 Shareholders shall not exercise their voting rights during the loan overdue period and the number of voting shares represented by them shall be excluded from the total number of effective votes. Directors nominated by these shareholders shall not exercise voting rights on the Board. The Bank shall cause such aforesaid to be noted in the minutes of the shareholders' meeting and Board meetings. During the loan overdue period, 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 Bank's liquidation process shall also be used in priority for the repayment of the Bank's outstanding loans.

Section 2 General Provisions on Shareholders' Meeting

Article 60 The shareholders' meeting which composed of all shareholders shall be an organ of power of the Bank and shall exercise the following duties and powers in accordance with the law:

- (1) To elect and replace directors who are not appointed as representatives of the employees, and to decide on the remuneration of the relevant directors;
- (2) To examine and approve reports made by the Board of Directors;
- (3) To examine and approve the rules of procedures of the shareholders' meeting and, the Board of Directors;
- (4) To examine and approve the Bank's proposed annual financial budget and final accounts;
- (5) To examine and approve the Bank's plans for profit distribution and loss recovery;
- (6) To adopt resolutions concerning the increase or reduction in the Bank's registered capital;
- (7) To adopt resolutions regarding the issuance of bonds or other securities and the listing of the Bank;
- (8) To adopt resolutions on the merger, division, change in corporate form of the Bank, dissolution, liquidation and other matters (except for mergers where the price paid by the Bank does not exceed 10% of the net assets of the Bank);
- (9) To amend the Articles;
- (10) To resolve on the appointment or dismissal of accounting firms which conduct regular statutory auditing for financial reports of the Bank and its auditing fee;
- (11) To examine material external investment, material acquisition and disposal of assets, material pledge of assets, material external guarantee, material entrustment of wealth management and other matters of the Bank;
- (12) To examine and approve the related party transactions which require approval by the shareholders' meeting as stipulated by the laws, administrative regulations, departmental rules, regulations of securities regulatory authorities and stock exchanges of the locality in which the Bank's shares are listed;
- (13) To examine and approve matters regarding change of the use of collected funds;
- (14) To resolve on the repurchase of shares by the Bank pursuant to laws;
- (15) To consider and approve the stock incentive plans and employee stock ownership plans;

- (16) To examine proposals raised in accordance with the laws by the shareholders who individually or jointly hold above 1% of the total issued and outstanding voting shares of the Bank ;
- (17) To determine the issuance of preference shares; to determine or authorize the Board of Directors to determine matters relating to preference shares issued by the Bank, including but not limited to redemption, conversion and distribution of dividends;
- (18) To examine and approve other issues which should be decided by the shareholders' meeting as stipulated by the laws, administrative regulations, departmental rules, regulations of securities regulatory authorities and stock exchanges of the locality in which the Bank's shares are listed as well as the Articles.

The matters mentioned above are within the shareholders' meeting's scope of authority and shall be examined and decided by the shareholders' meeting. If it is necessary, reasonable and legal, the decision making of these issues can be delegated to the Board of Directors. If delegated, the authorization given shall be clear and specific. The shareholders' meeting shall not delegate the functions and powers of the shareholders' meeting as stipulated in Article 18 of Company Law and Corporate Governance Guidelines for Banking and Insurance Institutions to the Board of Directors, other organizations or persons.

If the Articles require that matters to be delegated to the Board of Directors are to be adopted by the shareholders' meeting by way of ordinary resolutions, such resolutions shall be approved by more than half of the voting rights of the shareholders (including proxies thereof) attending the shareholders' meeting. If the Articles require that matters to be delegated to the Board of Directors are to be adopted by the shareholders' meeting by way of special resolutions, such resolutions shall be approved by above two-thirds of the voting rights of the shareholders (including proxies thereof) attending the shareholders' meeting.

Article 61 The following external guarantees of the Bank shall be subject to approval by the shareholders' meeting.

- (1) Any guarantees provided after the total amount of external guarantees of the Bank and its holding subsidiaries (sub-banks) exceeds 50% of the latest audited net assets;
- (2) Any guarantees provided after the total amount of external guarantees of the Bank exceeds 30% of the latest audited total assets;
- (3) Any guarantee provided by the Bank exceeds 30% of its latest audited total assets within one year;
- (4) Guarantees for guarantee objects with an asset-liability ratio of exceeding 70%;
- (5) Single guarantee whose amount exceeds 10% of the latest audited net assets; and
- (6) Guarantees provided for the shareholders, de facto controllers and relevant parties.

Article 62 There are two types of shareholders' meeting: annual shareholders' meeting and extraordinary shareholders' meeting. The annual shareholders' meeting shall be held once a year within six (6) months after the previous financial year end.

Article 63 An extraordinary shareholders' meeting shall be convened within two (2) months from the date of occurrence of any of the following events:

- (1) The number of directors is less than the minimum number required by the Company Law or less than two-thirds of the number stipulated in the Articles;
- (2) The outstanding loss of the Bank is at least one-third of the Bank's total paid-up share capital;
- (3) Shareholders who individually or jointly hold above 10% of the voting shares of the Bank have requested to convene the meeting in writing;
- (4) The Board of Directors deems it necessary to convene the meeting;
- (5) The Audit Committee proposes to convene the meeting;
- (6) Above half and not less than two independent directors propose to convene the meeting;
- (7) Any other circumstances as stipulated by the laws, administrative regulations, departmental rules, the securities regulatory authorities in the locality in which the shares of the Bank are listed and the Articles.

In respect of item (2) above, the limitation of time for convening the extraordinary shareholders' meeting shall be calculated from the date when the Bank knows the occurrence of such circumstance.

The number of shares referred to in the aforesaid item (3) shall be calculated as of the date when shareholders put forward the written request.

Article 64 If the Bank fails to convene a shareholders' meeting within the stipulated period, it shall report to the dispatched office of the banking regulatory and administrative authorities under the State Council at the locality of the Bank, the dispatched office of the securities regulatory authorities and the stock exchange, and explain the reasons for the postponement and make an announcement.

Article 65 The location for the Bank to convene a shareholders' meeting shall be at the Bank's domicile or other places specified in the notice of the shareholders' meeting. An assembly room will be set up for the shareholders' meeting and the meeting will be held in the form of live meeting. The Bank may also provide the network or other means for the convenience of shareholders to attend the shareholders' meeting when it is ready. Shareholders attending the shareholders' meeting through the aforesaid means shall be considered as present. The method to confirm the identity of shareholders shall be in line with Article 48. In case a shareholders' meeting of the Bank will be held on line or by other method, the voting time and procedures shall be stated on the notice to hold the meeting.

Article 66 When a shareholders' meeting is being held, the Bank shall engage lawyers to observe the shareholders' meeting and give legal opinions as to the matters set out below:

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

Section 3 The Convening of Shareholders' Meetings

Article 67 The shareholders' meeting shall be convened by the Board of Directors. If the Board of Directors is unable or fails to perform its duty in convening the shareholders' meeting, the Audit Committee shall promptly convene the meeting. If the Audit Committee does not convene the meeting, the shareholders who individually or jointly hold above 10% of the Bank's voting shares for above ninety (90) consecutive days (the "Convening Shareholders") may convene such meetings on their own initiative.

Article 68 The independent directors shall have the right to propose to the Board of Directors to convene an extraordinary shareholders' meeting in case a majority of all of the independent directors agree to do so. The Board of Directors shall, in accordance with the laws, administrative regulations and the Articles, make a response as to whether or not it agrees to convene an extraordinary shareholders' meeting within (10) days of receiving the proposal from the independent directors.

If the Board of Directors agrees to convene the extraordinary shareholders' meeting, a notice convening such a meeting shall be issued within five (5) days after the resolution of the Board of Directors is passed. If the Board of Directors does not agree to convene the extraordinary shareholders' meeting, it shall give an explanation and make an announcement.

Article 69 The Audit Committee shall have the right to propose to the Board of Directors to convene an extraordinary shareholders' meeting and shall make its motions to the Board of Directors in writing. The Board of Directors shall, in accordance with the laws, administrative regulations and the Articles, make a written response as to whether or not it agrees to convene an extraordinary shareholders' meeting within ten (10) days of receiving the proposal.

If the Board of Directors agrees to convene the extraordinary shareholders' meeting, a notice convening such a meeting shall be issued within five (5) days after the resolution of the Board of Directors is passed. If the proposal contained in the original notice is changed, approval of the Audit Committee shall be sought.

If the Board of Directors does not agree to convene the extraordinary shareholders' meeting or fails to give its response within ten (10) 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' meeting, and instead the Audit Committee may convene and preside over the shareholders' meeting on its own initiative.

Article 70 Shareholders who individually or collectively hold more than 10% of the total number of shares with voting rights of the Bank and propose to convene an extraordinary shareholders' meeting shall propose their motions to the Board of Directors in writing. The Board of Directors shall, in accordance with the laws, administrative regulations and the Articles, make a written response as to whether or not it agrees to convene an extraordinary shareholders' meeting within ten (10) days of receiving the proposal.

If the Board of Directors agrees to convene an extraordinary shareholders' meeting, a notice convening such meetings shall be issued within five (5) days after the resolution of the Board of Directors is passed. If the proposal contained in the original notice is changed, approval of the relevant shareholders shall be sought.

If the Board of Directors does not agree to convene an extraordinary shareholders' meeting, or fails to give its response within ten (10) days of receiving the proposal, shareholders who either individually or jointly hold above 10% of the Bank's shares shall have the right to propose to the Audit Committee to convene extraordinary shareholders' meeting and this proposal shall be made to the Audit Committee in writing.

If the Audit Committee agrees to convene an extraordinary shareholders' meeting, a notice for convening such meeting shall be issued within five (5) days of receiving the proposal. If the proposal contained in the original notice is changed, approval of the relevant shareholders shall be sought.

If the Audit Committee fails to give the notice of shareholders' meeting within the specified time limit, it shall be deemed to have failed to convene or preside over shareholders' meeting, in which case, shareholders who either individually or jointly hold above 10% of the Bank's voting shares for above ninety (90) consecutive days shall have the right to convene and preside over Relevant Meetings by themselves.

Article 71 If either the Audit Committee or shareholders propose to convene a shareholders' meeting on their own initiatives, the Board of Directors shall be informed in writing. In addition, the proposal shall be filed to the stock exchange.

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

The Audit Committee or the Convening Shareholders shall submit the relevant evidentiary materials to the stock exchange when the Audit Committee or the Convening Shareholders issue the notice of shareholders' meeting and the announcement of the resolutions passed at the shareholders' meeting.

Article 72 With respect to a shareholders' meeting convened by the Audit Committee or the shareholders, the Board of Directors and the Secretary of the Board shall cooperate. The Board of Directors shall offer the register of shareholders as at the shareholding registration date.

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

Article 73 Necessary costs arising out of a shareholders' meeting convened by the Audit Committee or shareholders on their own shall be borne by the Bank.

Section 4 Proposals and Notice of Shareholders' Meeting

Article 74 Proposals of shareholders' meeting shall simultaneously meet all of the following requirements:

- (1) The contents of the proposal shall be within the scope of authority of the shareholders' meeting;
- (2) Shall have definite topics for consideration and specific items to be decided by resolution;
- (3) Shall be in compliance with the laws, administrative regulations and the relevant provisions of the Articles; and
- (4) Shall be in written form and submitted or delivered to the Board of Directors and the conveners of the shareholders' meeting.

Article 75 When the Bank convenes shareholders' meeting, the Board of Directors, the Audit Committee and the shareholders who individually or collectively hold more than one percent of the total number of shares with voting rights in the Bank shall be entitled to submit their proposals in writing to the Bank. The Bank shall include matters in the proposal which are within the scope of responsibilities of the shareholders' meeting into the agenda.

The shareholders who individually or collectively hold more than one percent of the total number of shares with voting rights in the Bank may submit provisional proposals to the conveners in writing ten (10) days prior to the date of the shareholders' meeting. Provisional proposals shall have clear topics and specific resolution items. The conveners shall issue a supplemental notice setting out the content of the provisional proposals within two (2) days of receiving the proposals. Except where the provisional proposal violates the provisions of laws, administrative regulations, or these Articles, or does not fall within the scope of authority of the shareholders' meeting. As otherwise provided in the listing rules of the stock exchange where the Bank's shares are listed, its requirements shall also be met.

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

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

Article 76 When the Bank is to convene an annual shareholders' meeting, the conveners shall make an announcement, twenty (20) days, or in case if the Bank is to convene an extraordinary shareholders' meeting, fifteen (15) days, prior to the date of the meeting, to all shareholders whose names appear on the register of shareholders (including the holders of the preference shares with restored voting rights) stating the matters to be considered at the meeting and the date and venue of the meeting. Where the securities regulatory authority and stock exchange in the locality in which the shares of the Bank are listed have separate provisions regarding the notice period for shareholders' meetings, such provisions shall also be complied with.

Article 77 Notice of shareholders' meeting shall contain the following contents:

- (1) The time, venue and duration of the meeting;
- (2) The matters and proposals to be considered at the meeting;
- (3) It shall be clearly stated in writing that all common shareholders (including preferred shareholders whose voting rights have been restored), shareholders holding special voting shares, and other shareholders have the right to attend the shareholders' meeting and may appoint a proxy in writing to attend the meeting and participate in voting. Such proxy need not be a shareholder of the Bank;
- (4) The shareholding registration date of the shareholders who are entitled to attend the meeting;
- (5) The time and address for lodging the proxy forms of the relevant meeting;
- (6) The name and phone number of the contact person of the meeting;
- (7) The time and procedures of voting through internet or other means;
- (8) Any other contents as stipulated by the laws, administrative regulations, departmental rules, the securities regulatory authorities in the locality in which the shares of the Bank are listed.

The interval between the shareholding registration date and the date of the shareholders' meeting shall not be more than seven (7) working days. The shareholding registration date shall not be changed once confirmed.

Article 78 If the elections of directors are intended to be discussed at the shareholders' meeting, the shareholders' meeting shall fully disclose the details of the candidates for the role of directors, and shall at least include the following particulars:

- (1) Personal particulars such as education background, work experience and any part-time work undertaken;
- (2) Whether there is any related party relationship with the Bank or with the controlling shareholders and de facto controllers of the Bank;
- (3) Disclosure of their shareholding in the Bank;

- (4) Whether they have been subject to any penalties imposed by the banking, securities regulatory and administrative authorities under the State Council and other relevant departments, and any stock exchange disciplinary action;
- (5) Information in relation to the new appointment or re-designation of directors as required by the Hong Kong Listing Rules.

Except for the election of directors via cumulative voting system, the election of each director and supervisor shall be voted upon on a separate basis.

If the Bank adopts the cumulative voting system to elect its directors, it shall particularly explain it in the notice convening the shareholders' meeting.

Article 79 Once the notice of shareholders' 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 make an announcement and state the reasons at least two (2) working days before the original meeting date.

Section 5 The Holding of a Shareholders' Meeting

Article 80 The Board of Directors and other conveners shall take necessary measures to maintain order at the shareholders' meeting. Behavior 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 81 All shareholders whose names appear on the register of shareholders on the shareholding registration date (including the holders of the preference shares with restored voting rights) shall be entitled to attend the shareholders' meeting and exercise their voting rights according to the relevant laws and regulations and the Articles.

Any shareholder entitled to attend and having voting rights at a shareholders' meeting may attend the shareholders' meeting in person and shall be entitled to appoint one or more persons (these persons need not be shareholders) as proxies to attend and vote on their behalf. Shareholders shall appoint their proxies in writing.

A proxy may exercise the following rights at a shareholders' meeting:

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

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

Article 82 If an individual shareholder attends the meeting in person, he/she shall produce his/her own valid identification document or other valid identification or certification that can verify their identity. If a proxy is appointed to attend the meeting, the proxy shall produce his/her own valid identification and instrument of proxy.

A corporate shareholder shall attend the meeting through its legal representative or a proxy appointed by its legal representative. If a legal representative attends the meeting, he/she shall produce his/her own valid identification document and valid identification documents showing that he/she qualifies to serve as a legal representative. If a proxy attends the meeting, he/she shall produce his/her own valid identification document, written power of attorney granted by the legal representative of the corporate shareholder. If the legal person shareholder has appointed a representative to attend any meeting, it is deemed to be present in person. A legal person shareholder may execute a form of proxy by a duly authorized person.

