

China CITIC Bank Corporation Limited

ARTICLES OF ASSOCIATION

(Revised and became effective according to NFRA Reply〔2025〕No. 725 issued by National Financial Regulatory Administration dated 16 December 2025)

* *The Articles of Association of China CITIC Bank Corporation Limited are made in Chinese and the English version is a translation for reference only. Should there be any discrepancy between the Chinese and English versions, the Chinese version shall prevail.**

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China CITIC Bank Corporation Limited Articles of Association

CHAPTER 1. General Provisions

Article 1 To protect the legal rights of China CITIC Bank Corporation Ltd. (hereinafter referred to as the “Bank”) and its shareholders, employees and creditors, and regulate the organization and acts of the Bank, this Articles of Association is hereby formulated in accordance with the *Company Law of the People’s Republic of China* (hereinafter referred to as the Company Law), the *Securities Law of the People’s Republic of China* (hereinafter referred to as the Securities Law), the *Commercial Banking Law of the People’s Republic of China* (hereinafter referred to as the Commercial Bank Law), the *Guiding Opinions of the State Council on the Pilot Launch of Preference Shares*, the *Guidelines on the Articles of Association of Listed Companies*, and other applicable laws and administrative regulations and departmental rules.

Article 2 The Bank was formerly a state-run comprehensive bank founded on 20 April 1987 with the approval of the General Office of the State Council (Guo Ban Han [1987] No. 14) and the approval of the People’s Bank of China (Yin Fa [1987] No. 75). With the approval of former China Banking Regulatory Commission (Yin Jian Fu [2006] No. 455), the Bank was restructured from the former CITIC Bank into a joint stock limited company as a whole, and took over all the assets, liabilities and business of the former CITIC Bank. The Bank completed the change of its registration with the State Administration of Industry and Commerce on 31 December 2006 and obtained a new enterprise legal person business license. The Bank’s unified social credit code is 91110000101690725E.

Article 3 Upon restructure as a joint stock limited company, the Bank issued 2,301,932,654 domestically listed ordinary shares to the public for the first time on 3 April 2007 with the approval of China Securities Regulatory Commission (Zheng Jian Fa Xing Zi [2007] No. 67), which were listed and traded on the Shanghai Stock Exchange on 27 April 2007. On 21 March 2007, the Bank issued 5,618,300,000 overseas listed ordinary shares to overseas investors as approved by the *Reply of China Securities Regulatory Commission on Approving the Issuance of Overseas Listed Foreign Shares by China CITIC Bank Corporation Limited* (Zheng Jian Guo He Zi [2007] No. 8), which were listed and traded on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Stock Exchange”) on 27 April 2007.

With the approval of Zheng Jian Xu Ke [2016] No. 1971 of China Securities Regulatory Commission on 30 August 2016, the Bank could issue 350,000,000 preference shares and transfer them on the Shanghai Stock Exchange as of 21 November 2016.

Article 4 The registered name of the Bank: 中信銀行股份有限公司
Short name: 中信銀行
Name in English: CHINA CITIC BANK CORPORATION LIMITED
Short name in English: CNCB

Article 5 Address of the Bank: 6-30/F and 32-42/F, Building No. 1, 10 Guanghai Road, Chaoyang District, Beijing
Postal code: 100020

Article 6 The registered capital of the Bank is RMB48,934,796,573.

Article 7 The Bank is a joint stock limited company with perpetual existence.

Article 8 The Chairman of the Board of Directors shall be the legal representative of the Bank. Where the chairman resigns, he/she shall be deemed to have resigned as legal representative at the same time.

The appointment and change of the legal representative shall be subject to the Company Law and relevant regulations of the banking regulatory authority of the State Council.

Article 9 Where the legal representative engages in civil activities in the name of the Bank, the legal consequences thereof shall be borne by the Bank. Restrictions on the powers of the legal representative as stipulated in this Articles of Association or by the shareholders' meeting shall not be pleaded against bona fide counterparties. If the legal representative causes damage to others in the performance of his/her duties, the Bank shall assume civil liability. After assuming civil liability, the Bank may, in accordance with the law or the provisions of this Articles of Association, recover from the liable legal representative.

Article 10 This Articles of Association shall become effective from the date of the approval of the banking regulatory authority of the State Council. Starting from the date on which this Articles of Association becomes effective, the former Articles of Association of the Bank shall lapse automatically.

Starting from the effective date of this Articles of Association, this Articles of Association shall be a legally binding document which regulates the organization and acts of the Bank, and defines the rights and obligations between the Bank and its shareholders, and among the Bank's shareholders themselves.

Article 11 This Articles of Association shall be legally binding on the Bank, its shareholders, Directors, and members of its senior management. In accordance with this Articles of Association, the shareholders may institute lawsuits against other shareholders, Directors, members of the senior management, and the Bank; and the Bank may institute lawsuits against shareholders, Directors and members of the senior management.

The lawsuits referred to in the preceding paragraph shall include lawsuits instituted in a court or the application to arbitration institutions for arbitration.

Article 12 The capital of the Bank is divided into shares, and the par value of each share in the same class is equal. The shareholders shall bear liability for the Bank to the extent of the shares subscribed by them, and the Bank shall bear liability for its debts to the extent of its total property.

Article 13 Based on the business development demands and upon approval by the banking regulatory authority of the State Council, the Bank may establish, change or close both domestic and overseas institutions including, without limitation, branches (branch companies), subsidiary banks (subsidiaries) and representative offices in accordance with the provisions of laws, administrative regulations, departmental rules, and this Articles of Association. Other than subsidiary banks (subsidiaries), the abovementioned institutions shall not have the status of independent legal person, and shall carry out their businesses pursuant to law within the scope of authority granted by, and under the centralized management of, the Bank, and their civil liability shall be borne by the Bank.

Article 14 The senior management referred to in this Articles of Association shall mean the President, vice presidents, person in charge of finance, chief officers, secretary of the Board of Directors, etc., and other management officers determined by the Board.

Article 15 In accordance with the Constitution of the Communist Party of China, the Company Law of China, the Working Rules for Primary-level Organizations of the Communist Party of China at State-owned Enterprises (Trial) and other laws and regulations, the Bank shall establish organizations of the Communist Party of China (hereinafter the “Party”), carry out activities of the Party, uphold and strengthen overall Party leadership, give full play to the leading role of the Party Committee in providing direction, managing the overall situation and ensuring implementation. The Bank shall provide necessary conditions for the activities of Party organizations. The working organs of the Party shall be established, equipped with sufficient staff to deal with Party affairs and provided with sufficient funds to operate the Party organization.

CHAPTER 2. Objectives and Business Scope

Article 16 The business objectives of the Bank are: to conduct lawful and prudent operation with integrity, to provide clients with quality and efficient financial services, to maximize the shareholders’ interests, and to promote the economic development of the State and prosperity and stability of the society.

Article 17 With the approval of the regulatory authorities, such as the banking regulatory authority of the State Council, and upon legal registration, the business scope of the Bank shall include:

- (1) taking deposits from the public;
- (2) making short-term, medium-term and long-term loan;
- (3) processing domestic and overseas clearing;
- (4) processing bill acceptance and discounting;

- (5) issuing financial debentures;
- (6) acting as an agent, issuing, cashing and underwriting government bonds;
- (7) purchasing and selling government bonds and financial debentures;
- (8) engaging in inter-bank borrowing;
- (9) engaging in foreign exchanges trading and acting as an agent to trade foreign exchanges;
- (10) engaging in bank card businesses;
- (11) providing letters of credit services and guarantee;
- (12) acting as an agent on payment and collection;
- (13) providing safety deposit box services;
- (14) engaging in foreign exchange settlement and sales;
- (15) engaging in concurrent-business insurance agency business;
- (16) engaging in open-ended fund agency business;
- (17) engaging in gold related business (including the import and export of gold);
- (18) engaging in the custody business for securities investment fund, enterprise annuity fund, insurance fund and for qualified foreign institutional investors;
- (19) other businesses as approved by regulatory authorities, such as the banking regulatory and management authority of the State Council.

CHAPTER 3. Shares

Section 1 Issue of Shares

Article 18 The Bank shall have ordinary shares. Based on actual needs, the Bank may have other classes of shares such as preference shares in accordance with relevant laws and administrative regulations. The shares of the Bank shall be in the form of stocks. The stocks of the Bank shall be issued in registered form.

The matters to be stated in the stocks of the Bank shall, in addition to those stipulated by the Company Law, include other matters required to be stated by the stock exchange where the Bank's shares are listed.

For the purpose of this Articles of Association, preference shares shall refer to the classes of shares prescribed otherwise by the Company Law apart from the ordinary class of shares under the general provisions. The holders of preference shares shall enjoy priority over holders of ordinary shares in the distribution of the profits and the remaining assets of the Bank, but their rights to participate in the decision-making and management of the Bank are restricted.

The preference shares already issued by the Bank shall not exceed 50% of the total number of the Bank's ordinary shares, and the funds raised from the preference shares shall not exceed 50% of the Bank's net assets before the issuance, excluding the preference shares that have been redeemed or converted to ordinary shares.

Unless otherwise stated, "shares", "stocks", "share capital" and "shareholders" mentioned in Chapter 4 to Chapter 7 herein refer to ordinary shares, ordinary stocks, ordinary share capital and ordinary shareholders respectively.

Article 19 All of the shares issued by the Bank shall be par value stocks, denominated in Renminbi. The par value of each ordinary share shall be RMB1.00, and par value of each preference share shall be RMB100.

Article 20 Upon approval, filing or performing relevant procedures by the authorities authorized by the State Council, the Bank may issue shares to both domestic and overseas investors.

The overseas investors referred to in the preceding paragraph shall mean investors in foreign countries, the Hong Kong Special Administrative Region of China (hereinafter referred to as "Hong Kong"), the Macau Special Administrative Region of China and Taiwan region of China who subscribe for the shares issued by the Bank; domestic investors shall mean investors in the People's Republic of China, excluding the regions mentioned above, who subscribe for the shares issued by the Bank.

Article 21 The shares issued by the Bank to domestic investors and subscribed in RMB shall be called as Domestic Investment Shares (DISs). The shares issued by the Bank to overseas investors and subscribed in foreign currencies or in RMB shall be called Foreign Investment Shares (FISs). Ordinary shares of DISs which are listed domestically shall be called Domestically Listed Shares (DLSs), and FISs which are listed outside of PRC shall be called Foreign Listed FISs (FLFISs).

FLFISs issued by the Bank and listed in Hong Kong shall be called collectively as foreign listed shares (FLSs), or H shares for short.

Article 22 Shares issued by the Bank and listed domestically shall be centrally deposited with China Securities Depository and Clearing Corporation Limited. Shares issued by the Bank and listed overseas may, in accordance with the laws and the practices of securities registration and depository in the place where the shares are listed, be in the form of overseas depository receipts or other derivative forms of shares.

Article 23 31,113,111,400 shares were issued to the promoters when the Bank was restructured into a joint stock limited company, and each share of par value stocks had a par value of RMB1.

The promoters of the Bank included CITIC Group and CITIC International Financial Holdings Limited (hereinafter referred to as “CIFH”).

The promoters of the Bank, and their respective capital contribution, numbers of shares acquired, and shareholding percentage in the Bank are as follows:

CITIC Group: CITIC Group contributed RMB26,394,202,200 as capital contribution to the Bank, acquiring 26,394,202,200 shares, representing 84.83% of the total number of shares issued upon the incorporation of the Bank as a joint stock limited company;

CIFH: CITIC International Financial Holdings Limited contributed RMB4,718,909,200 as capital contribution to the Bank, acquiring 4,718,909,200 shares, representing 15.17% of the total number of shares issued upon the incorporation of the Bank as a joint stock limited company.

Article 24 The Bank has issued a total of 48,934,796,573 ordinary shares.

The shareholding structure of the Bank is as follows: 48,934,796,573 ordinary shares and 350,000,000 preference shares. Among them, 34,052,633,596 ordinary shares are held by DLSs shareholders and 14,882,162,977 ordinary shares are held by FLSs shareholders. 350,000,000 preference shares are held by holders of preference shares issued in the P.R.C.

Article 25 The Bank shall issue the shares in accordance with the principles of openness, impartiality and fairness, and each share ranks pari passu in right with the other shares of the same class.

For shares of the same class that are issued in the same installment, the issuance conditions and subscription price of each share shall be identical. Any subscriber shall pay the same price for each share.

Article 26 Neither the Bank nor any of its subsidiary banks (subsidiaries, including affiliated enterprises of the Bank) may provide financial assistance in the form of gifts, advances, guarantees, loans, etc., to enable others to acquire shares in the Bank or its parent company. For the interests of the Bank, the Bank may provide financial assistance to others for the acquisition of shares in the Bank or its parent company upon a resolution of the shareholders’ meeting or a resolution of the Board of Directors made in accordance with this Articles of Association or the authorization of the shareholders’ meeting, provided that the cumulative amount of such financial assistance shall not exceed 10% of the total issued share capital. Any such resolution of the Board of Directors shall be adopted by no less than two-thirds of all directors.