Article 83 The power of attorney used by shareholders to appoint proxies to attend the shareholders' meeting shall contain the following information:

- (1) Name of the appointing shareholder, the class and number of shares held in the Bank;
- (2) Name of the proxy;
- (3) Specific instructions of the shareholder, including instructions on how to vote (voting in the affirmative, negative, or in abstention) relation to each of the resolutions on the agenda of the shareholders' meeting;
- (4) Date of issuance and term of validity; and
- (5) Signature (or seal) of the appointing shareholder; if the appointing shareholder is a body corporate, the document shall be affixed with the legal person's seal.

Article 84 The attendance records of the meeting shall be prepared by the Bank. The records shall, amongst other matters, contain the names (or corporate names) of the attendees, their identity card numbers, their residential addresses, the number of voting shares held or represented by them, and the names (or corporate names) of the proxies.

Article 85 The convener and the lawyers appointed by the Bank shall verify the legitimacy of shareholders' qualifications based on the records available from the register of shareholders, and further shall record the names (or corporate names) of shareholders and the number of voting shares held by them. The registration process for the meeting shall be terminated before the chairman of the meeting announces the number of shareholders and proxies attending the meeting and the total number of voting shares represented by them.

Article 86 Where the shareholders' meeting requests directors and senior management personnel to present the meeting, they shall present and answer queries from shareholders.

Article 87 A shareholders' meeting convened by the Board of Directors shall be chaired and presided over by the chairman of the Board of Directors. If the chairman is unable or fails to perform his/her duties, the vice chairman of the Board of Directors (if the Bank has two or more vice chairmen, the vice chairman selected by more than half of the directors shall preside over the meeting) shall chair and preside over the meeting. If the vice chairman is unable or fails to perform his/her duties, a director elected by more than half of the directors shall chair and preside over the meeting.

A shareholders' meeting convened by the Audit Committee shall be chaired and presided over by the convener of the Audit Committee. If the convener of the Audit Committee is unable or fails to perform his/her duties, a member of the Audit Committee elected by more than half of the Audit Committee members shall chair and preside over the meeting.

A shareholders' meeting convened by the shareholders shall be chaired and presided over by a representative elected by the convener.

During the course of a shareholders' meeting, if the chairman of the meeting violates the procedural rules such that the meeting cannot be continued, the shareholders in the shareholders' 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 88 The Bank shall formulate the rules of procedure regarding the shareholders' meeting, and specify the convening and voting procedures, including notification, registration, and consideration of proposals, voting, counting of votes, announcement of voting results, formation of meeting resolutions, minutes of meetings and signature, announcements and the principle of authorization by the shareholders' meeting to the Board of Directors. The authorization principle should be clear and specific in terms of contents.

Article 89 At the annual shareholders' meeting, the Board of Directors should report to the shareholders on the work they have undertaken over the past year. Each independent director shall also make their reports.

Article 90 Unless confidential trade secrets of the Bank are involved which shall not be divulged, the directors and senior management personnel shall respond and give explanation to recommendations or queries from shareholders at the shareholders' meeting.

Article 91 The chairman of the meeting shall, prior to voting, announce the number of shareholders and proxies attending the meeting and the total number of voting shares represented by them, but the figures recorded in the attendance records will prevail.

Article 92 Minutes shall be recorded for the shareholders' meeting, and the Secretary to the Board of Directors shall be in charge of recording the minutes. The minutes shall contain the following information:

- (1) The time, venue, and agenda of the meeting, as well as the name (or corporate name) of the convener;
- (2) The names and positions of the chairman of the meeting, and the directors, president and other senior management personnel who attend or observe the meeting;
- (3) The number of shareholders and proxies present at the meeting, the total number of shares with voting rights held by them, and the percentage in relation to the total number of the Bank's voting shares;
- (4) The consideration process for each resolution, key points of speeches made and voting outcome;
- (5) Any enquiries or suggestions made by shareholders and the corresponding explanation or response, etc.;
- (6) The name of the lawyer, vote counter and scrutineer; and
- (7) Any other matters required by the shareholders' meeting and the provisions of the Articles to be recorded in the minutes.

The minutes of the shareholder's meeting may be made in the form of a meeting summary or meeting resolutions, etc.

Article 93 The convener shall ensure that the minutes are truthful, accurate and complete. The directors attending or presenting in the meeting, Secretary to the Board of Directors, convener or their representatives and the chairman of the meeting shall sign on the minutes. The minutes, list of signatures by shareholders in attendance, powers of attorney, and valid information regarding Internet and alternative voting methods shall be filed and shall form part of the Bank's files. The Secretary to the Board of Directors shall preserve the files in accordance with the Bank's record management guidelines for permanence.

Article 94 The convener shall ensure that the shareholders' meeting does not end until final resolutions have been concluded. In the event that the shareholders' meeting is adjourned or resolutions cannot be reached due to force majeure or other special circumstances, necessary measures shall be taken to reconvene the meeting as soon as possible or conclude the meeting immediately and an announcement shall be promptly published. At the same time, the convener shall also make reports to the banking, securities regulatory and administrative authorities under the State Council of the place in which the Bank is operating and the stock exchange.

Section 6 Voting Procedures and Resolutions of Shareholders' Meeting

Article 95 When a shareholder (including his/her proxy) attends the shareholders' meeting, he/she shall exercise his/her voting rights based on the number of shares with voting rights held. Each share shall have one (1) vote.

While the shareholders' meeting reviews significant issues that have influence on the interests of small and medium investors, the voting of the small and medium investors shall be counted separately and the result shall be disclosed in a timely manner.

The shares held by the Bank have no voting rights and that part of the shareholding is not counted towards the total number of shares with voting rights that is held by shareholders attending the meeting.

Where a shareholder's purchase of voting shares of the Bank violates the provisions of paragraphs 1 and 2 of Article 63 of the Securities Law, the voting rights of the portion of shares which exceeds the specified limit shall not be exercised within 36 months after purchase, and such shares shall not be included in the total number of voting shares held by shareholders attending the shareholder's meeting.

The Bank's Board of Directors, independent directors, shareholders who hold more than 1% of shares with voting rights or investor protection authorities established in accordance with the provisions of laws, administrative regulations or securities regulatory and administrative authorities under the State Council can serve as collector and publicly request, either on their own or by appointing a securities company or securities service institution, shareholders of the Bank to appoint them as proxy to attend shareholders' meeting and exercise their shareholders' rights including to propose or to vote on their behalf.

A collector collecting shareholders' rights in accordance with the provisions of the above paragraph shall disclose the collected documents and the Bank shall cooperate.

It is forbidden to collect shareholders' rights publicly by offering compensation in any form for the collection. If collecting shareholders' rights publicly violates the relevant provisions of laws, administrative regulations or securities regulatory and administrative authorities under the State Council, and results in loss suffered by the Bank or its shareholders, the collector shall be liable for compensation in accordance with the law.

Except for statutory conditions, the Bank shall not impose any restriction relating to the minimum shareholdings for the solicitation of voting rights.

If any laws, administrative regulations and the Hong Kong Listing Rules require that any shareholder shall abstain from voting on a certain matter or limit any shareholder to cast affirmative or negative votes on a certain matter, any votes cast by the shareholder or proxy in violation of the aforesaid requirements or restrictions shall not be included in the voting results.

Article 96 The Bank shall, on the premise of ensuring the legality and validity of the shareholders' meeting, provide convenience to the shareholders attending the shareholders' meeting through various methods and channels, including provision of modern information technology measures such as online voting platforms.

Article 97 The resolutions of a shareholders' meeting shall either be classified as ordinary resolutions or special resolutions.

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

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

Article 98 The following matters shall be resolved by way of a special resolution:

- (1) An increase or reduction of the registered capital of the Bank;
- (2) The issuance of corporate bonds of the Bank or listing of the Bank;
- (3) The division, spin-off, merger, any other change in the corporate form, dissolution and liquidation of the Bank (except for mergers where the price paid by the Bank does not exceed 10% of the net assets of the Bank);
- (4) Amendments to the Articles;
- (5) Purchases or sales of major assets within one (1) year by the Bank or provisions of the guarantee of the bank to others exceeds 30% of the audited total assets of the most recent financial year;
- (6) Stock incentive plans and employee stock ownership plans;
- (7) Dismissal of independent directors; and
- (8) Any other matters as required by the laws, regulations, regulatory documents, the securities regulatory authority in the place where the stocks of the Bank are listed or the Articles, or other matters that, resolved by the shareholders' meeting by way of an ordinary resolution, may have a material effect on the Bank and should therefore be adopted by a special resolution.

Save for matters described above requiring approval by way of special resolutions, other matters requiring approval by the shareholders' meeting shall be adopted as ordinary resolutions.

Article 99 The shareholders' meeting only makes resolutions regarding matters specified in the notice of the shareholders' meeting, and no resolutions shall be made regarding any matters unspecified in such notice.

Article 100 Connected shareholders and their associates (within the meaning of the Hong Kong Listing Rules) shall not participate in voting when matters concerning related party transactions are considered at a shareholders' meeting, and their represented shares with voting rights shall not be counted into the total number of valid votes. The announcement on resolutions adopted at the shareholders' meeting should fully disclose the voting results by non-connected shareholders.

Article 101 Unless the Bank is under special circumstances such as a crisis, the Bank shall not enter into contracts to entrust the management of all or the important businesses to persons other than the directors, president and other senior management personnel of the Bank without approval in the form of a special resolution adopted in a shareholders' meeting.

Article 102 The list of director and supervisor candidates shall be submitted in the form of a proposal to the shareholders' meeting for voting separately.

Cumulative voting system may be used for the election of directors in a shareholders' meeting, where it is in accordance with the provisions of the Articles or a resolution passed in a shareholders' meeting.

The Board of Directors shall announce resumes and basic conditions of the director and supervisor candidates to the shareholders.

Article 103 If the cumulative voting system is adopted, prior to the voting at a shareholders' meeting on the candidates for directors, the chairman of the shareholders' meeting shall clearly inform the shareholders present thereat that the cumulative voting method is adopted for the candidates for directors. The Board of Directors must prepare ballot tickets suitable for the implementation of the cumulative voting method. The secretary to the Board of Directors shall state and explain the cumulative voting method and how to fill in the ballot tickets.

Article 104 If the cumulative voting system is adopted, shareholders can distribute their voting rights among candidates for directors as they wish. They can either distribute their votes on a number of candidates or concentrate their votes on one candidate. A split voting method shall be adopted for the election of independent directors, and non-independent directors:

1. When electing independent directors, the cumulative number of votes of each shareholder shall equal to the product of the total number of voting shares held by that shareholder multiplied by the number of independent directors to be elected, and this number of votes can only be cast for the candidates for independent directors;
2. When electing non-independent directors, the cumulative number of votes of each shareholder shall equal to the product of total number of voting shares held by that shareholder multiplied by the number of non-independent directors to be elected, and this number of votes can only be cast for the candidates for non-independent directors.

Article 105 If the cumulative voting system is adopted, shareholders shall follow the following voting methods when voting:

1. When shareholders vote, they shall indicate in the column for each of the candidates for directors they elect the cumulative number of votes they cast for the candidates for directors. They shall cast only votes of assent but shall not cast negative votes and abstention votes;
2. All shareholders shall have the right to vote for one or more candidates for directors as they wish (agents shall follow the instructions of the proxy's power of attorney) by casting the total number of voting rights they have for one or more candidates for directors, but the final number of candidates for directors they voted for shall not exceed the number of directors to be elected; if it exceeds, all the votes by that shareholder shall be deemed invalid and that shareholder shall be deemed to have abstained from such voting;
3. When shareholders present at a meeting vote, they can exercise their cumulative voting rights as they wish, but the number of voting rights they use for one or more candidates in a centralized or decentralized manner shall not exceed the total number of valid voting rights held by them, otherwise the votes by the shareholders shall be invalid and the shareholders shall be deemed to have abstained from such voting;
4. When the total number of votes exercised by shareholders on one or several candidates for directors in a centralized or decentralized manner is equal or less than their cumulative number of votes, the votes by the shareholder shall be valid, and the difference between the cumulative number of votes and the actual number of votes shall be deemed as abstention votes.

Article 106 If directors are elected by way of cumulative voting system, the candidates with the larger number of votes shall be elected successfully from first to last among the number of candidates to be elected as directors, based on the number of votes the candidates for directors can obtain in chronological order. At the same time, the number of voting rights that each elected director can obtain shall not be less than one-half of the total number of voting shares held by shareholders attending the shareholders' meeting. Candidates have the same number of votes with vacancies in the number of candidates to be elected, additional election rounds using cumulative voting system should be held with regard to the candidates with the same votes until the vacancies are filled.

If the number of successfully elected directors is less than the number of directors to be elected, but the number of successfully elected directors exceeds two-thirds (including two-thirds) of the number of members of the Board of Directors specified in the Articles of Association of the Bank, then vacant directors shall be elected additionally at the next shareholders' meeting.

If the number of successfully elected directors is less than the number of directors to be elected, and does not meet the minimum required by the Bank's Articles of Association or laws and regulations, a shareholders' meeting shall be convened again within two months after the end of the current shareholders' meeting for the election of vacant directors. At this time, existing directors shall not resign, and the election results of the successfully elected directors shall remain valid, but their term of office shall be postponed until the vacant directors are elected and take office together.

Article 107 Unless there is cumulative voting system, all proposals shall be voted separately at the shareholders' meeting. If there are a number of proposals related to the same matter, votes shall be cast in the order of which the proposals were presented. Except where there is force majeure or other special circumstances resulting in the adjournment of the shareholders' meeting or the failure to pass resolutions, no resolutions proposed in the shareholders' meeting shall be set aside or skipped.

Article 108 The shareholders' meeting, while considering proposals, shall not modify such proposals. Otherwise, the modification should be deemed as a new proposal, which shall not be voted at the same shareholders' meeting.

Article 109 Voting at a shareholders' meeting shall be taken by way of registered poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates to a procedural or administrative matter to be voted on by a show of hands.

Article 110 Before a proposal is put to vote at a shareholders' meeting, two (2) representatives of the shareholders shall be nominated to count the votes and to act as the scrutineers. If a shareholder has a related interest in the matter to be considered, the shareholder and his/her proxy shall neither count the votes nor act as the scrutineer.

During the voting process of the shareholders' meeting, the vote count and examination of the poll shall be conducted together by lawyers, representatives of shareholders and other relevant persons appointed in accordance with the Hong Kong Listing Rules under the relevant requirements of the Hong Kong Listing Rules.

Shareholders of the Bank and their proxies who vote through the Internet or by other means shall have the right to check their voting results by related voting system.

Article 111 The time of closing for an on-site shareholders' meeting shall not be earlier than that for on-line voting or other voting methods.

Article 112 Shareholders who are present at the shareholders' meeting shall adopt one of the following stances when a proposal is put forward for voting: for, against or abstention.

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

The same voting rights can select only one voting methods out of on-site voting, on-line voting or voting by other means. In the event that the same voting rights have been exercised twice, the result of the first vote shall prevail.

Article 113 For every proposed resolution, the chairman of the shareholders' meeting shall announce the voting circumstances, the voting outcome, and whether the resolution has been passed based on the voting outcome. The voting results of the resolution are recorded in the meeting minutes.

Prior to formal announcement of the voting outcome, all interested parties attending the meeting in person, online or through other ways, including the Bank, the vote counter, the scrutineer, shareholders, network service provider, etc., have an obligation to keep the voting results confidential.

Article 114 If the chairman of the meeting has any doubts as to the voting outcome of any resolution, he/she may have the votes recounted. If the chairman does not recount the votes, and the shareholders or their proxies who have attended the meeting have doubts as to the outcome announced by the chairman, they may request a vote recount immediately after the announcement of the voting outcome, and the chairman shall have the votes recounted immediately.

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

Article 115 In case a proposal is not approved or a resolution of a previous shareholders' meeting is modified in the current shareholders' meeting, special explanations shall be made in the announcement of the resolutions passed at the shareholders' meeting.

Article 116 If the proposal regarding the election of the directors is approved at the shareholders' meeting, the newly elected director's term of office shall commence on the date on which the resolution is passed. If their qualifications are subject to the approval by the regulatory authority, the term of office shall commence on the date when their qualifications are approved by the regulatory authority.

Article 117 The Bank shall implement any plans of cash distribution, issue of bonus shares or increase of share capital by capitalization adopted at a shareholders' meeting within two (2) months after the conclusion of shareholders' meeting.

CHAPTER 7 DIRECTORS AND BOARD OF DIRECTORS

Section 1 Directors

Article 118 Directors of the Bank shall be a natural person and is not required to hold any shares of the Bank. Directors of the Bank are composed of executive directors and non-executive directors (including independent directors). Any person being prohibited from serving as a director of the Bank according to the Company Law and the Commercial Banking Law and being prohibited from serving as a market participant by any regulatory authorities and such prohibition not having been released shall not serve as director of the Bank.

If the Bank elects or appoints directors in violation of the preceding paragraph, such election, appointment or employment of directors by the Bank shall be void. In the event that any circumstance above occurs during a director's term of office, that person shall be dismissed.

Article 119 Directors of the Bank shall have the necessary professional knowledge, work experience and basic qualities as well as good professional ethics, and pass the relevant qualification examination required by the banking regulatory and administrative authorities under the State Council in order to carry out their duties.

Except those persons that are prohibited from serving as a director of the Bank according to Article 206, no person shall hold the director position of the Bank in one of the following circumstances:

- (1) The person who is removed by other commercial banks or organizations for his/her failure to fulfill fiduciary duties; and
- (2) A person of or a person employed by an entity that owes debts to the Bank and is in default on such debts.

Directors shall not serve as a director concurrently in financial institutions which may have a conflict of interests with the Bank.

Article 120 The term of office of a director shall be three (3) years, and a director may be re-elected and re-appointed upon expiry of his/her term of office. Before the expiry of any director's term of office, the shareholders' meeting shall not dismiss the director without any reason.

During the term of the Board of Directors, the replacements of directors each year shall not be more than one-third of the total number of directors; however, this limit is not applicable in case a director resigns and nominates a new director candidate.

Subject to the relevant laws, administrative regulations and relevant requirements of the place where the Bank's shares are listed, a director whose term of office has not expired may be removed by an ordinary resolution at the shareholders' meeting (but such removal shall not cause prejudice to any claim which may be instituted by the director under any contract).

The term of office of a director shall be calculated from the date of approval by the banking regulatory and administrative authorities under the State Council, until the expiration of the term of office of the Board of Directors. The term of office for re-election shall be calculated from the date of election. 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 applicable laws, administrative regulations, departmental rules, the securities regulatory authorities of the locality where the Bank's shares are listed and the stock exchange and the Articles.

Director(s) may concurrently hold the post of senior management personnel. However, the number of such director(s) and employee representative directors shall not be more than half of the total number of members of the Board of Directors.

The Bank shall establish employee directors. Such directors are democratically elected by the employees of the Bank at the employee representative meeting, employee meeting or by other means and senior management members shall not concurrently serve as employee directors, a director candidate who is an employee should have at least five years of continuous working experience at the Bank.

Article 121 The general procedures for nominating and electing a director are as follows:

- (1) The candidates for directors may be nominated by the Nomination Committee according to the number of directors to be elected to the extent of the number specified by the Articles;

Shareholders individually or jointly holding above three percent of the total outstanding shares of the Bank with voting rights may also nominate the candidates for directors to the Board of Directors.

The number of directors nominated by the identical shareholder and his/her/its associates in principle shall not exceed one-third of the total number of the members of the Board of Directors, unless otherwise provided by the laws, administrative regulations, departmental rules, the securities regulatory authorities of the locality and the stock exchange where the Bank's shares are listed.

- (2) The Nomination Committee of the Board of Directors shall conduct preliminary verification on the qualification and conditions of appointment of the candidates for directors, and propose the qualified candidates to the Board of Directors for consideration. The Board of Directors shall propose them to the shareholders' meeting by way of written proposal after they are considered and approved by the Board of Directors.
- (3) The candidates for directors shall, before the convening of the shareholders' meeting, make written undertakings, express their consent to their nomination, confirm the truthfulness, accuracy and completeness of their publicly disclosed information and undertake that they will duly perform their duties upon being elected.
- (4) The Board of Directors shall, before the convening of the shareholders' meeting, disclose the detailed information on the candidates for directors to the shareholders of the Bank in accordance with relevant requirements, so as to ensure that the shareholders will have sufficient knowledge on the candidates when casting their votes.
- (5) Each candidate for director shall be voted for on a separate basis at the shareholders' meeting unless cumulative voting system is adopted.

- (6) When an additional director is temporarily nominated, the Nomination Committee of the Board of Directors or the shareholders satisfying the conditions for making such nomination shall propose a candidate to the Board of Directors for consideration. The shareholders' s meeting elect or replace the director.
- (7) If there are any special provisions regarding the method and procedure of nominating independent directors or employee directors by the laws and the Articles, those provisions shall prevail.

Article 122 The directors shall abide by the laws, administrative regulations and the Articles and shall owe the duty of loyalty to the Bank, and shall take measures to avoid conflicts between their personal interests and the Bank's interests, and shall not abuse their powers to seek improper benefits.

The directors shall owe the duty of loyalty to the Bank as follows:

- (1) Shall not use the power to accept bribes or other illegal income, and shall not encroach on the Bank's property;
- (2) Shall not embezzle funds of the Bank;
- (3) Shall not open account to save the Bank's assets or funds in the name of individuals or other individuals;
- (4) Shall not violate the provisions of the Articles to lend the Bank's funds to others or provide guarantees to others with the Bank's property without the approval of the shareholders' meeting or the Board of Directors;
- (5) Shall not directly or indirectly make a contract with the Bank or conduct a transaction without reporting to the Board of Directors or the shareholders' meeting and being approved by resolution(s) of the Board of Directors or the shareholders' meeting in accordance with the Articles;
- (6) Shall not take advantage of one's position to seek business opportunities that should belong to the Bank for interests of his own or others, except when such business opportunities are reported to the Board of Directors or the shareholders' meeting and obtaining approval by resolution(s) of the shareholders' meeting, or when the Bank is unable to utilize such business opportunities in accordance with laws, regulations, regulatory provisions or this Articles of Association, shall not operate business similar to that of the Bank for himself or for others without reporting to the Board of Directors or the shareholders' meeting and approved by a resolution of the shareholders' meeting;
- (7) Shall not accept commission arising from trade with others and the Bank as one's own;
- (8) Shall not disclose the Bank's secrets without authorization;
- (9) Shall not use its related party relationship to damage the interests of the Bank;
- (10) Other duty of loyalty stipulated by laws, administrative regulations, departmental regulations, the securities regulatory authorities of the locality and the stock exchange where the Bank's shares are listed and the Articles.

The directors' income gained by violation of the rules in this Article shall be owned by the Bank. Those causing loss to the Bank shall assume compensation liability.

The provisions of item (5) of paragraph 2 of this article shall apply to the conclusion of contracts or transactions with the Bank by close relatives of a director or senior management member, enterprises directly or indirectly controlled by the director, a senior management member or his/her close relatives, and associates with whom the director or senior management member has other related-party relationships.

Article 123 Directors shall abide by the laws, administrative regulations and the Articles, have duty of diligence to the Bank, and perform their duties with all the reasonable care ordinarily expected of a manager in the best interests of the Bank.

Directors shall owe the duty of diligence to the Bank as follows:

- (1) The rights conferred by the Bank shall be exercised with care, earnestness and diligence so that the commercial activity of the Bank can be ensured to accord with national laws, administrative regulations and demands of other national economic policies. The business activities shall not go beyond the business scope stipulated by the business license;
- (2) Shall be impartial to all shareholders;
- (3) Keep abreast of the business management of the Bank;
- (4) Shall sign written confirmation opinion for the Bank's regular report. Ensure that the information disclosed by the Bank is true, accurate and complete;
- (5) Shall truthfully provide relevant information and materials to the Audit Committee and shall not prevent the Audit Committee from exercising their functions and powers;
- (6) Other duty of diligence stipulated by laws, administrative regulations, departmental regulations, the securities regulatory authorities of the locality and the stock exchange where the Bank's shares are listed and the Articles.

Article 124 The directors shall attend the meetings of the Board of Directors earnestly and responsibly, and shall make proposals or give opinions in an independent, professional and objective manner.

Directors shall spend sufficient time to carry out their duties. Except for independent directors and directors who are the members for the Audit Committee, Related Party Transactions Control Committee and Risk Management Committee, other directors shall work at the Bank for no less than ten working days per annum. Directors shall attend above two-thirds of the on-site meetings of the Board of Directors in person each year.

If a director cannot attend a Board meeting in person indeed, he/she may entrust another director in writing to attend and vote on the meeting on his/her behalf, and such appointer shall assume legal liabilities independently. But an independent director may not entrust a non-independent director to attend the meeting on his/her behalf.

In principle, a director may be entrusted by a maximum of two directors who do not attend the meeting in person. At the time of considering related party transactions, a non-related director shall not entrust related directors to attend the meeting on his/her behalf.

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

A director who fails to attend the meetings of the Board of Directors in person and fails to entrust another director to attend on his/her behalf shall assume the same legal liabilities of Board resolutions.

Article 125 A Director may resign before the term of office expires. He/she shall submit a written resignation to the Board of Directors, the resignation shall take effect upon the Board's receipt of the resignation letter, the Board of Directors shall disclose related matters within two (2) trading days.

After the candidate for a director nominated by the shareholders is elected, where such shareholders transfer all their shares of the Bank before the expiration of the term of office of such candidate, such candidate shall resign as a director.

In the event that the number of Directors of the Board falls below the minimum number prescribed in the Company Law or two-thirds of the number of the Board of Directors prescribed in the Articles due to the resignation of a director, or the number of members of the Audit Committee falls below the statutory minimum or the absence of a professional accountant due to the resignation of an Audit Committee member, the original director shall continue to perform his/her duty until a new director assumes his/her duties. Directors of the Bank who are in the process of significant risk management may not resign without the approval of the supervisory authority.

The powers of the Board of Directors shall be exercised by the Shareholders' meeting until the number of directors meets the requirements when the membership of the Board is lower than the minimum number specified in the Company Law or the minimum number required for voting by the Board of Directors due to the dismissal by the Shareholders' meeting or death of directors, resignation of independent directors due to the loss of independence, or other circumstances where they cannot perform their duties as directors.

Upon the expiration of the term of office of the Directors, or if the number of Directors falls below the minimum number prescribed by the Company Law or two-thirds of the number prescribed by the Articles, the Bank shall promptly commence the election procedures for the Directors and convene a shareholders' meeting to elect the Directors.

Article 126 If the resignation of a director becomes effective or his/her term of office expires, the director shall complete all handover formalities with the Board of Directors, but the fiduciary obligations owed to the Bank and shareholders are not discharged after the term of office expires. Their obligation of preserving commercial confidentiality subsists after the expiration of their term of office until such trade secrets become public information. The subsisting period of other obligations shall be determined in accordance with the principle of fairness, depending on the duration of the time between

the occurrence of the event and the time he/she ceases to be employed by the Bank and the circumstances and conditions under which their relationship with the Bank ends.

Article 127 A director shall not represent the Bank or the Board of Directors in his/her own name, unless otherwise provided in the Articles or legally authorized by the Board of Directors. A director shall announce his/her views and role in advance when he/she acts in his/her own name, if there is a possibility that a third party may reasonably believe that the director is representing the Bank or the Board of Directors.

Article 128 If a director causes damage to others in the course of performing his/her duties in connection with his/her position, the Bank shall be liable for compensation; if the director acts with intent or gross negligence, he/she shall also bear the liability for compensation. Directors shall be liable for compensation regarding any losses sustained by the Bank caused by the violation of the laws, administrative regulations, departmental rules, the securities regulatory authorities of the locality and the stock exchange where the Bank's shares are listed or the Articles in the performance of their duties.

Section 2 Independent Directors

Article 129 Independent director of the Bank refers to the director who does not hold any other positions in the Bank except for director, member or chairman of any special committees of the Board of Directors, and has no direct or indirect interest or any other relationship with the Bank and its shareholders and de facto controllers that may impact on his/her independent and objective judgment of the businesses of the Bank. At least one independent director of the Bank shall possess professional financial or accounting expertise.

Independent Director shall perform the duties and responsibilities independently, without any interference by the Bank and its substantial shareholders, de facto controllers or other entities or individuals who have a material interest in the Bank.

An independent director shall meet the following criteria:

- (1) Being qualified to serve as a director of the Bank pursuant to the applicable laws, administrative regulations, relevant requirements of the relevant regulatory authorities, trading rules of the stock exchange in the locality in which the shares of the Bank are listed and the Articles;
- (2) Complying with the independence requirements stipulated in the Articles;
- (3) Owning the basic knowledge for the operation of a listed Bank and be familiar with the relevant applicable laws, regulations and rules;
- (4) Having above 5 years' experience of working experience in law, accounting or economics conducive to performing the duties and responsibilities of an independent director;
- (5) Possessing good personal integrity and no major breach of trust or other adverse records;

- (6) Other conditions as stipulated by laws, administrative regulations, departmental rules, regulations of the securities regulatory authorities in the locality in which the shares of the Bank are listed, the stock exchanges and the Articles.

Article 130 Independent directors shall maintain independence. Apart from the circumstances provided by Article 206, the following persons may not serve as independent directors of the Bank:

- (1) Persons who hold positions in the Bank and its subsidiary companies, or their spouse, parents, children, or major social relations;
- (2) Natural person shareholders who directly or indirectly hold more than 1% of the Bank's issued shares or who are among the Bank's top ten shareholders, and their spouses, parents and children;
- (3) Persons who hold positions in a shareholder who directly or indirectly hold more than 5% of the Bank's issued shares or who work for entities of the Bank's top five shareholders, and their spouses, parents, and children;
- (4) Persons serving in the subsidiary companies of the Bank's controlling shareholders and de facto controllers and their spouses, parents and children;
- (5) Persons who have significant business dealings with the Bank, its controlling shareholders, de facto controllers or their respective subsidiary companies, or who serve in entities with which they have significant business dealings and their controlling shareholders or de facto controllers;
- (6) Persons who provide financial, legal, consulting and sponsorship and other services to the Bank, its controlling shareholders, de facto controllers or their respective subsidiary companies; including, but not limited to, all members of the project team of the intermediaries providing the services, reviewers at all levels, persons signing the report, partners, directors, senior management and chief responsible officer;
- (7) Persons who have been in the situations listed in items (1) to (6) within the last twelve months;
- (8) Persons who are civil servants;
- (9) Any other person not permitted to serve as an independent director by laws and regulations, regulatory requirements, the securities regulatory authorities of the place where the Bank's shares are listed and any other relevant regulatory authorities or by the Articles.

Subsidiary bank of the controlling shareholders and de facto controllers of the Bank as set out in preceding items (4) to (6), exclude enterprises that are controlled by the same state-owned asset management entity as the Bank and do not constitute a related party relationship with the Bank under the relevant provisions. “Major social relations” in this article refers to siblings, spouses of siblings, parents of spouses, siblings of spouses, spouses of children, parents of children’s spouses, etc.

The independent directors shall conduct an annual self-examination of their independence and submit such examination results to the Board of Directors. The Board of Directors shall evaluate the independence of the existing independent directors annually and issue a special opinion, which shall be disclosed together with the annual report.

Article 131 A person may not serve as an independent director of the Bank if he/she is:

- (1) A person who has been sentenced for corruption, bribery, infringement of property, misappropriation of property or other crimes which destroy the social economic order, or a person who has been deprived of his political rights for committing a crime;
- (2) A person who is a former director, factory director or manager of a company or enterprise being liquidated as a result of improper operation and management of which he shall be personally liable for such liquidation;
- (3) A person who is a former legal representative of a company or enterprise of which the business license was revoked due to violation of the laws and who was personally liable therefor;
- (4) A person who has a relatively large amount of debts due and outstanding;
- (5) A person who was removed from office by his/her former company for failure to diligently perform his/her duties; and
- (6) A person who served as principal officer of a high-risk financial institution and that is unable to prove he/she is not liable for the cancellation or loss of assets of such financial institution.

Article 132 An independent director shall not hold positions in more than two commercial banks at the same time. In principle, an independent director can concurrently serve as an independent director in at most three domestic listed companies, and shall ensure that he/she has enough time and energy to effectively perform the duties as an independent director.