Section 2 Increase/Reduction and Repurchase of the Shares

Article 27 According to its operational and development requirements, the Bank may increase its capital in accordance with applicable laws and administrative regulations, as approved by shareholders' meeting and the relevant examination and approval authorities authorized by the State Council by way of:

- (1) offer of ordinary shares to the public;
- (2) offer of ordinary shares to specified investors;
- (3) issue of bonus shares to existing shareholders;
- (4) increase of share capital with reserve;
- (5) conversion of preference shares to ordinary shares;
- (6) other means as specified in the laws and administrative regulations and stipulated by the relevant examination and approval authorities authorized by the State Council.

With the approval and procedures as required by this Articles of Association, the Bank may issue new shares to increase the capital in accordance with the procedures stipulated in the relevant laws and administrative regulations. When the Bank issues new shares for capital increase, shareholders shall not have pre-emptive rights, except as otherwise provided in this Articles of Association or as resolved by the shareholders' meeting to grant such pre-emptive rights.

Where any issuance of convertible corporate bonds by the Bank leads to an increase in its registered capital, the conversion of convertible corporate bonds shall be handled in accordance with laws, administrative regulations, departmental rules, prospectus of convertible corporate bonds and other relevant documents.

Article 28 The Bank may reduce its registered capital.

When reducing its registered capital, the Bank shall compile a balance sheet and list of properties, and shall handle the matter in accordance with the procedures stipulated by the Company Law, other relevant regulations, and this Articles of Association. The Bank shall notify its creditors within 10 days from the date on which the shareholders' meeting made a resolution on reduction of the registered capital, and shall make public announcement in newspapers designated by the Bank or on the National Enterprise Credit Information Publicity System within 30 days. The creditors shall be entitled to demand the Bank to pay back debts or provide related guarantee of debts payment within 30 days of the date of receiving the notification or, in the case of not receiving the notification, within 45 days of the date of public announcement.

When the Bank reduces its registered capital, it shall reduce the shares in proportion to the shares held by shareholders, except as otherwise provided by law or this Articles of Association. The registered capital of the Bank following a capital reduction shall not be lower than the legally specified minimum amount.

Article 29 Where the Bank still makes losses after making up for them in accordance with Paragraph 2 of Article 210 of this Articles of Association, it may reduce its registered capital to make up for the losses. When reducing registered capital to make up for losses, the Bank shall not distribute profits to shareholders, nor shall it exempt shareholders from the obligation to pay share capital.

Where the registered capital is reduced in accordance with the preceding paragraph, Paragraph 3 of Article 28 of this Articles of Association shall not apply. However, the Bank shall make an announcement in the designated newspaper or on the National Enterprise Credit Information Publicity System within 30 days from the date of the shareholders' meeting resolution to reduce the registered capital.

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

Article 30 Where the registered capital is reduced in violation of the Company Law or other relevant regulations, shareholders shall return the funds they received, and any reduction or exemption of shareholders' capital contributions shall be reinstated. Where losses are caused to the Bank, shareholders and the responsible directors and senior management members shall bear liability for compensation.

Article 31 The Bank shall register any increase or decrease in its registered capital with the company registration authority in accordance with applicable laws.

Article 32 The Bank shall not acquire its shares, unless in any of the following circumstances:

- (1) reduction of registered capital of the Bank;
- (2) merger with other companies holding shares of the Bank;
- (3) such shares as repurchased by the Bank upon request of any shareholder opposing a resolution regarding a merger or division at a shareholders' meeting;
- (4) redemption of preference shares;
- (5) use of shares for conversion of convertible corporate bonds issued by the Bank;
- (6) protection of the Bank's corporate value and the rights and interests of its shareholders where necessary:

- (7) other circumstances as permitted by the laws, administrative regulations, departmental rules and the securities regulatory authorities in the places where the shares of the Bank are listed.

Where the Bank acquires its shares under items (1) and (2) of the preceding paragraph, it shall be subject to a resolution of the shareholders' meeting. Where the Bank acquires its shares under items (5) and (6) of the preceding paragraph, it may, in accordance with this Articles of Association or the authorization of the shareholders' meeting, be subject to a resolution adopted at a meeting of the Board of Directors attended by more than two-thirds of all directors.

After the Bank repurchases its shares according to the provision in the paragraph 1, the shares repurchased under item (1) shall be cancelled within 10 days of the date of repurchase; under items (2) and (3), they shall be transferred or cancelled within 6 months, and under item (5) and (6), the total number of shares held in the Bank shall not exceed 10% of the total number of issued shares of the Bank and shall be transferred or cancelled within three years. This clause applies only to repurchase of DLSs by the Bank. The repurchase of H-shares by the Bank is subject to relevant provisions and restrictions set out in the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* (the Hong Kong Listing Rules).

Article 33 In a repurchase approved by the examination and approval authorities authorized by the State Council, the Bank may repurchase its shares in the manner of centralized public trading, or other methods permitted by laws, administrative regulations and securities regulatory authority of the State Council.

The Bank shall repurchase its shares by means of open centralized trading in case (5), (6) or (7) under paragraph 1 of Article 32 of this Articles of Association.

In the case of cancellation of that part of the shares that are repurchased resulting in the change in the Bank's registered capital, the Bank shall file with company registration authorities for registration change to its registered capital.

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

Section 3 Share Transfer

Article 34 The Bank's shares shall be transferred in accordance with applicable laws. The shareholders who hold 5% or more of the total ordinary shares of the Bank through the transfers shall be approved by the banking regulatory authorities of the State Council. The transfer of preference shares and the change of preference shares' holders shall comply with laws, administrative regulations, departmental rules and this Articles of Association. To transfer the FLSs listed in Hong Kong, the transferor shall deal with the registration procedures at the Hong Kong stock registration organization appointed by the Bank.

Article 35 All paid up FLSs listed at the Hong Kong Stock Exchange shall be freely transferable according to this Articles of Association. If any of the following conditions are not satisfied, the Board of Directors may refuse to recognize any transfer document without giving any reason:

- (1) all transfer documents of the shares and other documents relating to or affecting the ownership of shares shall be registered, and a fee prescribed in the “Hong Kong Listing Rules” for the registration of such documents shall be paid to the Bank;
- (2) the transfer documents relate only to the FLSs listed at the Hong Kong Stock Exchange;
- (3) stamp duty payable in respect of the transfer documents has been paid as required by laws of Hong Kong;
- (4) relevant shares certificates shall be provided, together with the evidence as reasonably required by the Board of Directors showing that the transferor is entitled to transfer the shares;
- (5) if the shares are to be transferred to joint holders, the number of joint holders shall not exceed four;
- (6) the Bank shall not have any lien over the relevant shares.

If the Board of Directors refuses to register the share transfer, the Bank shall send a notification to both the transferor and transferee within 2 months upon the date of formal application for transfer, informing them of the refusal to register the share transfer.

Article 36 Transfer documents of normal or usual form or a written form of other forms acceptable to the Board of Directors shall be adopted for all transfers of FLSs listed in Hong Kong. Written transfer documents may be signed by hand. If the shareholder is a certified clearing house or its agents as defined in the Hong Kong Securities and Futures Ordinance, the written transfer documents may be signed in a printed form.