Article 133 The Nomination Committee of the Board of Directors and shareholders individually or jointly holding above 1% of the Bank’s total outstanding shares with voting rights can nominate candidates for independent directors to the Board of Directors according to the number of directors to be elected to the extent of the number specified by the Articles. A shareholder and their related parties who has already nominated a candidate for non-independent director shall not nominate any candidate for independent director. If the number of shares with voting rights held by the controlling shareholder exceeds 30% of the total number of shares with voting rights in the Bank, the elections of independent directors shall be carried out via cumulative voting system in accordance with Article 278 (5).

The qualification of the candidates for independent directors shall be verified by the banking regulatory and administrative authorities under the State Council.

Article 134 The identical shareholder shall only nominate one candidate for independent director.

Article 135 The term of office of an independent director shall be the same as that of other directors of the Bank and may be re-elected and re-appointed upon the expiration of the term of office, provided that such term of office shall not be more than six (6) years on an accumulative basis.

Article 136 The independent directors shall give statements to the Board of Directors before they assume their offices, ensuring that they have enough time and energy to perform their duties and undertaking that they will perform duties of diligence.

Article 137 Independent directors shall work for the Bank for no less than fifteen (15) working days each year.

Directors appointed as responsible persons for the Audit Committee, the Related Party Transactions Control Committee and the Risk Management Committee shall work for the Bank for no less than twenty-five (25) working days per annum.

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

Article 138 The assessment reports on the independent directors by the Board of Directors reviewed at a shareholders' meeting shall at least contain: the number of attendance at the Board meetings, the main particulars of all those meetings, the objections raised by the independent directors and the particulars of the treatment thereto of the Board of Directors, etc.

Article 139 Independent directors can exercise the following special duties and powers:

- (1) Independently engaging intermediaries to audit, consult or verify specific matters of the Bank;
- (2) Proposing to convene an extraordinary shareholders' meeting to the Board of Directors;
- (3) Proposing to hold the extraordinary meetings of the Board;
- (4) Publicly soliciting the rights of shareholders from shareholders in accordance with relevant laws;
- (5) Giving independent opinions on matters that may harm the rights and interests of the Bank or the small and medium-sized shareholders; and
- (6) Other duties and powers as stipulated by laws and regulations, regulatory requirements, trading rules of the stock exchange in the locality in which the shares of the Bank are listed and the Articles.

An independent director shall obtain the consent of more than half of all the independent directors if he/she exercises the duties and powers listed in items (1) to (3) of the preceding paragraph.

If an independent director exercises the duties and powers listed in item (1), the Bank shall timely disclose it. In case the above duties and powers cannot be exercised normally, the Bank shall disclose the specific circumstances and reasons.

Independent directors have the same information right as other directors, and the Bank shall ensure the information right of the independent directors, and provide them, in a timely and complete manner with necessary information to participate in decision-making and necessary working conditions for independent directors to perform their duties.

The reasonable expenses incurred from engaging intermediaries or professionals and the reasonable costs incurred when carrying out duties by independent directors shall be borne by the Bank.

Article 140 Independent directors shall give objective, impartial and independent opinions on the matters discussed at the Board meetings, and shall in particular, address their opinions to the Board meeting on the following matters:

- (1) Material related transactions;
- (2) The profit distribution plans;
- (3) The nomination, election and dismissal of directors and the appointment and dismissal of senior management personnel;
- (4) Remuneration of directors and senior management;
- (5) Matters that may cause material loss to the Bank;
- (6) The appointment or dismissal of the accounting firm that performs the regular statutory audit of the Bank's financial reports;
- (7) The effect of the issuance of preference shares on the rights and interests of every class of shareholders;
- (8) Other matters that may have a significant impact on the Bank, small and medium-sized shareholders and the legitimate rights and interests of financial consumers; and
- (9) Other matters prescribed by laws, administrative regulations, departmental rules, securities regulatory authorities of the place where the Bank's shares are listed and the stock exchange and the Articles.

Article 141 To ensure the effective performance of duties and powers by independent directors, the Bank shall provide the following necessary conditions for independent directors:

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

Article 142 An independent director may resign before the term of office expires.

He/she shall submit a written resignation to the Board of Directors, and submit a written statement to the most recently held shareholders' meeting to specify any circumstances related to the resignation or any fact that he/she believes necessary to draw the attention of the Bank's shareholders and creditors.

If the number of independent directors of the Board of Directors or its special committees does not comply with the laws and regulations, regulatory requirements, trading rules of the stock exchange in the locality in which the shares of the Bank are listed and the Articles as a result of resignation of any independent director or there is no accounting professional among the independent directors, the independent director shall continue to perform his or her duties before the new independent director takes office, except for resignations and dismissals due to loss of independence.

Article 143 Independent directors shall have committed a serious dereliction of duty in any of the following circumstances:

- (1) Divulgence of trade secrets and impairment of the legitimate interests of the Bank;
- (2) Acceptance of illicit benefits in the performance of their duties, or the seeking of private benefits by taking advantage of the status of an independent director;
- (3) Failure to raise an opposing opinion despite being fully aware that a Board resolution violates the laws, regulations or the Articles;
- (4) Failure to exercise the veto power to related party transactions which have caused material loss to the Bank; and
- (5) Other serious dereliction identified by the banking regulatory and administrative authorities under the State Council, the securities regulatory and administrative authorities under the State Council and the securities regulatory authority of the place where the Bank's shares are listed.

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

Article 144 The Board of Directors has the right to propose at a shareholders' meeting to dismiss an independent director in any of the following circumstances:

- (1) Serious dereliction of duty;
- (2) Failure to resign from the position when he/she is no longer qualified to be an independent director;
- (3) Failure to attend the Board meetings in person three times consecutively, or failure to attend the meetings either in person or entrust other independent directors to attend on his/her behalf two times consecutively, or attending less than two-thirds of the total number of Board meetings in person within one year; and
- (4) Other circumstances provided by the laws and regulations, regulatory requirements, trading rules of the stock exchange in the locality in which the shares of the Bank are listed and the Articles where an independent director is no longer suitable for holding such position.

Article 145 If the Board of Directors proposes at a shareholders' meeting to dismiss an independent director, it shall report to the banking regulatory and administrative authorities under the State Council and issue a written notice to the independent director one (1) month before such shareholders' meeting. The independent director shall have the right to express the opinion orally or in writing before the voting, and shall have the right to submit such opinion to the banking regulatory and administrative authorities under the State Council five (5) days prior to the shareholders' meeting. The shareholders shall vote after having reviewed the independent director's opinion according to laws.

Article 146 The Bank shall pay compensation and allowance to independent directors. Payment standard shall be formulated by the Board of Directors, and discussed and approved at the shareholders' meeting.

Article 147 In addition to the special provisions on independent directors in this section, independent directors shall also follow the general provisions in relation to directors in the Articles. In case of any inconsistency, the special provisions shall prevail.

Section 3 Board of Directors

Article 148 The Bank shall establish a Board of Directors, which shall be accountable to the shareholders' meeting. The Board of Directors of the Bank shall be composed of eleven (11) directors, of which the independent directors shall account for no less than one-third of the total number of directors and the number of independent directors shall be no less than three (3).

Article 149 The Board of Directors shall take ultimate responsibility of the operation and management of the Bank and perform the following duties and powers:

- (1) Convene and report at the shareholders' meeting;
- (2) Implement resolutions adopted at the shareholders' meeting;
- (3) Make decisions on the Bank's operational development strategies, business plans and investment plans and supervise the implementation of strategies, of which the Bank's operational development strategies include green credit related strategies and information technology strategies, etc.;
- (4) Formulate the Bank's annual financial budgets and accounts, profit distribution plans and loss recovery plans;
- (5) Formulate proposals on the increase or reduction of the Bank's registered capital and the issue of bonds and other securities and the listing of the Bank;
- (6) Formulate plans for material acquisitions, purchase of the Bank's shares, or merger, division or dissolution or other change in form of the Bank;
- (7) Decide on mergers where the price paid by the Bank does not exceed 10% of the net assets of the Bank;
- (8) Decide on matters within the scope authorized at a shareholders' meeting, including external investments, asset acquisition and sales, asset disposal and write-off, pledge of assets, data processing, external guarantees and entrustment of wealth management and external donation;
- (9) Consider and approve the related transactions that are required to be considered and approved by the Board of Directors by the laws, administrative regulations, departmental rules as well as the relevant requirements of the securities regulatory authorities of the locality where the shares of the Bank are listed and stock exchange;
- (10) Decide on the establishment of the Bank's internal management departments;
- (11) Decide to appoint or remove the Bank's president and Secretary to the Board of Directors and other senior management and decide on their remuneration, rewards and punishment; decide to appoint or remove the Bank's senior management personnel including the vice president, president assistant and finance chief in accordance with the recommendations of the president, and determine their remunerations, rewards and punishment; supervise the performance of duties and responsibilities of senior management;
- (12) Formulate the capital planning of the Bank and assume the ultimate responsibilities of capital or solvency capability management;
- (13) Formulate the basic management systems, decide on the policies on risk management, internal control and compliance policy of the Bank;

- (14) Formulate amendment plans to the Articles, the Rules of Procedure of the Shareholders' Meeting and Meetings of the Board of Directors and consider and approve the terms of reference of the special committees of the Board of Directors;
- (15) Propose to the shareholders' meeting the appointment or dismissal of the accounting firm that conduct the regular statutory audit of the Bank's financial reports;
- (16) Supervise the work performance of the senior management personnel, listen to the president's work report and inspect the president's work;
- (17) Manage the information disclosure of the Bank and take ultimate responsibility for the truthfulness, completeness and accuracy and timeliness of the Bank's accounting and financial statement systems;
- (18) Evaluate and improve the corporate governance of the Bank on a regular basis;
- (19) Provide overall planning and guidance on the consumer rights protection of the Bank to protect the legitimate rights and interests of financial consumers and other stakeholders and examine and approve material matters on consumer rights protection, etc.;
- (20) Establish a mechanism to identify, review and manage conflicts of interest between the Bank and its shareholders, especially substantial shareholders;
- (21) Assume responsibility for the management of shareholders' affairs;
- (22) Develop the Bank's risk tolerance, risk management and internal control policies and assume the ultimate responsibility for overall risk management;
- (23) Consider any material capital expenditure, contract and commitment which exceeds the expenditure limit for senior management personnel set by the Board of Directors; and
- (24) Other rights conferred by the laws, administrative regulations, departmental rules, relevant provisions of the securities regulatory authorities of the locality where the shares of the Bank are listed and stock exchange or the Articles and the shareholders' meeting.

Article 150 The Board of Directors of the Bank shall explain at a shareholders' meeting the qualified opinions contained in the audit reports issued by certified public accountants in respect of the Bank's finance.

Article 151 The Board of Directors shall formulate the Rules of Procedure of Meetings of the Board of Directors, which shall be executed after having been considered and approved by the shareholders' meeting, to ensure the efficiency and scientific decision-making of the Board of Directors.

Article 152 The Board of Directors shall define its authority in relation to external investment, asset acquisition and sales, pledge of assets, entrustment of wealth management and related transactions and external donations, and establish strict examination, policy-making and authorization procedures; it shall arrange for the assessment and examination by relevant experts and professionals of material investment projects, and submit a report on matters that need to be reported to the shareholders' meeting for approval pursuant to the Articles.

Article 153 The Board of Directors is responsible for the management of the capital adequacy ratio of the Bank, and shall ensure that the Bank formulates reasonable business development plans on the basis that the estimated and measured capital matches with the business development and formulates capital replenishment plans and monitors their implementation.

Article 154 The meetings of the Board of Directors are divided into regular meetings and interim meetings, and shall be convened and presided by the chairman.

The Board of Directors shall hold at least one (1) regular meeting per quarter. Notices of the Board meetings shall be sent to all directors in writing at least ten (10) days before the meeting by hand, or by way of fax, email or otherwise, and the meeting documents shall be sent to all directors at least five (5) days before the meeting.

If the securities regulatory authorities of the locality where the shares of the Bank are listed and stock exchange provide otherwise on the notice period of the Board of Directors, such provisions shall prevail simultaneously.

Article 155 The chairman shall convene and preside over an interim Board meeting within ten (10) days of receiving such a proposal or requests from the securities regulatory authorities under the following circumstances:

- (1) It is deemed necessary by the chairman;
- (2) It is proposed by above one-third of the directors;
- (3) It is proposed by the Audit Committee;
- (4) It is proposed by above half of the independent directors (where the Bank has only two (2) independent directors, it is unanimously proposed by both independent directors);
- (5) It is proposed by above one-tenth of the shareholders with voting rights;
- (6) It is proposed by the president of the Bank;
- (7) It is demanded by departments in charge of securities supervision; and
- (8) Other circumstances as stipulated by the laws, administrative regulations, departmental rules or the Articles.

The notice of an interim Board meeting shall be served on all directors in writing five (5) days before the meeting, and the meeting documents shall be served on all directors three (3) days before the meeting.

In case of emergency, the service of notices and meeting documents for an interim Board meeting shall not be subject to the time-limit stated in the preceding paragraph, but shall be effectively served on the directors before the meeting.

Article 156 The notice of Board meetings shall contain the following contents:

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

Article 157 The Board meetings shall only be held when more than half of the directors attend the meeting. The Board of Directors shall resolve the matters proposed to be resolved by means of a meeting. Resolutions adopted at the Board meeting must be approved by more than half of the directors, unless otherwise stipulated by the Articles or the relevant laws and regulations.

Article 158 Directors or their close associates (as defined under the Hong Kong Listing Rules) who have related party relationship with the enterprise which involves in the resolution to be discussed at the Board meetings, have material interests in the matter proposed to be discussed, or other avoidance circumstances stipulated by laws, shall not exercise their voting rights on such proposal, nor can they exercise any voting rights on behalf of other directors. The Board meeting shall only be held if more than half of the directors who do not have any related party relationship or any material interests are present. Resolutions of the Board of Directors shall be passed by more than half of the directors without related party relationship with or material interests in the matter to be resolved. Where less than three directors without related party relationship with or material interests in the matter are present at the Board meeting, such proposals shall be submitted to the shareholders' meeting for approval.

Where otherwise provided by the laws, administrative regulations, departmental rules, relevant regulatory authorities and the Articles, such other provisions shall prevail.

Article 159 The resolution of the Board of Directors may be voted at on-site meetings or via written resolution. Each director shall have one (1) vote.

On-site meetings refer to meetings where participants can be guaranteed to communicate and discuss instantly through on-site, video, and telephone.

Written resolution refers to the members considering and approving the resolution sent to each member separately or circulated to each member.

Voting by written resolution and signing on the votes by directors attending the meeting shall meet the following conditions:

- (1) Voting by written resolution should be sent to all directors at least three (3) days in advance and, the information about the background of the meeting subject and relevant information and data to help directors to make decisions should also be provided;
- (2) Voting by written resolution should adopt the form of one voting for one issue;
- (3) When voting by written resolution is necessary, the proposal for voting by written resolution should explain the reason to adopt it and that it complies with the provisions of the Articles and the Rules of Procedure of Meetings of the Board of Directors.

Article 160 The following matters, when proposed to the directors to review, should not be approved by way of voting by written resolution and shall require the approval of above two-thirds of all directors:

- (1) Proposals on capital replenishment, allocation of venture capital, remuneration package, profit distribution and loss recovery of the Bank;
- (2) Proposals on increase or reduction of the registered capital of the Bank;
- (3) Proposals on issue of corporate bonds or other securities and the listing of the Bank;
- (4) Proposals on merger, division, dissolution, liquidation or other change in form of the Bank;
- (5) Decide on mergers where the price paid by the Bank does not exceed 10% of the net assets of the Bank;
- (6) Proposals on repurchase of shares by the Bank;
- (7) Appointment or dismissal of senior management personnel;
- (8) Amendments to the Articles;
- (9) To consider and approve the establishment of the Bank's major legal entities, material asset mergers and acquisitions, material external investments, material asset acquisitions, material asset disposal and write-off, material external guarantees etc., within the authority of shareholders' meeting (of which, "material" refers to matters with a single amount exceeding 10% of the latest audited net assets of the Bank);

- (10) Material matters such as material changes in the Bank's equity (which refers to equity changes with a single amount representing more than 5% of total shares of the Bank) and financial restructuring, etc.; and
- (11) Other matters required by the laws, administrative regulations, departmental rules, relevant regulatory authorities or the Articles, or considered material to the Bank by more than half of all directors that shall be approved by above two-thirds of all directors.