Article 37 The Bank shall not accept the shares of the Bank as pledges.

Article 38 The shares issued before the Bank’s IPO shall not be transferred within one year of the first date of trading of the Bank’s shares at a domestic stock exchange.

The Directors and the members of the senior management shall file with the Bank their holding of the shares (including preference shares) of the Bank and changes to the holdings; the ordinary or preference shares transferred in any year during their tenures determined at the time of appointment shall not exceed 25% of the total number of the shares in the same class held by them (except for transfer of shares resulting from judicial enforcement, inheritance, bequest, or division of property in accordance with laws); the ordinary shares of the Bank held by them shall not be transferred within one year of the first date of public trading of the Bank’s shares. These individuals shall not transfer the shares of the Bank held by them within a half year after their leaving of posts.

Article 39 If any shareholders holding 5% or more of the Bank's total shares, Directors or members of senior management of the Bank sell their shares or other equity securities in the Bank within 6 months of their purchase or purchases shares in the Bank within 6 months after a sale of shares in the Bank, the profit deriving therefrom shall belong to the Bank and shall be recovered by the Board of Directors. Securities companies which hold 5% or more of the shares in the Bank as a result of the performance of their underwriting obligations in relation to the shares unsubscribed shall not be subject to the aforesaid restriction, among other exceptional circumstances prescribed by the securities regulatory authority of the State Council.

The shares or any other equity securities held by any Director, senior management member or individual shareholder as referred to in the preceding paragraph include the shares or other equity securities held by his/her spouse, parent and child and those held through any other person's account.

Where the Board of Directors fails to implement the paragraph 1 of this article, shareholders may require the Board of Directors to implement it within 30 days. Where the Board of Directors fails to comply with the foregoing time limit, shareholders may directly file a lawsuit in their own names with the court in the interests of the Bank.

Where the Board of Directors fails to implement the provision of the first paragraph of this article, the Directors who are responsible for such default shall assume joint liability in accordance with applicable laws.

Section 4 Special Regulations on Preference Shares

Article 40 In addition to provisions prescribed in this Section, the rights and obligations of preference shares holders and the management of preference shares shall conform to provisions of laws, administrative regulations, departmental rules and the Articles of Association in relation to ordinary shares.

Article 41 Holders of the preference shares shall have the following rights:

- (1) to enjoy priority over holders of ordinary shares in the distribution of the Bank's profits;
- (2) to enjoy priority over holders of ordinary shares in the distribution of remaining assets where the Bank goes through liquidation;
- (3) to attend and exercise voting right at the shareholders' meeting in accordance with the Article 44 and Article 45 of this Articles of Association;
- (4) to inspect the Bank's Articles of Association, register of shareholders, stubs of corporate bonds, minutes of shareholders' meetings, resolutions of the meetings of the Board of Directors, and financial and accounting reports;

- (5) other rights provided in laws, administrative regulations, departmental rules and this Articles of Association.

Article 42 Holders of preference shares shall enjoy priorities over holders of ordinary shares in the distribution of company profits according to the pre-agreed nominal dividend rate. The Bank shall pay cash dividends to holders of preference shares, and shall not distribute profits to shareholders of ordinary shares before paying the pre-agreed dividends to holders of preference shares in full.

The dividend rate of preference shares issued by the Bank shall be fixed or floating, and the actual fixed rate and the methods to calculate the floating dividend rate shall be specified by the Bank in accordance with the relevant provisions in laws, administrative regulations and departmental rules.

The Bank is entitled to cancel dividends payment on preference shares and may use such canceled dividends to repay other due debts. A notice shall be given to the investors at least 10 working days before the date of dividend payment where the Bank determines to cancel dividend payment on preference shares.

The dividends of the preference shares will be noncumulative (i.e. any amount of dividends not paid to the preference shareholders will not be accumulated to the following dividend year).

The holders of preference shares, upon receiving the distributed dividends in accordance with the pre-agreed dividend coupon rate, shall no longer participate in the distribution of remaining profits with holders of ordinary shares.

Article 43 Where the Bank goes through liquidation due to dissolution, bankruptcy or other reasons, the assets remaining after the liquidation of the Bank's assets in accordance with the laws, administrative regulations, departmental rules and this Articles of Association shall be used for paying the payable but undistributed dividends which are not cancelled, and the total par value of preference shares held to the holders of preference shares. In the event that the remaining assets are not sufficient to satisfy these payments to all holders of preference shares, they will be distributed on a pro rata basis in accordance with the shareholding percentage of holders of preference shares.

Article 44 Except under any of the following circumstances, the holders of preference shares shall not attend the shareholders' meetings and shall have no voting rights:

- (1) where provisions regarding preference shares in the Articles of Association are to be amended;
- (2) where the Bank's registered capital is to be reduced by 10% or more in a single event or in aggregate;
- (3) where the Bank is to undergo merger, division or dissolution, or the Bank's form of incorporation is to be changed;
- (4) where new preference shares are to be issued;

- (5) where there are other circumstances prescribed in laws, administrative regulations, departmental rules and the Articles of Association;

Where any of the circumstances mentioned above is considered in the shareholders' meetings, the Bank shall notify the holders of preference shares by following the procedures prescribed by the Company Law and the Articles of Association on notifying the holders of ordinary shares. The holders of preference shares shall be entitled to attend the shareholders' meetings, and vote on the foregoing matters in a different class from the holders of ordinary shares. Each preference share held shall represent one vote, provided that the preference shares held by the Bank itself shall not carry any voting rights.

Any resolutions on the foregoing matters shall be approved by ordinary shareholders representing more than two thirds (2/3) of the total voting rights of the ordinary shareholders present at the meeting (including the holders of preference shares with restored voting rights) and by holders of preference shares representing more than two thirds (2/3) of the total voting rights of the holders of preference shares present at the meeting (excluding the holders of preference shares with restored voting rights).

Article 45 If the Bank fails to pay the agreed dividend to the preference shareholders for three fiscal years in aggregate or for two consecutive fiscal years commencing on the date immediately following the date on which the shareholders' meetings resolves that the Bank will not comply with the agreed profit distribution plan for the current dividend period, the holders of preference shares will be entitled to attend the shareholders' meetings and jointly vote on relevant matters with the holders of ordinary shares, and each preference share held shall be entitled to a certain percentage of voting rights determined in accordance with the laws, administrative regulations, and departmental rules or by the ways re-agreed at the time of the issuance of such preference shares.

The voting rights represented by such preference shares shall be restored until full payment of the dividends by the Bank in the very year.

Article 46 With the approval of relevant administrative authorities, the Bank may redeem the preference shares issued in accordance with the conditions pre-agreed at the time of the issuance of such preference shares, while shareholders of preference shares shall have no right to request the Bank to redeem preference shares.