An external guarantee submitted to the Board of Directors needs agreements of two-thirds or more of the directors attending the meeting of the Board of Directors for its approval.

The appointment and dismissal of the company secretary shall be effected by on-site meeting instead of by written resolution.

Article 161 Directors shall attend Board meetings in person. If a director cannot attend a meeting due to certain reasons, he/she may appoint another director of the same class in writing to attend on behalf.

The proxy form shall state the name of the proxy, the relevant matters, the scope of authorization and the validity period, and shall be signed by the appointer or a chop shall be affixed.

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

Article 162 Minutes shall be taken to record the decisions of matters discussed in the meeting. Directors attending the meeting and recorders shall sign the minutes. Where a Director disagrees with the minutes, he/she may append a note to his/her signature.

The Bank shall record live Board meetings by means of audio and video recording.

Board minutes shall be kept as the Bank's files for permanence.

Article 163 Board minutes shall include the following:

- (1) The date, time and place of the meeting, the name of the convener and the name of the presider;
- (2) The names of directors attending the meeting and the names of directors (proxies) appointed by others to attend the Board meeting;
- (3) The agenda of the meeting;
- (4) The main points of directors' speeches; and

- (5) The method and results of the voting for each proposal (the voting results shall state the numbers of votes voting in the affirmative, negative, or in abstention).

Article 164 Directors shall be responsible for the Board resolutions. If the Board resolutions violate the laws, administrative regulations, the Articles or resolutions of the shareholders' meeting, and thus cause 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 or she has stated an objection when voting and the same was recorded in the Board minutes. The Board resolutions are invalid if they violate the laws or the administrative regulations.

Section 4 Chairman

Article 165 The Board of Directors shall have one chairman and one to two vice chairman(s). The chairman and vice chairman shall be served by the Bank's directors and shall be elected or dismissed by more than half of all directors.

Article 166 The chairman of the Board of Directors and the president of the Bank shall be served by different persons.

The chairman of the Bank shall not concurrently hold the position of legal representative or chief responsible officer of the controlling shareholders.

Article 167 The chairman of the Board of Directors shall exercise the following functions and duties:

- (1) To preside over shareholders' meeting, convene and preside over meetings of the Board of Directors;
- (2) To supervise and examine the implementation of resolutions of the Board of Directors;
- (3) To sign certificates of shares, bonds and other securities of the Bank;
- (4) To sign material documents of the Board of Directors and other documents which shall be signed by the legal representative of the Bank;
- (5) To exercise the duties and powers of the legal representative;
- (6) In the event of 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' meeting;
- (7) To decide on unconventional information disclosure caused by emergencies, and to subsequently report to the Board of Directors; and
- (8) Other powers and rights conferred by the applicable laws, the Articles and by the Board of Directors.

Article 168 The vice chairman shall assist the chairman in his/her work. If the chairman of the Board is unable or fails to perform his/her duties and powers, the vice chairman shall exercise such duties on his/her behalf (when there are above two vice chairmans, the one jointly elected by more than half of all directors shall perform the duties); if the vice chairman is unable or fails to do so, a director shall be jointly recommended by more than half directors to exercise such duties and powers.

Section 5 Special Committees of the Board of Directors

Article 169 The Board of Directors of the Bank may separately or jointly establish the Strategic Development Committee, the Related Party Transactions Control Committee, the Risk Management Committee, the Audit Committee, the Nomination Committee, the Remuneration and Appraisal Committee and Consumer Rights Protection Committee, it may also, when needs arise, set up other committees on a separate or joint basis. With the authorization from the Board, the committees make professional recommendations to the Board or make decisions on specialized matters according to the authorization of the Board.

The members of each of the special committees shall be directors who possess professional knowledge and experience appropriate to the functions and powers of the special committees, and such members should consist of no less than three directors.

The responsible officers of the Audit Committee, the Related Party Transaction Control committee, the Nomination Committee and the Remuneration and Appraisal committee are served by independent directors who held more than half of the member positions in the abovementioned committees. The person in charge of the Audit Committee shall be an accounting professional. In principle, the proportion of independent directors in the Risk Management Committee shall not be lower than one-third.

The members of the Audit Committee should all be non-executive directors, among which at least one member shall have the appropriate professional qualification provided in the Hong Kong Listing Rules, or at least one independent director who has appropriate accounting or relevant financial management expertise. Members of the Audit Committee shall possess professional knowledge and work experience in a particular area such as finance, auditing, accounting or law. The employee directors may become members of the Audit Committee.

Article 170 Matters proposed to be resolved by the Board of Directors shall first be submitted to the corresponding special committee for review and approval, and such special committee shall render consideration opinions.

Unless authorized by the Board of Directors in accordance with the law, the consideration opinions of the special committees cannot replace the opinions of the resolutions of the Board of Directors.

Article 171 Each Board committee may engage professionals to give opinions on relevant matters when necessary and the reasonable expenses incurred shall be borne by the Bank, provided that the Bank's trade secrets are not divulged.

Article 172 The main functions and powers of the Strategic Development Committee are:

- (1) To formulate the operating management targets and long term development strategy;
- (2) To analyze and provide recommendations on major investment plans which are required to obtain approval from the Board of Directors according to the Articles of Association;
- (3) To supervise and inspect the implementation of annual operating plans and investment schemes;
- (4) To responsible for other matters authorized by the Board of Directors.

Article 173 The main functions and powers of the Related Party Transactions Control Committee are:

- (1) To be responsible for the management, review and approval of related party transactions and to control the risk of related party transactions;
- (2) To formulate the regulatory rules and management systems in respect of the Bank's related transaction;
- (3) To accept on the filing of general related party transactions;
- (4) To review related transactions which are required to obtain approval from the Board of Directors and shareholders' meeting;
- (5) To be responsible for other matters authorized by the Board of Directors.

Article 174 The main functions and powers of the Risk Management Committee are:

- (1) To be responsible for the Bank's risk control, management, supervision and assessment;
- (2) To consider the Bank's risk control principles, targets and policies, and submit the same to the Board of Directors for review and approval;
- (3) To review and determine the Bank's risk control measures and to deliberate the Bank's relevant risk management issues;
- (4) To discuss material risk management matters that require submission to and approval of the Board of Directors;
- (5) To initiate inspection and overseeing regarding the Bank's senior management's efforts in managing various types of risks;
- (6) To conduct investigations on the Bank's risk policies, management status and risk tolerance to make periodical assessments and report to the Board of Directors;

- (7) To make suggestions as to the improvement of the Bank's risk management and internal control;
- (8) To propose an authorization management scheme for the Bank and submit to the Board of Directors for approval;
- (9) To undertake the functions and powers for the Bank's anti-money laundering, to organize and guide the efforts of anti-money laundering in accordance with the Board's authorization, and to report to the Board of Directors; to oversee and guide the work of anti-money laundering leading group of the Bank; to discuss the major issues relating to anti-money laundering, to review and deliberate the anti-money laundering reports; to exercise the permitted right to make decisions and take measures with regard to the material issues or sensitive matters relating to anti-money laundering;
- (10) To undertake the functions and powers for the Bank's compliance management, to organize and guide the case studying and prevention work in accordance with the Board's authorization, and to report to the Board of Directors;
- (11) To formulate the overall policy for the case studying and prevention work, and to promote the development of the management system of case studying and prevention work; to determine explicitly the senior managements' powers and duties as well as the permitted rights in respect of case studying and prevention work, and to ensure that senior managements will take necessary steps to effectively monitor, precaution and handle case risks; to propose general requirement for case studying and prevention work, to review and deliberate the case studying and prevention work reports; to appraise and assess the effectiveness of the Bank's case studying and prevention work; to ensure internal control department will have an effective review and supervision over the case studying and prevention work; and
- (12) To be responsible for other matters authorized by the Board of Directors.

Article 175 The Audit Committee shall be responsible for reviewing the Bank's financial information and its disclosure, supervising and evaluating internal and external audit work and internal control, and exercising the related functions and powers of the Board of Supervisors in accordance with the Company Law:

- (1) To review the Bank's financial position;
- (2) To supervise the directors and senior management in their performance of their duties and to propose the dismissal of directors and senior management who violated the laws, administrative regulations, the Articles or resolutions of the shareholders' meeting;
- (3) To require directors and senior management members to rectify their actions that are detrimental to the interests of the Bank;
- (4) To propose to convene an extraordinary shareholders' meeting and convene and preside over the shareholders' meeting in the event that the Board of Directors has failed to fulfil its duties stipulated by the Company Law to convene and preside over the shareholders' meeting;

- (5) To submit proposals to the shareholders' meeting;
- (6) To initiate legal proceedings against directors and senior management pursuant to the Article 189 of the Company Law;
- (7) Other matters required by laws, administrative regulations, departmental rules, relevant provisions of securities regulatory authorities and stock exchange of the place where the Bank's shares are listed and the Articles, and as may be authorized by the Board of Directors.

The following matters shall be submitted to the Board of Directors for consideration upon the approval by a majority of the members of the Audit Committee:

- (1) Disclosure of financial reports, the financial information in regular reports and internal control assessment reports;
- (2) Appointment or dismissal of the accounting firms auditing the Bank;
- (3) Appointment or dismissal of the financial head of the Bank;
- (4) Changes to accounting policies, accounting estimates or major accounting errors for reasons other than changes to accounting standard;
- (5) Other matters stipulated by laws, administrative regulations, departmental rules, securities regulatory authorities and stock exchanges of the locality in which the Bank's shares are listed and the Articles.

Article 176 The main functions and powers of the Nomination Committee are:

- (1) To make suggestions to the Board of Directors as to the size and composition of the Board of Directors;
- (2) To formulate the selection criteria and procedures for directors and senior management personnel, and to make recommendations to the Board of Directors;
- (3) To select and review on the candidates for directors and senior management personnel and their qualifications for appointment;
- (4) To make recommendations to the Board of Directors on the nomination or removal of directors and the appointment or dismissal of senior management members;

- (5) To extensively seek for candidates that are qualified to act as directors and senior management personnel, and to formulate development plans for senior management personnel and key reserve talents; and
- (6) To be responsible for other matters required by the laws, administrative regulations, departmental rules, relevant provisions of the securities regulatory authorities and stock exchange of the locality where the shares of the Bank are listed and the Article, and as may be authorized by the Board of Directors.

Article 177 The main functions and powers of the Remuneration and Appraisal Committee are:

- (1) To be responsible for considering the Bank's remuneration management system and policy;
- (2) To be responsible for developing the appraisal criteria for directors and senior management personnel, conducting appraisal work and making recommendations;
- (3) To formulate and review the remuneration policies and programmes such as the mechanism for determining the remuneration of Directors and senior management, the decision-making process, and the arrangements for payment, stoppage and recourse, to make recommendations to the Board of Directors and to oversee the implementation of the plan;
- (4) To formulate or change of the Bank's share incentive plans and employee stock ownership plans, and to ensure that incentive objects are granted rights and the conditions for exercising their rights are met, and to make recommendations to the Board of Directors;
- (5) To arrange for directors and senior management shareholding plans for proposed subsidiary spin off and make recommendations;
- (6) To be responsible for other matters required by the laws, administrative regulations, departmental rules, relevant provisions of the securities regulatory authorities and stock exchange of the locality where the shares of the Bank are listed and the Article, and as may be authorized by the Board of Directors.

Article 178 The main functions and powers of the Consumer Rights Protection Committee are:

- (1) To be responsible for formulating strategies, policies and goals for the protection of consumer rights and interests of the Bank;
- (2) Submitting work reports and annual report on consumer rights protection to the Board, performing related works as authorized by the Board, discussing and making decisions on the relevant matters, and studying major issues and important policies on consumer rights protection;
- (3) Guiding and supervising the establishment and improvement of the management system of consumer rights protection to ensure that the relevant system and regulations are compatible with our corporate governance, corporate culture construction and business development strategies;

- (4) Supervising the comprehensiveness, timeliness and effectiveness of the works of senior management and consumer rights protection department in accordance with regulatory requirements and from various aspects such as the strategies, policies, target implementation and work performance of consumer rights protection;
- (5) Holding meetings regularly on consumer rights protection to review the work reports of senior management and consumer rights protection department, and studying annual audit reports, regulatory circulars and internal assessment results related to consumer rights protection as well as urging senior management and relevant departments to take remedy actions to the issues identified in a timely manner;
- (6) Other matters required by laws, administrative regulations, departmental rules, relevant provisions of the securities regulatory authorities of the locality where the shares of the Bank are listed, and as may be authorized by the Board of Directors.

Article 179 The Board of Directors shall formulate the Working Rules for each of the Special Committees of the Board of Directors, and define the special committees' duties, rules of meetings, and working procedures. The establishment, composition, scope of working authority and disclosure of information, etc. of each special committee shall be in accordance with the laws, administrative regulations, departmental rules, and the regulations of the relevant regulatory authorities, the Hong Kong Listing Rules and the relevant provisions of the Articles. Each special committee shall formulate annual working plans and convene meetings regularly.

Article 180 Each special committee shall communicate with senior management and department heads regarding the operating and risk conditions of the Bank regularly, and give advice and recommendations.

Article 181 Members of the Board committees shall keep track of the changes and their impact on related matters of the Bank within the scope of the Board committees, and raise the issue to the special committees timely.

Section 6 Secretary to the Board of Directors and Office of the Board of Directors

Article 182 The Board of Directors shall have a Secretary to the Board of Directors. The Secretary to the Board of Directors is the Bank's senior management personnel, and accountable to the Board of Directors.

The Secretary to the Board of Directors shall adhere to the laws, administrative regulations, departmental rules and the relevant provision of the Articles.

Article 183 The Secretary to the Board of Directors shall possess the necessary professional knowledge and working experience in banks.

The provisions herein in relation to the conditions prohibiting a person from acting as a director of the Bank shall be applicable to the Secretary to the Board of Directors.

Article 184 The major duties of the Secretary to the Board of Directors are:

- (1) To organize and prepare documents for Board meetings and shareholders' meeting, and to be responsible for keeping the documents of meeting, to attend shareholders' meetings, Board meetings, and meetings related to senior management officers, and to be responsible for recording and signing the minutes of Board meetings;
- (2) To handle the information disclosure matters of the Bank, to coordinate information disclosure work of the Bank, to organize the formulation of the information disclosure affairs management system, to urge the Bank and the relevant information disclosure obligors to comply with the relevant provisions of information disclosure, to be responsible for the confidentiality of information disclosure of the Bank, to report to the stock exchange and announce in the event of a leak of significant unpublished information in a timely manner, to pay attention to the rumor of the Bank and initiatively seek confirmation of the actual situation, to urge the Board of Directors and other relevant entities to respond to enquiries of the stock exchange in a timely manner;
- (3) To organize and coordinate the Bank's investor relations management, to coordinate information communication between the Bank and securities regulatory authorities, shareholders and de facto controllers, intermediaries, media, etc.;
- (4) To maintain the register of shareholders of the Bank, the information regarding the shareholders, to assist the chairman to handle the Bank's equity affairs;
- (5) To organize training for directors and senior management personnel on relevant laws and regulations, the listing rules of the stock exchange where the Bank's shares are listed, and other requirements of the stock exchange, and assist him/her in understanding his/her respective responsibilities in information disclosure, to supervise the directors and senior management personnel to comply with the laws and regulations, the listing rules of the stock exchange where the Bank's shares are listed, other regulations and the Articles, and to effectively fulfill the commitments made by them; if they become aware that the Bank, its directors and senior management personnel have made or may make resolutions that violate the relevant regulations, the secretary shall remind them and immediately truthfully report to the stock exchange;
- (6) Other matters stipulated by the laws, administrative regulations, departmental rules, the securities regulatory authorities and stock exchange of the locality in which the Bank's shares are listed and the Articles or authorized by the Board of Directors.

Article 185 The Secretary to the Board of Directors shall be nominated by the chairman and shall be appointed or removed by the Board of Directors.