After the redemption of preference shares, the total number of outstanding preference shares shall be written down accordingly.

Article 47 In accordance with the relevant provisions prescribed in laws, administrative regulations and departmental rules, the Bank may issue preference shares which can be mandatorily converted into ordinary shares upon the occurrence of a trigger event. Where a trigger event provided in laws, administrative regulations, departmental rules or in conditions as pre-agreed at the time of the issuance of such preference shares occurs, with the approval of relevant authorities, the preference shares of such issuance may be converted into ordinary shares.

Ordinary shares converted from preference shares due to mandatory conversion shall have same rankings as the original ordinary shares of the Bank.

Article 48 Only ordinary shares and preference shares whose voting rights have been restored shall be included in the calculation of the shareholding percentage and numbers of shares held for the following matters:

- (1) the shareholders who are entitled to request for convening an extraordinary shareholders' meeting;
- (2) the shareholders who are entitled to convene and preside over a shareholders' meeting;
- (3) the shareholders who are entitled to submit interim proposals to the shareholders' meeting;
- (4) to recognize the controlling shareholder in accordance with the Company Law and this Articles of Association;
- (5) to recognize the list of the top 10 shareholders of the Bank and the respective number of shares held thereby in accordance with the Securities Law;
- (6) to recognize shareholders holding at least 5% of the shares of the Bank in accordance with the Securities Law;
- (7) other circumstances provided in laws, administrative regulations, departmental rules and this Articles of Association.

Except for the foregoing matters, ordinary shares and preference shares shall be separately counted for calculating the number of shareholders and their respective shareholding percentage.

CHAPTER 4. Party Organization (Party Committee)

Article 49 The Bank shall set up a Chinese Communist Party Committee of China CITIC Bank Corporation Limited ("Party Committee"). The Party Committee shall consist of one secretary, one or two deputy secretaries and several other members. The chairman of the board of directors of the Bank and the secretary of the Party Committee generally shall be the same person, and one deputy secretary shall be designated to assist the secretary in carrying out Party-building work. Where it is necessary for the leader of the higher-level enterprise to serve concurrently as Chairman of the Board of Directors, Party Secretary can be set as a concurrent position served by President who is a Party member, or as a position filled separately according to actual conditions of the Bank. Eligible members of the Party Committee can join 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. Meanwhile, commissions for discipline inspection shall be established.

Article 50 The Bank's Party Committee shall, in accordance with the *Constitution of the Communist Party of China*, the *Working Rules for Primary-level Organizations of the Communist Party of China at State-owned Enterprises (Trial)* and other internal laws and regulations of the Party, perform the following duties:

- (1) Strengthen the Party's political building of the Bank, adhere to and implement the fundamental system, basic systems and important systems of socialism with Chinese characteristics and educate and guide all Party members to be highly consistent with the Party Central Committee with Comrade Xi Jinping at its core in terms of political stance, political direction, political principle, and political path;
- (2) Study and implement in depth Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, study and publicize the Party's theories, implement the Party's path, policies and systems, and supervise and ensure the implementation of major decisions and plans of the Party Central Committee and resolutions of superior Party organizations in the Bank;
- (3) Research and discuss major operational and management issues of the Bank, support the shareholders' meeting, the Board of Directors, and the senior management of the Bank in performing their functions and powers;
- (4) Strengthen its leadership and gate keeping role in the management of the process of selection and appointment of personnel and enhance the team building of the leadership, officers and talents;
- (5) Fulfill the responsibility for improving Party conduct and upholding integrity, lead and support the Discipline Inspection Committee in performing its responsibility for supervision and accountability, strictly observe political discipline and rules and promote the strict Party self-governance in every respect to the primary level;
- (6) Strengthen the building of the Bank's primary-level Party organizations and of its contingent of Party members, and unite and lead employees bank wide and the mass to devote themselves into the reform and development of the Bank;
- (7) Lead the Bank's ideological and political work, the cultural and ethical progress, the United Front work, corporate culture cultivation, and lead the work of groups such as the Labor Union of the Bank, the Communist Youth League and women's organization;

The Bank continues to improve the democratic management system under the leadership of the Party Committee, which takes the basic form of the Congress of Employees. Employee' opinions shall be factored in major decision making. Major issues involving employees' vital interests must be deliberated by the Congress of Employees to ensure that employees' representatives participate in corporate governance in an orderly manner in accordance with the law.

CHAPTER 5. Shareholders and Shareholders' Meeting

Section 1 General Provisions Concerning Shareholders

Article 51 The Bank's shareholders are persons that lawfully hold shares of the Bank and whose names are recorded in the register of shareholders. The Bank shall establish the register of shareholders pursuant to the certificates provided by the securities registration and clearing institution, and the register shall serve as conclusive evidence of a shareholder's ownership of the Bank's shares.

The register of shareholders of the Bank shall include following contents:

- (1) the name and address of a shareholder;
- (2) the class and number of shares subscribed by a shareholder;
- (3) the serial number of the shares where paper shares are issued;
- (4) the date when a shareholder acquires the shares.

Shareholders shall enjoy rights and assume obligations according to the class of shares held by them; shareholders of shares of the same class shall enjoy the same rights and assume the same obligations. The preference shares issued by the Bank shall have equal priority in terms of the distribution of dividends and remaining assets, but there can be different entitlement on other clauses.

If two or more people are registered as joint holders of any shares, they shall be regarded as the conjunct owner of the corresponding shares. However, the following restrictions shall apply:

- (1) Persons exceeding four shall not be registered as joint holders of any shares of the Bank;
- (2) All of the joint shareholders shall assume joint and several liabilities for the payable amount to pay for the relevant shares;
- (3) If one of the joint shareholder dies, only the remaining person among the joint shareholders shall be regarded as owner of relevant shares by the Bank, while the Board of Directors is entitled to request death evidencing documents as it deems appropriate for the purpose of amendment to the register of shareholders;
- (4) For the joint shareholders of any shares, only the joint shareholder whose name stands first on the register of shareholders is entitled to receive share certificate of relevant shares and notices from the Bank, attend the shareholders' meeting or exercise all the voting rights attached to relevant shares; any notice delivered to such shareholder shall be deemed as delivered to all joint holders of relevant shares.

Article 52 When the Bank convenes a shareholders' meeting, distributes dividends, enters into liquidation or engages in other activities for which it is necessary to ascertain the identity of shareholders, the Board of Directors or the convener of the shareholders' meeting shall fix a record date and those shareholders appearing on the register of shareholders after closing of market of the record date shall be the Bank's shareholders entitled to relevant rights and interests.