Article 186 The Secretary to the Board of Directors should be served by dedicated designated person in principle, but it may be concurrently served by the Bank's Directors or senior management personnel, provided that they must ensure that they have sufficient energy and time to undertake the duties as the Secretary to the Board of Directors. If a director or a senior management personnel of the Bank concurrently serves as the Secretary to the Board of Directors, in the event that an action has to be taken by the director (or the senior management personnel) and the Secretary to the Board of Directors respectively, the person acting concurrently as a director (or a senior management personnel) and the Secretary to the Board of Directors shall not take such action in both of the capacities.

Article 187 The president and the certified public accountants of the accountants' firms engaged by the Bank, as well as other persons prohibited by the laws, administrative rules, departmental regulations and other regulatory documents from serving as the Secretary to the Board of Directors shall not serve as the Secretary to the Board of Directors.

Article 188 The Board of Directors shall set up a special office, take charge of the daily affairs of the Board of Directors and the relevant special committees, provide support to the Board of Directors and such committees in connection with the exercise of their rights and duties, and assist the Secretary to the Board of Directors in carrying out their duties.

The persons employed to work in the office of the Board of Directors shall have the relevant professional knowledge so as to sufficiently ensure their assistance to the Board of Directors in carrying out its duties.

CHAPTER 8 SENIOR MANAGEMENT PERSONNEL

Section 1 Senior Management Personnel

Article 189 The senior management shall observe the principle of good faith, prudently and diligently perform their duties within their scope of authority; and shall not seek business opportunities belonging to the Bank for themselves or other persons, accept benefits in relation to the transactions of the Bank, take part-time jobs in other economic organizations, but shall report to the Board of Directors in a timely, complete and truthful manner, their related party relationships with other shareholders of the Bank.

Article 190 The provisions herein in relation to the conditions prohibiting a person from acting as a director and the provision in relation to directors' duty of good faith and loyalty and duty of diligence shall be applicable to the senior management.

Article 191 Persons who have taken up administrative positions other than directorship, supervisor in the controlling shareholder entities of the Bank shall not act as senior management personnel of the Bank.

The remuneration of senior management of the Bank shall only be paid by the Bank, and not be paid by controlling shareholders on behalf of the Bank.

Article 192 The senior management shall, in accordance with the needs of the Bank's operations, establish a well-developed internal control mechanism with internal rules and regulations, the operational risk control system and the credit approval system, etc. as its key parts.

Article 193 The senior management shall submit themselves to the supervision of the Audit Committee, regularly report to the Audit Committee on information regarding the operational results, material contracts, financial position, risk profile, business prospects and other information of the Bank, and shall not obstruct or hinder the inspection, audit or other activities carried out by the Audit Committee according to its functions and powers.

Article 194 The senior management of the Bank shall be responsible for organizing and implementing the capital management of the Bank according to business strategies and risk appetite, ensuring that the capital of the Bank is adaptive to its development and risk levels, and carrying out various monitoring measures.

Article 195 The senior management shall establish systems of regularly reporting to the Board of Directors, and reporting to the Board of Directors on the operational results, material contracts, financial position, risk profile, business prospects and other information of the Bank in a timely, accurate and complete manner.

Article 196 The operational management activities of the Bank conducted legally by the senior management within their scope of authority shall not be intervened. Senior management shall have the right to request the Audit Committee to raise objections to the directors and chairman who intervene in the operational management activities exceeding their scope of authority, and report to the banking regulatory and administrative authorities under the State Council.

Article 197 The senior management personnel of the Bank shall observe the applicable laws and the provisions of the Articles, and undertake the duty of good faith and diligence.

Article 198 Senior management personnel may submit resignation letter to the Board of Directors. Such persons shall not leave their positions until their exit audits are completed.

Article 199 Senior management personnel shall be liable to compensate the Bank for any losses due to violations of the laws, administrative regulations, departmental rules or the Articles in the performance of their duties.

Senior management of the Bank shall faithfully perform their duties and safeguard the best interests of the Bank and all shareholders. If any senior management of the Bank causes damage to the interests of the Bank and its public shareholders due to failure in faithfully performing their duties or violation of his/her fiduciary duties, he/she shall be liable for compensation in accordance with the laws.

Section 2 President

Article 200 The Bank shall have one president who shall be nominated by the chairman and appointed or dismissed by the Board of Directors.

The Bank shall have several vice presidents who shall be appointed or dismissed by the Board of Directors.

The president may propose to resign before the end of his/her term. The procedures and methods for the resignation of the president shall be specified in the Labor Service Contract agreed upon by the president and the Bank.

Article 201 The president shall be accountable to the Board of Directors and shall perform the following duties and powers:

- (1) To take charge of the operation and management of the Bank, to organize the implementation of the resolutions of the Board of Directors and to report the work to the Board of Directors;
- (2) To submit annual business plans and investment proposals to the Board of Directors and to organize the implementation upon approval by the Board of Directors;
- (3) To draft proposals on the establishment of the Bank's internal management entities;
- (4) To draft the Bank's basic management system;
- (5) To formulate the Bank's specific regulations;
- (6) To propose to the Board of Directors to appoint or dismiss the vice presidents, assistant to the president, finance chief and other senior management personnel;
- (7) To determine to appoint or dismiss persons in charge of the internal departments and branches of the Bank other than those to be appointed or dismissed by the Board of Directors; and to determine their salaries, benefits and reward or punishment according to the remuneration reward and punishment scheme fixed by the Board of Directors;
- (8) To authorize senior management personnel of the Bank and persons in charge of internal departments and branches to conduct operational activities;
- (9) To decide on the appointment and dismissal of the Bank's staff, and on matters relating to wages, benefits, reward and punishment;
- (10) To adopt emergency measures when any material emergency arises and promptly report them to the banking regulatory and administrative authorities under State Council and the Board of Directors; and
- (11) Other powers and rights conferred by applicable laws, administrative regulations, departmental rules, regulatory documents, the regulations of the relevant regulatory authorities, the Articles and by the Board of Directors.

Article 202 The president shall formulate the "Terms of Reference of the President" and implement such rules after having been approved by the Board of Directors.

The Terms of Reference of the President shall include the following:

- (1) Conditions and procedures for convening a presidential meeting and the participating personnel;
- (2) Specific duties and division of work of the president and other senior management personnel;

- (3) Use of the Bank's funds and assets, authority for entering into material contracts and the system of reporting to the Board of Directors; and
- (4) Other matters which are deemed necessary by the Board of Directors.

Article 203 The vice presidents shall assist the president in his/her work; in case the president is unable to exercise his/her powers, the vice presidents shall do so in order on behalf.

Article 204 A non-director president observing the meetings of the Board of Directors shall have no voting rights thereat.

CHAPTER 9 QUALIFICATIONS AND OBLIGATIONS OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

Article 205 The qualifications for the positions of directors and senior management personnel of the Bank shall meet the requirements stipulated by the laws, administrative regulations, departmental rules, regulatory documents, the regulations of the relevant regulatory authorities and the Articles. In accordance with aforementioned requirements, the qualification of the directors and senior management personnel shall be verified by the banking regulatory authority.

Article 206 No person shall hold the position of director, senior management personnel of the Bank in one of the following circumstances:

- (1) A person without or with limited capacity for civil conduct;
- (2) A person who has been penalized or sentenced due to corruption, bribery, embezzlement, appropriation of property or the disruption of the socialist market economy, or deprivation of political rights for the crimes committed was carried out; imposed with suspended sentence for less than two (2) years since the expiration of the suspended sentence;
- (3) A director, factory director or manager of bankrupt and liquidated companies or enterprises whereby such person was personally liable for the bankruptcy of such companies or enterprises, and three (3) years have not elapsed from which the liquidation of the Bank or enterprise was completed;
- (4) A legal representative of companies or enterprises which have had their business licenses revoked and the business of such companies or enterprises were compulsorily closed down due to a violation of laws in which such person was personally liable, and three (3) years have not elapsed from which the business license of the Bank or enterprise was revoked;
- (5) A person with relatively large amounts of due and outstanding debt is listed by the People's Court as a dishonest debtor for;
- (6) A person banned by the CSRC from entering into the securities market and such barring period has not expired;
- (7) A person who has been disqualified as a director or senior management member of a listed Bank recognized by the stock exchange (s) and such barring period has not expired;

- (8) Other persons who are prohibited from holding the Bank's directors, senior management personnel as stipulated by the laws, administrative regulations, departmental rules, the regulations of the securities regulatory authorities and stock exchange of the locality in which the Bank's shares are listed and the Articles.

If the Bank elects or appoints directors and senior management personnel in violation of the provisions of this Article, such election, appointment or employment shall be voided. If any circumstance above occurs during the term of office, that person shall be dismissed.

Article 207 The directors and senior management personnel of the Bank shall not direct the following persons or institutions ("connected persons") to take any acts which the directors and senior management personnel are themselves prohibited from taking:

- (1) The spouse or underage children of the directors and senior management personnel of the Bank;
- (2) A trustee of any of the directors and senior management personnel of the Bank or a trustee of the persons referred to in item (1) of this Article;
- (3) A partner of the directors and senior management personnel of the Bank or a partner of the persons referred to in items (1) and (2) of this Article;
- (4) A company which is under the de facto control of the directors and senior management personnel of the Bank, or a company which is under the de facto joint control of the persons referred to in items (1), (2) and (3) of this Article or with other directors and senior management personnel of the Bank; and
- (5) The directors, managers and other senior management personnel of the companies referred to in item (4) of this Article.

Article 208 Where the controlling shareholders or the de facto controllers of the Bank instructs the directors or senior management personnel to engage in an act that is detrimental to the interests of the Bank or the shareholders, he/she shall be jointly and severally liable with such director or senior management personnel.

Article 209 The Bank can purchase liability insurance for the compensation liability assumed by directors in performing their duties in the Bank during their term of office.

CHAPTER 10 FINANCIAL ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

Section 1 Financial Accounting System and Distribution of Profits

Article 210 The Bank shall formulate its financial accounting system in accordance with the applicable laws, administrative regulations and the provisions of the financial authority of the State Council.

Article 211 The accounting year of the Bank shall be the calendar year, beginning from January 1st and ending on December 31st of the calendar year. The Bank shall prepare an annual financial report within four (4) months after the end of each accounting year, an interim financial report within two (2) months after the end of the first six (6) months of each accounting year and quarterly financial reports within one (1) month after the end of the first three (3) months and the first nine (9) months of each accounting year, and submit them to the banking regulatory and administrative authorities under the State Council, the People's Bank of China, the agency of the securities regulatory authorities under the State Council and the stock exchange in accordance with the relevant laws.

The said financial reports shall be prepared according to the relevant laws, administrative regulations and departmental rules.

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

Article 212 The Bank shall not have any books of accounts in addition to its statutory ones. No asset of the Bank may be kept in any account opened in the name of any individual.

Article 213 The after-tax profits of the Bank shall be distributed in the following order of priority:

- (1) To make up for the losses of the previous year;
- (2) To set aside 10% of the profits to statutory reserve funds;
- (3) To set aside general reserves;
- (4) To pay dividends on preference shares;
- (5) To set aside discretionary reserve funds; and
- (6) To pay dividends to ordinary shareholders.

The Bank may distribute its after-tax profit after making 10% contributions of the profit to the statutory reserve until the balance of the statutory reserve reaches above 50% of the registered capital of the Bank.

If the statutory reserve is not sufficient to make up the accumulative losses, profit of the year shall be used to make up the losses before making any contribution to the statutory reserve according to the aforesaid provision.

After distribution its after-tax profit to the statutory reserve, reserves and dividend payment of preference shares, the Bank may also distribute its after-tax profit to the discretionary reserves upon approval of the shareholders' meeting.

After making up of any losses and contribution to reserves, the remaining after-tax profit may be distributed to shareholders in proportion to their respective shareholdings.

In case the shareholders' meeting approves to distribute any profit to any shareholder before making up the losses, making contributions to the statutory reserve and making allocations to the statutory general reserve in accordance with the regulations as required by the aforesaid provision, shareholders must return profits so distributed to the Bank; shareholders and the directors, senior management personnel under the liability shall be liable to compensate the Bank for the losses thereof.

Shares held by the Bank are not entitled to any profit distribution.

Where the capital adequacy ratio of the Bank does not meet the required standards of the relevant regulatory authorities, the Bank shall not distribute profits to shareholders. Under the premise of ensuring the capital adequacy ratio meets regulatory requirements, the Bank may distribute profits if it has distributable profits.

The payment of dividends on preference shares should be subject to laws, administrative regulations, rules, relevant provisions of the securities regulatory authorities where the Bank's shares are listed and the preference shares are issued or listed, and the Articles.

Article 214 The reserve of the Bank shall be used for making up the Bank's losses, expanding the Bank's scale of operation or increasing the registered capital of the Bank. When using reserves to make up for the Bank's losses, discretionary reserves and statutory reserves shall be used first; if the losses still cannot be made up, under the premise of legality and compliance, capital reserves can be used in accordance with regulations.

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

If the Bank is still in a loss position after making up the losses in accordance with the first paragraph of this Article, it may reduce its registered capital to make up the losses. When reducing registered capital to make up the losses, the Bank shall not make any distribution to the shareholders, nor shall it exempt the shareholders from the obligations to make capital contributions or pay up the amounts of shares.

Where the registered capital is reduced in accordance with the provisions of the preceding paragraph, paragraph 2 under Article 250 of the Articles shall not apply, but it shall be announced in the newspapers or on the National Enterprise Credit Information Publicity System within 30 days from the date on which the shareholders' meeting made a resolution to reduce the registered capital.

After the Bank reduces its registered capital in accordance with the preceding two paragraphs, it shall not distribute profits until the cumulative amount of the statutory reserve fund and the discretionary reserve fund reaches 50% of the registered capital of the Bank.

Article 215 Policies about profit distribution of ordinary shareholders in the Bank are as the following:

(1) Basic principle of profit distribution: The Bank shall implement a continuous and stable dividend distribution policy. The Bank's dividend distribution shall pay attention to the reasonable return on investment of investors and take into account the Bank's sustainable development. Under the premise of balancing continuous profitability, meeting regulatory requirements and the normal operation and long-term development, the Bank shall prioritize the distribution of dividends in cash. The Bank shall not distribute profits to ordinary shareholders until the agreed dividends are fully paid to the preferred shareholders.

(2) The specific policies of profit distribution are as the following:

1. Form of profit distribution: The Bank may distribute dividends in cash or in a combination of cash and stocks. If the Bank is profitable in the current year and the accumulated undistributed profit is positive, under the premise of ensuring the stable management and development, the Bank shall prioritize the distribution of dividends in cash. When the Board of Directors believes that the stock price of the Bank does not match the size of the Bank's share capital or considers it necessary, the Board of Directors may propose a stock dividend distribution plan and submit it to the shareholders' meeting for deliberation.

The Bank generally conducts annual profit distribution, and the Bank's Board of Directors can also propose interim profit distribution according to the actual situation of the Bank.

2. Specific conditions and proportions of the Bank's cash dividends: In the case of meeting the dividend requirements stipulated by laws and regulations, the cumulative profits available for distribution in terms of cash dividends in the last three years after listing of A shares of the Bank shall be no less than 30% of the annual average distributable profits realized by the Bank in the last three years. The annual specific cash dividend ratio shall be drew up by the Bank in accordance with relevant laws and regulations, regulatory documents, the company's articles of association and the Bank's operation, and shall be decided by the shareholders' meeting of the Bank.

3. Conditions for the Bank to issue stock dividends: If the Bank's operating income grows rapidly and the Board of Directors believes that the Bank's stock price does not match with the scale of the Bank's share capital, stock dividend distribution plan may be proposed and implemented while the above-mentioned cash dividend distribution is satisfied.

4. The Board of Directors of the Bank shall comprehensively consider factors such as the characteristics of the industry, its development stage, its own business model, profitability and whether there are major capital expenditure arrangements so as to differentiate the following conditions, and propose a differentiated cash dividend policy in accordance with the procedures stipulated by the Articles:

- (i) If the company's development is at the mature stage and there are no major capital expenditure arrangements, when distributing the profits, cash dividends shall account for not less than 80% in this profit distribution;
- (ii) If the company's development is at the mature stage and there are major capital expenditure arrangements, when distributing the profits, cash dividends shall account for not less than 40% in this profit distribution;
- (iii) If the company's development is at the growth stage and there are major capital expenditure arrangements, when distributing the profits, cash dividends shall account for not less than 20% in this profit distribution.

If the company's development stage is hard to be distinguished but there are major capital expenditure arrangements, cash dividends shall be handled in accordance with the preceding provisions.

(3) Procedures of deliberation about profit distribution:

1. When formulating the profit distribution plan, the Board of Directors of the Bank shall carefully study and demonstrate the time, conditions and minimum proportion of cash dividends, the conditions for adjustment and the requirements for decision-making procedures and so on. Independent directors should make clear comments. Independent directors shall collect opinions from medium and small shareholders, propose dividends proposal, and submit it directly to the Board of Directors for deliberation. Before the shareholders' meeting deliberates the specific plan for cash dividends, the Bank shall actively communicate and exchange ideas with shareholders, especially medium and small shareholders, through various channels, fully take the opinions and appeals of medium and small shareholders, and promptly respond to the concerns of them. The Audit Committee of the Bank shall supervise the company's profit distribution plan made by the Board of Directors and decision-making procedures.
2. If the Bank meets the cash dividend condition but has not made a cash dividend plan, or if the Bank's cumulative profits available for distribution in terms of cash dividends in the last three years is less than 30% of the annual average distributable profits realized by the Bank in the last three years, the Board of Directors shall make special explanations on the specific reasons for not paying cash dividends, the exact use of retained earnings of the company and the expected investment income and so on, then submit them to the shareholders' meeting for deliberation after the independent directors express their opinions, and disclose them through media designated by the Bank. The Bank shall provide shareholders with an online voting system to vote.

- (4) Reasons for not making profit distribution by cash: The Bank shall disclose the profit distribution plan for the current year in the annual report. If there is profit during the reporting period but the Bank's Board of Directors does not make a cash profit distribution plan, the reasons shall be disclosed in the regular report. The report shall state the reasons for not paying dividends as well as the function of capitals not used for dividends but saved in the Bank. The independent directors shall express independent opinions on these matters.
- (5) Adjustment on profit distribution policies: In case of force majeure such as war or natural disaster, or changes of the external business environment of the Bank which have significant impact on the Bank's production and operation, or when the Bank's own operating conditions change significantly, the Bank may adjust the profit distribution policy. When the Bank adjusts the profit distribution policy, the Board of Directors shall make a special discussion, elaborate the reasons for adjustment, form a written argumentation report and submit it to the shareholders' meeting after deliberation by independent directors. And the adjustment shall be passed by more than two-thirds of the voting rights held by shareholders attending the shareholders' meeting. The Bank shall provide shareholders with an online voting method to vote. When the shareholders' meeting deliberates the policy changes in the profit distribution plan, the opinions of the medium and small shareholders should be fully considered.
- (6) If the shareholders of the Bank illegally occupy the Bank's funds, the Bank shall deduct the cash dividends distributed to the shareholders to repay the cash they occupy.
- (7) The Bank shall disclose the formulation and implementation of the cash dividend policy in detail in the annual report, and shall explain whether it meets the provisions of the Articles or the requirements of the resolutions of the shareholders' meeting, whether the dividend standards and ratios are explicit and clear, whether the relevant decision-making procedures and mechanisms are perfect, whether the independent directors perform their duties and play their due role, whether the small and medium shareholders have the opportunity to fully express their opinions and appeals, whether the legitimate rights and interests of the small and medium shareholders are fully protected, etc. If the cash dividend policy is adjusted or changed, whether the conditions and procedures for adjustment or change are legal and transparent or not shall also be described in detail.

Article 216 After the resolution on profit distribution has been passed at the shareholder's meeting of the Bank, the Bank's Board of Directors shall complete the distribution of dividends (or shares) within two (2) months after convening of the shareholders' meeting.

Article 217 Payments made in advance of calls on any shares by the Bank shall carry interest. However, holders of shares shall not have any right to receive dividends declared thereafter in relation to any such payment made 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 PRC laws, administrative regulations and departmental rules, but the right shall only be exercised after the expiration of the applicable limitation period.

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 has the right to sell the shares of the shareholders of overseas listed shares through the methods the Board of Directors deems appropriate and subject to the following conditions:

- (1) 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;
- (2) 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 stock exchange of the locality in which the Bank's shares are listed.

Article 218 The Bank shall appoint a recipient agent for shareholders of overseas listed shares. 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 locality in which the Bank's shares are listed or the relevant requirements of the stock exchange where the Bank's shares are listed.

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

Section 2 Internal Audit

Article 219 The Bank shall establish an internal audit system, which clearly stipulates the leadership structure, duties and authorization, personnel allocation, finance support, audit results application, accountability and other matters in relation to internal audit, and set up an independent and vertical internal audit management system with professional audit personnel to undertake internal auditing and supervision of the Bank's financial income and expenditures and economic activities.

Article 220 The internal audit system and the duties of the audit personnel shall be implemented upon approval by the Board of Directors. The head of audit shall be responsible to and shall report to the Board of Directors and the Audit Committee.

Article 221 During the supervision and inspection process, the internal audit departments shall be subject to the supervision and guidance of the Audit Committee. If the internal audit departments discover relevant major issues or clues, it shall immediately report directly to the Audit Committee.

When the Audit Committee communicates with external audit entities such as accounting firms and national audit institutions, the internal audit departments shall actively cooperate and provide necessary support and collaboration.

Section 3 Engagement of Accounting Firms

Article 222 The Bank shall appoint such accounting firm which has complied with the Securities Law for carrying out the audit for the accounting statements and reports, net asset verification, other relevant consultancy services. The engagement term shall begin from the date of the close of the current annual shareholders' meeting and end on the date of the close of the next annual shareholders' meeting. The accounting firm may be re-appointed.

Article 223 The appointment or dismissal of accounting firm in charge of the Bank's accounting matters by the Bank must be submitted to the Board for consideration only after being approved by more than half of all members of the Audit Committee, and be decided by the shareholders' meeting, and the Board of Directors shall not appoint any accounting firm prior to the decision of the shareholders' meeting.

Article 224 The Bank warrants that the Bank will provide the engaged accounting firm with true and complete accounting documents, accounting books, financial reports and other accounting information; the Bank shall not refuse to provide, and shall not conceal or falsify such documents.

Article 225 The auditing fees of the accounting firm shall be determined by the shareholders' meeting.

Article 226 The audit results of the Bank's financial reports, issued by the accounting firms engaged by the Bank, shall be reported to the Board of Directors and the Audit Committee at the same time.

Article 227 When the Bank dismisses or does not renew the engagement of an accounting firm; it shall give fifteen (15) days advance notice to the accounting firm. When voting on dismissal of an accounting firm at the shareholders' meeting, such accounting firm shall be permitted to present its views at the shareholders' meeting.

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

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

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

The Bank shall, within fourteen (14) days after receiving the aforesaid written notice, send a copy of the notice to the relevant regulatory authorities. If the notice contained a statement referred to in the above item (2), the Bank shall also deposit a copy of the said statement in the Bank for the shareholders' review. Unless otherwise stipulated by the Articles, the Bank shall send by prepaid mail a copy of the statement mentioned above to each shareholder of overseas listed shares, and the address of the recipient shall be that recorded in the register of shareholders; or, during the above-mentioned period and in complying with applicable laws, regulations and the Hong Kong Listing Rules, publish such copy of the statement through the website of the stock exchange of the place where the Bank's shares are listed, or publish such copy of the statement in one or more newspapers specified by such stock exchange website and by the Articles.

If the accounting firm's notice of resignation contains any statement referred to in the above item (2), the accounting firm may request that the Board of Directors convene an extraordinary shareholders' meeting for the purpose of receiving an explanation of the circumstances in connection with its resignation.

CHAPTER 11 INCENTIVE AND RESTRAINT MECHANISMS

Article 228 The Bank establishes an incentive mechanism in which remuneration is connected to the Bank's profits and individual performance.

Article 229 The Board of Directors shall adopt appropriate methods to evaluate whether the directors (including independent directors) have fulfilled their responsibilities, and report to the shareholders' meeting.

Article 230 The proposal of the evaluation and remuneration of and the incentive for senior management personnel is formulated by the Nomination Committee, the Remuneration and Appraisal Committee under the Board of Directors and submitted to the Board of Directors for approval. The Board of Directors shall take the evaluation of senior management personnel as the basis for determining the remuneration and other incentives for senior management personnel.

Article 231 Directors shall not participate in the process for determining their own performance evaluation and remuneration, except for the self-assessment aspect of their performance evaluation.

Article 232 Upon the approval of the shareholders' meeting, the Bank shall set up stock incentive system and employee stock ownership plan.

Upon the approval of the Board of Directors, the Bank shall establish a remuneration, bonus and welfare system suitable for the development of the Bank.

CHAPTER 12 STAKEHOLDERS

Article 233 The Bank respects the lawful rights of stakeholders such as its creditors, staff, clients, and the community.

Article 234 The Bank shall diligently cooperate with all the stakeholders, to jointly promote the sustainable, stable and regular development of the Bank.

Article 235 The Bank encourages its staff to offer their opinions and advices on the Bank's operations, financial positions and material decisions related to staff's interests through communicating directly with the Board of Directors and senior management.

Article 236 The Bank' staff organize the union, carry out union activities to protect their lawful rights and interests pursuant to the Trade Union Law of the PRC.

When making decisions on material issues related to restructuring and operations and formulating important regulations, the Bank listens to staff's opinions and advices through employee representative meetings or other forms.

Article 237 Whilst maintaining sustainable development and maximizing shareholder interests, the Bank shall also pay attention to issues involving the community such as its welfare or environment protection, and the Bank shall treat its corporate social responsibilities with importance.

CHAPTER 13 NOTICES AND ANNOUNCEMENTS

Article 238 The Bank's notices (including but not limited to notices for convening shareholders' meeting, meetings of the Board of Directors) shall be given in the following ways:

- (1) By hand;
- (2) By fax;
- (3) By letter or e-mail;
- (4) By way of an announcement published in the newspaper or other designated media;
- (5) Subject to compliance with the laws, administrative regulations, the provisions of the securities regulatory authorities and the stock exchange(s) of the places where the Bank's shares are listed and the Articles, by way of posting on the websites specified by the Bank;
- (6) Other ways which are recognized by the securities regulatory authorities of the locality in which the Bank's shares are listed or stipulated in the Articles.

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

Subject to the relevant provisions of the securities regulatory authorities of the locality in which the Bank's shares are listed, the Bank may choose to publish its communication by the means specified in item (5) of the first paragraph of this Article, to replace the means of sending written documents to each shareholder of overseas listed shares by hand or by prepaid mail. The said communication above refer to any documents sent or to be sent by the Bank to the shareholders for reference or for taking action, including but not limited to annual reports (including annual financial reports), interim reports (including interim financial reports), reports of the Board of Directors (together with balance sheets and income statements), notice of shareholders' meeting, circulars and other communication.

Article 239 Delivery date of notices of the Bank:

- (1) Where a notice is delivered by hand, the recipient or its agent shall acknowledge receipt by signing (or sealing) the delivery receipt, and the date on which the recipient or its agent signs the delivery receipt shall be the delivery date;
- (2) Where a notice is sent out by fax, the date of the fax shall be the delivery date;
- (3) Where a notice is sent out by mail, the delivery date shall be the second working day after such notice is delivered to the post office;
- (4) Where a notice is sent out by e-mail, the date of sending the notice shall be the delivery date;
- (5) Where a notice is given by way of announcement, the date on which the announcement is first published shall be the delivery date.

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

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

Article 240 The notice of convening of shareholder's meeting of the Bank is given by way of announcement.

The notice of convening of a meeting of the Board of Directors shall be issued in any of the following ways: by hand, by fax, by mail/post, by e-mail.

Article 241 Where, as a result of accidental omission, a notice of meeting is not given to a person who is entitled to receive such notice or where such person has not received the notice, the meeting or any resolution adopted at the meeting shall not be invalidated as a result.

Article 242 Where the relevant provisions of the securities regulatory authorities in the locality in which the Bank's shares are listed require that the Bank send, mail, distribute, release or 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 within the scope permitted by the applicable laws and regulations and in accordance with applicable laws and regulations.

Article 243 The Bank shall send announcements and disclose information to the shareholders of domestically listed shares in the newspapers and websites for information disclosure specified by the laws, administrative regulations or relevant domestic regulatory authorities. Where announcements are to be sent to the shareholders of H shares in accordance with the Articles, then relevant announcements shall, at the same time, be published in the methods specified by the Hong Kong Listing Rules.

CHAPTER 14 MERGER, DIVISION, INCREASE AND REDUCTION OF CAPITAL, DISSOLUTION AND LIQUIDATION

Section 1 Merger, Division, Increase and Reduction of Capital

Article 244 With the approval of the banking regulatory and administrative authorities under the State Council, the Bank may carry out merger or division in accordance with the law.

The merger action taken by the Bank may be in the form of merger by absorption or merger by new establishment. For a merger by absorption, a company absorbs any other company and the absorbed company is dissolved; for a merger by formation of a new corporation, above two companies combine together for the establishment of a new one, and the existing ones are dissolved.

Article 245 If the payment for the merger of the Bank does not exceed 10% of net assets of the Bank, a resolution of the shareholders' meeting is not required but shall be subject to a resolution of the Board of Directors.

If there are other regulations under the securities regulatory authorities and stock exchange in the place where the Bank's shares are listed, such requirements shall also be satisfied.

Article 246 For a merger of the Bank, the parties to the merger shall sign a merger agreement, and shall prepare a balance sheet and assets list. The Bank shall inform creditors within ten (10) days from the date on which the resolution in favor of the merger is adopted, and shall publish an announcement in thirty (30) days in the newspapers or the National Enterprise Credit Information Publicity System. The creditors shall within thirty (30) days of the day on which a notice is received, and, in the case where no notice is received, within forty-five (45) days, request that the Bank repays its debts or provide a corresponding guarantee for repayment.

Article 247 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 248 Where the Bank proceeds into a division, its assets shall be divided accordingly.

When proceeding into a division, the Bank shall prepare a balance sheet and assets list. The Bank shall inform the creditors within ten (10) days from the date on which a resolution is adopted in favor of the division, and shall publish an announcement within thirty (30) days in the newspapers or the National Enterprise Credit Information Publicity System.

Article 249 The entity established after division shall assume joint liability for the debts incurred by the Bank before division, unless otherwise stipulated in any written settlement agreement of debts which may be reached between the Bank and its creditors prior to the division.

Article 250 The Bank shall prepare a balance sheet and assets list when it reduces its registered capital.

The Bank shall notify its creditors within ten (10) days from the date of the Bank's resolution on reduction of registered capital and shall publish an announcement in newspapers or the National Enterprise Credit Information Publicity System within thirty (30) days. The creditors shall within thirty (30) days of the day on which a notice is received, and, in the case where no notice is received, within forty-five (45) days, request that the Bank repays its debts or provide a corresponding guarantee for repayment.

The Bank's registered capital after the capital reduction shall not be under the minimum statutory amount.

When the Bank reduces its registered capital, it shall reduce its capital contribution or shares in proportion to the capital contribution or shares held by shareholders, unless otherwise provided by law or the Articles.

If the registered capital is reduced in violation of the Company Law, shareholders shall return the funds they have received and restore the capital contributions to the original state if their capital contribution are reduced or exempted; if losses are caused to the Bank, shareholders, the responsible directors under the liability, and senior management shall be liable for compensation.

Article 251 Where a merger or division of the Bank involves any changes to registered matters, an application for modification of registration shall be made to the registration authority of the company in accordance with the law; if the Bank is dissolved, cancellation of registration of the Bank shall be carried out in accordance with the law; where a new company is established, the registration of the incorporation of the company shall be carried out in accordance with the law.

The Bank shall go through the formality of changes in respect of any increase or decrease in its registered capital with the company's registration authorities.

Section 2 Dissolution and Liquidation

Article 252 In any of the following circumstances, the Bank may be dissolved in accordance with the law:

- (1) Expiry of the valid term of the business prescribed in these Articles of Association or the occurrence of other events of dissolution as stated in these Articles of Association;
- (2) If the shareholders' meeting resolves to do so;
- (3) If a dissolution is necessary as a result of a merger or division of the Bank;
- (4) If the business license of the Bank is revoked or if it is ordered to close down its business or if its business license is canceled in accordance with the laws;
- (5) Where the operation and management of the Bank falls into serious difficulties and its continued existence would cause material losses to shareholders, the shareholders holding above 10% of the total voting rights of the Bank may apply to the people's court to dissolve the Bank if there are no other solutions.