Article 53 The update of the register of shareholders to record any changes resulting from any share transfer prior to a shareholders' meeting or prior to the record date on which the Bank decides the basis of distribution of dividends shall be subject to relevant laws and regulations and the securities regulatory authority in the place where the Bank's shares are listed.

Article 54 Rights of shareholders of ordinary shares include:

- (1) to receive dividends and other kinds of interests distributed based on the number of shares held by them;
- (2) in accordance with the laws and this Articles of Association, to propose, convene, preside over, attend or entrust a proxy to attend the shareholders' meeting, speak at the shareholders' meeting and exercise corresponding voting rights;
- (3) to supervise the operation of the Bank, and make suggestions and enquiries accordingly;
- (4) to dispose the shares they hold by means of transfer, donate or pledge in compliance with laws, administrative regulations, regulations and rules of the securities regulatory authority where stocks of the Bank are listed, and provisions of this Articles of Association;
- (5) to inspect and copy this Articles of Association, register of shareholders, minutes of shareholders' meeting, resolutions of meetings of the Board of Directors, and financial reports; for shareholders who meet the prescribed requirements, to inspect the Bank's accounting books and accounting vouchers;
- (6) to participate in the distribution of the Bank's remaining assets based on the number of shares held by the shareholders when the Bank is terminated or liquidated;
- (7) shareholders that disagree with the resolution of merger or division made at the shareholders' meeting of the Bank, may request the Bank to purchase their shares;
- (8) other rights conferred by laws, administrative regulations, departmental rules and this Articles of Association.

Article 55 Shareholders who have individually or jointly held no less than 3% of the Bank's shares for 180 consecutive days or more and request to inspect the Bank's accounting books and accounting vouchers shall submit a written request to the Bank stating the purpose. Where the Bank has reasonable grounds to believe that the shareholders' inspection of accounting books and accounting

vouchers is for an improper purpose and may harm the Bank's lawful interests, it may refuse to provide such inspection, and shall give a written reply to the shareholders stating the reasons within 15 days from the date of the shareholders' written request. If the Bank refuses to provide the inspection, the shareholders may bring a lawsuit before the people's court.

When shareholders request to inspect or copy relevant materials of the Bank, they shall comply with the Company Law, the Securities Law, and other laws, administrative regulations and rules of securities regulatory authorities in the places where the shares are listed.

Article 56 The legitimate rights and interests of the shareholders shall be protected by the Bank and all the shareholders shall be treated equally by the Bank.

In case that any shareholder's legitimate rights and interests are infringed upon, the shareholder is entitled to bring litigation or arbitration to require such infringement be stopped and claim for damages in accordance with laws, administrative regulations of the People's Republic of China and this Articles of Association, safeguard their legitimate rights and interests through civil litigation or by other legal means and may report relevant information to regulatory agencies.

Article 57 Where the contents of resolutions of the shareholders' meeting or the Board of Directors of the Bank violate laws or administrative regulations, shareholders shall have the right to request the people's court to determine such resolutions as invalid.

Where the convening procedures or voting methods of shareholders' meetings or meetings of the Board of Directors violate laws, administrative regulations or this Articles of Association, or the contents of the resolutions violate this Articles of Association, shareholders shall have the right to request the people's court to revoke such resolutions within 60 days from the date of adoption of the resolutions, except for the circumstances where the convening procedures or voting methods of shareholders' meetings or meetings of the Board of Directors have minor defects and do not have a material impact on the resolutions.

Where any dispute arises among the Board of Directors, shareholders or other relevant parties regarding the validity of resolutions of the shareholders' meeting, they shall promptly bring a lawsuit before the people's court. Before the people's court issues a judgment or ruling to revoke the resolution, relevant parties shall implement the resolution of the shareholders' meeting. The Bank, its directors and senior management members shall earnestly perform their duties to ensure the normal operation of the Bank.

Where the people's court issues a judgment or ruling on relevant matters, the Bank shall, in accordance with laws, administrative regulations, the provisions of the securities regulatory authority under the State Council and the stock exchange where the Bank's shares are listed, fulfill its information disclosure obligations, fully explain the impact, and actively cooperate with the implementation after the judgment or ruling comes into effect. In the event of corrections to prior matters, the Bank shall promptly handle such corrections and fulfill the corresponding information disclosure obligations.

Article 58 Resolutions of the shareholders' meeting or the Board of Directors of the Bank shall not be valid under any of the following circumstances:

- (1) a resolution is made without convening a shareholders' meeting or meeting of the Board of Directors;
- (2) the shareholders' meeting or meeting of the Board of Directors does not vote on the matter subject to the resolution;
- (3) the number of attendees or the voting rights held does not meet the requirement specified in the Company Law or this Articles of Association;
- (4) the number of attendees or the voting rights held in favor of the resolution does not meet the requirements specified in the Company Law or this Articles of Association.

Article 59 Where directors and senior management members other than members of the Audit Committee violate laws, administrative regulations or this Articles of Association in the performance of their duties for the Bank, thereby causing losses to the Bank, shareholders who have individually or jointly held more than 1% of the Bank's shares for 180 consecutive days or more shall have the right to request in written form the Audit Committee to institute legal proceedings before the people's court. Where members of the Audit Committee violate laws, administrative regulations or this Articles of Association in the performance of their duties for the Bank, thereby causing losses to the Bank, the aforesaid shareholders may request in written form the Board of Directors to institute legal proceedings before the people's court.

If the Audit Committee or the Board of Directors, after receiving the written request from the shareholders as specified in the preceding paragraph, refuses to institute legal proceedings, fails to do so within 30 days from the date of receipt of the request, or where circumstances are urgent and failure to immediately institute legal proceedings would cause irreparable harm to the Bank's interests, the shareholders specified in the preceding paragraph shall have the right to institute legal proceedings in their own name directly before the people's court for the benefit of the Bank.

Where any other person infringes upon the Bank's legitimate rights and interests, thereby causing losses to the Bank, the shareholders specified in paragraph 1 of this article may institute legal proceedings before the people's court in accordance with the provisions of the preceding two paragraphs.

Where directors or senior management members of the Bank's wholly-owned subsidiary bank (subsidiary) violate laws, administrative regulations or this Articles of Association in the performance of their duties, thereby causing losses to the Bank, or where any other person infringes upon the legitimate rights and interests of the Bank's wholly-owned subsidiary bank (subsidiary), thereby causing losses, shareholders who have individually or jointly held no less than 1% of the Bank's shares for 180 consecutive days or more may, in accordance with the Company Law, request in

written form the Board of Directors of the wholly-owned subsidiary bank (subsidiary) to institute legal proceedings before the people's court or institute legal proceedings directly before the people's court in their own name.

Article 60 Where directors or senior management members violate laws, administrative regulations or this Articles of Association, thereby causing detriments to the interests of shareholders, the shareholders may institute legal proceedings before the people's court.

Article 61 Shareholders of ordinary shares of the Bank shall undertake the following obligations:

- (1) to comply with laws, administrative regulations, regulatory provisions and this Articles of Association;
- (2) to use legitimate own funds to buy shares in the Bank and refrain from buying shares in the Bank with any entrusted funds, debt funds or other non-owned funds, unless otherwise provided by the nation; to pay the subscription price in accordance with the number of shares subscribed for and in the manner of subscription; and to meet regulatory requirements on the shareholding ratio and the number of institutional shareholders and refrain from holding shares in the Bank through or as nominees;
- (3) when the Bank is having liquidity difficulty, shareholders who have borrowed from the Bank shall immediately repay loans that are due, and loans are not yet due should also be repaid in advance. Relevant provisions on payment risk of commercial banks made by the banking regulatory authority of the State Council shall be applied as the criteria for liquidity difficulty referred to in this article;
- (4) when the capital adequacy ratio of the Bank is lower than the legal standard, shareholders shall support the measures proposed by the Board of Directors to increase the ratio;
- (5) shareholders shall not withdraw their share capital, unless otherwise stipulated by laws and regulations;
- (6) shareholders of the Bank and their controlling shareholders and de facto controllers shall not abuse their rights or take advantage of any related party relationship to damage the legitimate rights and interests of the Bank, other shareholders or stakeholders; not interfere with the decision-making power or management power granted by this Articles of Association to the Board of Directors and the senior management, not interfere directly with the operation and management of the Bank by circumventing the Board of Directors and the senior management; and not abuse the independent legal person status of the Bank or the limited liability of shareholders to damage the interests of creditors of the Bank;

- (7) shareholders who should have been approved by the regulatory authority or who have not reported to the regulatory authority shall not exercise the right to request the convening of a shareholders' meeting, right to vote, right to nominate, right to propose, right of disposition and other rights;
- (8) for shareholders who have false statements, abuse of shareholders' rights or other acts that damage the Bank's interests, the banking regulatory authority of the State Council or its local branches may limit or prohibit the Bank from conducting related party transactions with them, and limit the amount of the Bank's shares held by them, shares pledge ratio, etc., and may restrict their right to request the convening of a shareholders' meeting, right to vote, right to nominate, right to propose, right of disposition and other rights;
- (9) to truthfully inform the Bank of the financial information, equity structure, capital source of shares, controlling shareholders, de facto controllers, related parties, persons acting in concert, ultimate beneficiaries and investment in other financial institutions in accordance with relevant laws, regulations and regulatory requirements;
- (10) a shareholder shall submit to the Bank a timely written report on any changes in its controlling shareholder, de facto controller, related party, person acting in concert or ultimate beneficiary in accordance with relevant laws, regulations and regulatory requirements;
- (11) a shareholder shall submit to the Bank a timely written report on its merger or split-up, ordered suspension for rectification, trusteeship, takeover or revocation, or entry into dissolution, liquidation or bankruptcy proceedings or changes in its legal representative, company name, place of business, scope of business or other major matters in accordance with relevant laws, regulations and regulatory requirements;
- (12) a shareholder shall submit to the Bank a timely written report on any of its shares in the Bank that are involved in any lawsuit or arbitration, or become subject to law enforcement by judicial authority or is pledged or released as collateral in accordance with relevant laws, regulations and regulatory requirements;
- (13) shareholders who transfer or pledge their shares in the Bank or engage in related party transactions with the Bank shall abide by relevant laws, regulations and regulatory requirements without harming the interests of other shareholders or the Bank;
- (14) in case of risk events or major violations of the Bank, shareholders shall cooperate with the banking regulatory agency of the State Council in carrying out investigation and risk resolution;
- (15) substantial shareholders shall earnestly fulfill their written commitments made in accordance with relevant regulatory rules of the banking regulatory agency of the State Council and actively cooperate with the banking regulatory authority of the State Council and the Bank in conducting the evaluation of shareholders' commitments;

- (16) substantial shareholders shall replenish capital to the Bank where necessary.
- (17) substantial shareholders shall support the Board of Directors in formulating the recovery and resolution plans and implement the shareholders' and creditors' responsibility for risk mitigation and loss taking;
- (18) other obligations imposed by laws, administrative regulations, departmental rules and this Articles of Association.

Any shareholders of the Bank that abuse the shareholders' rights and cause losses to the Bank and other shareholders shall be responsible to compensate for any loss caused thereby in accordance with the law; any shareholders of the Bank that evade repayment of debts by abusing the independent legal person status of the Bank and the limited liability of shareholders in a way which materially damages the interests of the Bank's creditors shall assume joint and several liabilities for the Bank's debts.

Substantial shareholders of the Bank shall provide a written long-term undertaking to replenish the capital of the Bank where necessary. Such undertaking on capital contribution is to be considered as part of the Bank's capital planning.

Article 62 The Board of Directors is responsible for assessing the performance by substantial shareholders of their commitments made in accordance with relevant regulatory rules of the banking regulatory authority of the State Council. The restrictive measures to be taken for the substantial shareholder that has violated these commitments shall be proposed by the Board of Directors and implemented after being considered and approved in the shareholders' meeting. Relevant shareholder or its representative shall recuse from voting.

Article 63 The Bank's credit balance to any single major shareholder, its controlling shareholder, de facto controller, related party, persons acting in concert, or ultimate beneficial owner shall not exceed 10% of the Bank's net capital. The aggregate credit balance to a single major shareholder and its controlling shareholder, de facto controller, related party, persons acting in concert, and ultimate beneficial owner shall not exceed 15% of the Bank's net capital.

Article 64 Substantial shareholders who owe overdue credits to the Bank shall be disqualified from exercising voting right during the credits overdue period, shall not be included in the quorum of the shareholders' meeting, and their shares shall also not be counted as the number of total voting shares of the shareholders who attend the shareholders' meeting, and Directors nominated or appointed by such shareholders shall not vote at the meeting of the Board of Directors, who shall not be included in the attendees of the meeting of the Board of Directors. When a shareholder owes overdue credit to the Bank, 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.

Article 65 The office of the Board of Directors is responsible for collecting, maintaining and reporting of any matters relating to pledge of the Bank's shares.

Shareholders who also act as Directors of the Bank, or directly, indirectly or collectively hold or control 2% or more shares of the Bank or voting rights shall provide advance notice to and apply for filing to the Board of Directors, specifying the purpose of the pledge, the number of shares involved, the term of the pledge, particulars of the pledge, the person owning the pledge right and other relevant information. If the Board of Directors is of the view that the pledge may materially affect the Banks' equity structure stability, corporate governance, risks, control over connected transactions and others, the Board of Directors may choose not to record such pledge. When deciding on this matter, Director(s) who is(are) appointed by the concerned shareholders shall not vote.

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.