Dissolution of the Bank shall be reported to the banking regulatory and administrative authorities under the State Council for approval.

Article 253 If the Bank has the circumstance specified in item (1) of preceding article of the Articles of Association, it may survive by amending the Articles of Association.

Amendments to the Articles of Association in accordance with the provisions of the preceding paragraph shall be approved by more than two thirds of the voting rights held by the shareholders present at the shareholders' meeting.

If the Bank is dissolved under paragraphs (1), (2), or (5) of the preceding article hereof, it shall undergo liquidation. The directors shall be the liquidation obligors, and a liquidation team shall be established within fifteen days from the date of the occurrence of the cause of liquidation in order to commence the liquidation. The liquidation team shall be composed of directors or persons determined by the meeting. The liquidation obligors shall assume compensation liability if the Bank or creditors incur losses as a result of the liquidation obligors' failure to perform their liquidation obligations within the time limit.

If the Bank is dissolved under paragraph (4) of the preceding article hereof, competent authorities in accordance with the law shall make arrangements for shareholders, the relevant institutions and the relevant professionals to form a liquidation team to carry out liquidation.

Article 254 After the shareholders' meeting adopts a resolution in favor of the liquidation, and after the liquidation committee is established, the functions and powers of the Board of Directors shall be terminated immediately.

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

Article 255 The liquidation committee shall exercise the following duties and powers during the period of liquidation:

- (1) To liquidate the assets of the Bank and prepare a balance sheet and assets list respectively;
- (2) To inform creditors by notices or public announcements;
- (3) To deal with any unsettled business of the Bank that relates to the liquidation;
- (4) To pay off any outstanding taxes and any taxes arising in the course of liquidation;
- (5) To clear up claims and debts;
- (6) To distribute the Bank's remaining assets after paying off all debts;
- (7) To participate in civil litigation on behalf of the Bank.

Article 256 The liquidation committee shall notify creditors within ten (10) days from the date of its establishment, and shall publish an announcement within sixty (60) days, in the newspapers or the National Enterprise Credit Information Publicity System.

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

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

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

Article 257 After liquidation of the Bank's assets by the liquidation committee and the preparation of a balance sheet and assets list, the liquidation committee shall formulate a liquidation plan and submit it to the shareholders' meeting or to the people's court for confirmation.

After the payment of liquidation costs, employees' salary, social insurance and statutory compensation, principal and interest of personal savings deposits, outstanding taxes and the Bank's other debts out of the property of the Bank, the Bank's property distribute to shareholders according to the class of the share and their shareholding ratio.

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

Article 258 During liquidation of the Bank's assets by the liquidation committee, and after preparing a balance sheet and assets list, if the liquidation committee finds the assets of the Bank to be insufficient for the settlement of its debts, the liquidation committee shall, upon approval by the banking regulatory and administrative authorities under the State Council, apply to the people's court for a declaration of bankruptcy in accordance with the law.

After the people's court accepts the bankruptcy application, the liquidation committee shall hand over its liquidation work to the bankruptcy administrator designated by the people's court, which shall implement the bankruptcy liquidation in accordance with the laws and regulations in relation to bankruptcy of enterprises.

Article 259 Following the completion of liquidation, the liquidation committee shall prepare a liquidation report, submit the same to the shareholders' meeting or people's court for confirmation, submit to the registration authority of the Bank and apply for cancellation of the Bank's registration.

Article 260 Members of the liquidation committee shall faithfully perform their duties and perform the liquidation obligations in accordance with the law.

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

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

Article 261 Where the Bank is declared to be bankrupt in accordance with the law, it shall implement the bankruptcy liquidation in accordance with the laws and regulations in relation to bankruptcy of enterprises.

Article 262 Matters relating to the merger, division, dissolution, liquidation, bankruptcy and termination etc. of the Bank shall comply with Company Law provisions, special provisions of Commercial Banking Law provisions and the requirements of the banking regulatory and administrative authorities under the State Council.

CHAPTER 15 AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 263 The Bank may amend the Articles in accordance with the laws, administrative regulations and the provisions of the Articles.

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

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

Article 264 Any amendments to be made to the Articles pursuant to a resolution of the shareholders' meeting shall be subject to the approval of the competent authorities, and shall obtain the approval of the competent authorities; if registration matters are involved, the Bank shall apply for registration of the changes in accordance with the law.

Article 265 The Board of Directors shall amend the Articles of the Bank according to the resolutions on amending the Articles passed at a shareholders' meeting and the approval opinions of the competent authorities.

Article 266 Where the amendments to the Articles involve matters required by the applicable laws to be disclosed, such amendments shall be announced in accordance with the relevant provisions.

CHAPTER 16 DISPUTE RESOLUTION

Article 267 The Bank shall abide by the following rules for dispute resolution:

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

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

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

- (2) An applicant may choose for the arbitration to be arbitrated either by the China International Economic and Trade Arbitration Commission in accordance with its arbitration rules or the Hong Kong International Arbitration Centre in accordance with its securities arbitration rules. Once a claimant submits a dispute or claim to arbitration, the other party must carry out the arbitration at the arbitration institution selected by the claimant.

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

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

CHAPTER 17 SPECIAL REGULATIONS OF PREFERENCE SHARES

Article 268 Unless otherwise specified in laws, administrative regulations, departmental rules, regulations of the securities regulatory authorities in the place where the shares of the Bank are listed and this Chapter, the rights and obligations of preference shareholders and management of preference shares shall be governed by the provisions relating to ordinary shares (including H shares) in the Articles.

Article 269 The number of preference shares issued by the Bank shall not exceed 50% of the total number of ordinary shares of the Bank, and the capital raised from the issue of preference shares shall not be more than 50% of the net assets of the Bank prior to the relevant issuance (excluding the preference shares that have been redeemed or converted).

Article 270 In accordance with rules on capital regulation for commercial banks, the Bank may formulate terms governing the mandatory conversion of the preference shares into ordinary shares, namely, upon the occurrence of certain trigger events, the Bank shall convert the preference shares into ordinary shares according to the conversion price and conversion amount determined at the time of issuance of the preference shares. In circumstances when the preference shares are mandatorily converted into ordinary shares, the Bank shall report such conversion to banking regulatory and administrative authorities under the State Council for review and approval.

Article 271 The preference shares issued by the Bank shall not have any put provision, and the preference shareholders shall have no right to require the Bank to redeem preference shares. Subject to the approval of the banking regulatory and administrative authorities under the State Council and upon compliance with the relevant requirements, the Bank has the right to redeem all or part of the preference shares after the fifth (5) year following the date of the relevant issuance of the preference shares. The redemption period of the preference shares commences on such date as agreed upon at the time of issuance of the preference shares and ends on the date of redemption or conversion of all the preference shares. The Bank shall write down the total number of outstanding preference shares after the Bank redeems the preference shares.

The exercise by the Bank of its right to redeem the preference shares shall be subject to the fulfilment of the following conditions:

- (1) The Bank shall use capital instruments of the same or superior quality to replace the preference shares to be redeemed and such replacement shall only be made at a time at which the Bank has a sustainable income generating capability; or
- (2) The capital position of the Bank immediately after redemption of the preference shares will remain significantly higher than the capital regulation requirements prescribed by the banking regulatory and administrative authorities under the State Council.

The redemption price of offshore preference shares will be an amount equal to the issue price plus the amount of dividend declared but unpaid for the current period.

Article 272 Preference shareholders of the Bank shall enjoy the following rights:

- (1) To receive distribution of dividends in priority to ordinary shareholders;
- (2) To receive distribution of residual assets of the Bank on liquidation in priority to those of ordinary shareholders;
- (3) Upon the occurrence of the circumstances provided in Article 274, to attend and vote at shareholders' meetings;
- (4) Upon the occurrence of the circumstances provided in Article 275, to have its voting rights restored in accordance with the requirements of that Article;
- (5) To make proposals or inquiries in relation to the business operations and activities of the Bank;
- (6) To inspect the Bank's Articles, register of shareholders, stubs of bonds, minutes of the shareholders' meetings, resolutions of meetings of the Board of Directors and financial reports; and
- (7) Other rights conferred to preference shareholders by laws, administrative regulations, departmental rules and the Articles.

Article 273 Only votes of ordinary shares and votes of preference shares with restored voting rights shall be counted when calculating the proportion of shares and the amount of shares held by the shareholders in the event of the following:

- (1) A request to convene an extraordinary shareholders' meeting;
- (2) A request to convene and preside over a shareholders' meeting;
- (3) A request to submit a proposal or an interim proposal to a shareholders' meeting;
- (4) A request to nominate the directors who are not employee representatives of the Bank;
- (5) Identifying controlling shareholder(s) according to the relevant provisions of the Articles;
- (6) Identifying situations where person(s) are restricted from serving as independent directors of the Bank according to the related provisions of the Articles;
- (7) Identifying the ten largest shareholders of the Bank and the number of shares held by them and the shareholder(s) holding 5% or more of the shares of the Bank in accordance with the Securities Law of the People's Republic of China and relevant regulations;
- (8) Other circumstances provided under laws, administrative regulations, departmental regulations and the Articles.

Article 274 The preference shareholders are not entitled to attend any shareholders' meeting of the Bank nor do the preference shares carry voting rights in any shareholders' meeting other than in the following circumstances:

- (1) Amendments to the Articles that relate to preference shares;
- (2) Reduction of the registered capital of the Bank by more than 10% on a single or aggregate basis;
- (3) Merger, division, dissolution or change of corporate form of the Bank;
- (4) Issuance of preference shares by the Bank;
- (5) Other events specified in laws, administrative regulations, departmental rules and the Articles.

On the occurrence of any of the above matters, the Bank shall notify preference shareholders of the shareholders' meeting and follow the notice procedures to ordinary shareholders as provided under the Articles. The preference shareholders are entitled to vote at a separate class meeting with respect to the above matters and each preference share shall have one vote (preference shares held by the Bank do not entitle the Bank to vote).

Resolutions relating to the above matters shall be approved by more than two-thirds of the votes held by ordinary shareholders present at the meeting (including preference shareholders with restored voting rights) and by more than two-thirds of the votes held by preference shareholders present at the meeting (excluding preference shareholders with restored voting rights).

Article 275 In the event that the Bank fails to pay the prescribed dividend to the preference shareholders for three financial years in aggregate or two consecutive financial years, the preference shareholders will have the right to attend and vote at the shareholders' meetings as if they are ordinary shareholders from the day immediately after the shareholders' meeting resolves that the Bank will not pay the prescribed dividend for the current dividend period. The voting rights of the preference shareholders will remain restored until the Bank pays the current period dividend in full.

The formula for calculating the voting rights as ordinary shares of the offshore preference shares with restored voting rights is as follows: $Q = V/P \times \text{conversion exchange rate}$, with any fractional restored voting right rounded down to the nearest integer.

Where: "Q" denotes the H share voting rights restored from the offshore preference shares held by each offshore preference shareholder; "V" denotes the aggregate value of the offshore preference shares with restored voting rights held by each offshore preference shareholder; "P" denotes the conversion price; the initial conversion price is decided by the issuance plan for offshore preference shares passed by the shareholders' meeting and denominated in Hong Kong dollars (which shall be converted with reference to the central parity rate of RMB to Hong Kong dollars used by the interbank foreign exchange market as published by the China Foreign Exchange Trade System on the trading day prior to the announcement date of the Board of Directors resolution on the issuance plan for offshore preference shares (rounded up to the nearest 2 decimal places)); the adjustment methods of conversion price (P) will be determined as agreed at the time of issuance of preference shares; the "conversion exchange rate" refers to the cross rate between Hong Kong dollars and the currency in which the offshore preference shares are denominated based on the RMB central parity rate published by the China Foreign Exchange Trading System on the trading date preceding the date of the announcement of the passing of the Board of Directors' resolution in respect of the issuance plan for offshore preference shares.

Article 276 The dividend ratio for the issued and outstanding preference shares of the Bank consists of the benchmark rate and the fixed spread. The dividend ratio may be adjusted at different intervals. During a specified period after issuance of the preference shares, the dividend ratio will remain the same and during any adjusted dividend rate period, the dividend ratio will remain the same.

Preference shareholders shall rank in priority to the ordinary shareholders in terms of dividend distribution and the preference shares shall be entitled to the dividend ratio and distribution of profits in accordance with the agreed terms. Dividends to the preference shareholders shall be payable in cash.

After receiving the dividends at the prescribed dividend ratio, the preference shareholders shall not be entitled to any distribution of residual profits of the Bank together with the ordinary shareholders. In accordance with the relevant capital regulation of commercial banks, the Bank shall have the right to cancel dividends in whole or in part and this will not constitute an event of default. Any amount of dividends not paid to the preference shareholders in full by the Bank will not be accumulated to the following dividend periods.

Article 277 In the event of liquidation of the Bank as a result of dissolution, bankruptcy or other reasons, the remaining assets of the Bank after liquidation in accordance with laws, administrative regulations, departmental rules and paragraph 2 under Article 257 shall be distributed first to the preference shareholders. Preference shareholders will be entitled to an amount equal to the aggregate value of the preference shares then issued and outstanding plus any declared but unpaid dividends for the current period. If there are insufficient remaining assets, the distribution will be made proportionally according to the aggregate value of the preference shares held by each preference shareholder as a proportion of the aggregate value of all preference shares of the Bank.

CHAPTER 18 SUPPLEMENTAL PROVISIONS

Article 278 Interpretations

- (1) The “controlling shareholder(s)” shall refer to a shareholder the ordinary shares (including preferred shares with restored voting right) held by whom occupy more than fifty percent of the total amount of the Company’s share capital or a shareholder who holds less than fifty percent of the same but by whom the voting powers attached to the shares held is enough to impose significant impact on the resolution of shareholders’ meeting.
- (2) “Substantial shareholders” means the shareholders who hold or control 5% or above shares or voting right of the Bank, or who hold less than 5% of total capital or total shares of the Bank but have significant influence on the business of the Bank.

The “significant influence” in the preceding paragraph include, but is not limited to, nominating or designating the dispatched directors or senior management personnel to the Bank, affecting the Bank’s financial and operational management decisions through agreements or other means, and other circumstances identified by the banking regulatory and administrative authorities under the State Council.

- (3) “De facto controller” means a person who, though not a shareholder of the Bank, is able to get the de facto control of the company through investment relationships, agreement or other arrangements.
- (4) “Related party relationship” refers to the relationship between the company’s controlling shareholder, de facto controller, a director, a supervisor or senior management personnel on the one hand and an enterprise he or she directly or indirectly controls on the other hand, as well as any other relationship that may result in a diversion of the company’s interests; however, enterprises controlled by the state shall not be deemed to have a related party relationship merely by virtue the fact that such enterprises are under the common control of the state.

- (5) “Cumulative voting system” means at the shareholders’ meeting where director(s) is/are elected, each ordinary share (including the preference shares with restored voting rights) shall have the same number of voting rights as the number of director(s) to be elected. Shareholders’ voting rights may be exercised collectively.
- (6) Total voting shares shall only include the total number of ordinary shares and preference shares with voting rights according to Article 274 of the Articles and preference shares with restored voting rights according to Article 275 of the Articles.

Article 279 The Board of Directors may, in accordance with the Articles, formulate detailed rules of the Articles which shall not be in conflict with the provisions hereof.

Article 280 The Articles shall be written in Chinese. Should there be any inconsistency between the Articles written in another language or provided in other versions, the latest Chinese version registered by and filed with the company registry shall prevail.

Article 281 References to “above”, “within” and “below” shall include the actual given figures, while references to “not more than”, “beyond”, “under”, “more than” and “less than” shall exclude such actual given figures.

Article 282 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 283 The Board of Directors of the Bank shall be responsible for the interpretation of the Articles.

Article 284 The appendices as of the Articles shall include the Rules of Procedure of the Shareholders’ Meeting and the Rules of Procedure of Meetings of the Board of Directors.

Article 285 Upon approval by the banking regulatory and administrative authorities under the State Council and after consideration and approval by the shareholders’ meeting, the Articles shall become effective from the date thereupon.