Article 66 Shareholders of the Bank shall not pledge the Bank's shares if the outstanding balance of the loans they borrowed from the Bank exceeds the audited net book value of the shares held by them in the previous year.

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' meetings and the voting rights of Directors appointed by such shareholder at meetings of the Board of Directors shall be restricted.

Article 67 The Bank shall not provide guarantee (including contingencies equivalent to guarantee) for the financing activity of its related parties, except related parties provide sufficient counter guarantee with bank deposit receipts or treasury bonds as security interest.

Article 68 Written agreements shall be signed for transactions between the shareholders and the Bank. A fair, voluntary, equivalent and profitable principle shall be followed for the signing of the agreement; in addition, the agreement shall be clear and specific.

Section 2 Controlling Shareholder(s) and de facto Controller

Article 69 The controlling shareholder(s) and de facto controller of the Bank shall exercise their rights and perform their obligations in accordance with laws, administrative regulations, departmental rules, and relevant rules of the stock exchange where the Bank's shares are listed, and shall safeguard the interests of the Bank.

Article 70 The controlling shareholder(s) and de facto controller of the Bank shall comply with the following provisions:

- (1) exercise shareholder's rights in accordance with the law, and not abuse control rights or use affiliated relationships to harm the legitimate rights and interests of the Bank or other shareholders;

- (2) strictly fulfill all public declarations and commitments made, and not unilaterally alter or exempt them;
- (3) perform the obligation of information disclosure in strict accordance with relevant regulations, actively cooperate with the Bank in information disclosure, and promptly notify the Bank of material events that have occurred or are intended to occur;
- (4) not misappropriate the Bank's funds in any manner;
- (5) not force, instruct, or require the Bank and its personnel to provide guarantees in violation of laws or regulations;
- (6) not use the Bank's material non-public information to seek benefits, disclose such information in any way, or engage in illegal activities such as insider trading, short-swing trading, or market manipulation;
- (7) not harm the Bank's and other shareholders' legitimate rights and interests through unfair connected transactions, profit distribution, asset restructuring, external investments, or other means;
- (8) ensure the Bank's integrity of assets, independence of personnel, financial independence, institutional independence and operational independence, and not undermine the Bank's independence in any way;
- (9) comply with laws, administrative regulations, departmental rules, relevant rules of stock exchange, and provisions of this Articles of Association.

Where the controlling shareholders or de facto controllers of the Bank do not serve as directors but actually execute the Bank's matters, the provisions of this Articles of Association regarding directors' duties of loyalty and diligence shall apply.

If the controlling shareholders or de facto controllers of the Bank instruct directors or senior management members to engage in conduct that harms the Bank or its shareholders, they shall bear joint and several liability with such directors or senior management members.

Article 71 The controlling shareholders and de facto controller of the Bank shall not cause detriments to the interests of the Bank by taking advantage of his related party relation. The controlling shareholders and de facto controller of the Bank shall be responsible to compensate for any loss caused to the Bank by infringing this provision.

Article 72 The nomination of candidates for Directors of the Bank by the controlling shareholders shall comply with the conditions and procedures as provided in relevant provisions of laws, administrative regulations, departmental rules, provisions and rules of securities regulatory authorities

of the location where the Bank's shares are listed and in this Articles of Association. The controlling shareholder shall not impose any approval procedure on the personnel election results of the shareholders' meeting or the personnel appointment decisions of the Board of Directors.

Article 73 The controlling shareholder or de facto controller and its related parties shall not interfere in normal decision-making procedures of the Bank in violation of laws, administrative regulations, departmental rules, relevant rules of the securities regulatory authority in the place where the Bank's shares are listed or this Articles of Association of the Bank, and shall not damage legitimate rights and interests of the Bank or other shareholders of the Bank.

Article 74 When controlling shareholders or de facto controllers pledge the shares of the Bank that they hold or actually control, they shall maintain the Bank's control rights and the stability of its production and operation.

Article 75 When controlling shareholders or de facto controllers transfer the shares of the Bank they hold, they shall comply with the restrictive provisions on share transfer stipulated in laws, administrative regulations, departmental rules, relevant rules of the securities exchange of the places where the Bank's shares are listed, and the commitments they have made regarding restrictions on share transfers.

Article 76 The term "controlling shareholder(s)" in this Articles of Association shall refer to the shareholder(s) who holds more than 50% of the total share capital of the Bank; or the shareholder(s) who has voting rights sufficient to exert a material influence on the resolutions of the shareholders' meeting by virtue of the shares held, although the proportion of shares held does not exceed 50%.

"De facto controller" referred to in this Articles of Association is the person who can actually control the actions of the Bank through investments, agreements or other arrangements.

Section 3 General Provisions Concerning Shareholders' Meeting

Article 77 The shareholders' meeting of the Bank is composed of all shareholders. The shareholders' meeting is the organ of authority of the Bank and shall have the following functions and powers in accordance with law:

- (1) to appoint or remove relevant Directors, and to decide upon matters relating to the remuneration of Directors;
- (2) to examine and approve reports of the Board of Directors;
- (3) to examine and approve proposals on the Bank's annual financial budget and financial statements;
- (4) to examine and approve profit distribution plans and loss make-up plans;

- (5) to examine and approve matters of alteration of use of proceeds;
- (6) to adopt resolutions regarding the increase or reduction of the Bank's registered capital;
- (7) to adopt resolutions on merger, division, spin-off, dissolution, liquidation or change in the form of the Bank;
- (8) to adopt resolutions on the issue of bonds or other securities as well as on the proposal of listing thereof;
- (9) to adopt resolutions on acquisition of the Bank's ordinary shares in accordance with legal provisions;
- (10) to amend this Articles of Association;
- (11) to adopt resolutions on the appointment or removal of accounting firms that conduct regular statutory audits over financial reports of the Bank and deciding upon its service fee or method of determining their service fees;
- (12) to examine and approve proposals raised by the shareholders individually or in aggregate representing 1% or more of the Bank's voting shares;
- (13) to examine and approve matters of major investment, the purchase or sale or dispose of material assets that exceeding 10% of the latest audited total assets, of the most recent year;
- (14) to decide on or authorize the Board of Directors to decide on the matters relevant to preference shares issued by the Bank, including but not limited to deciding on whether to repurchase, convert or distribute dividends;
- (15) to examine and approve connected transactions which shall be approved by the shareholders' meeting in accordance with laws, administrative regulations, departmental rules and provisions of the securities regulatory authority of the places where the shares of the Bank are listed;
- (16) to dismiss independent Directors;
- (17) to consider and approve the rules of procedure of the shareholders' meeting and meeting of the Board of Directors;
- (18) to examine and approve other matters which shall be decided by the shareholders' meeting in accordance with laws, administrative regulations, departmental rules, and rules issued by the securities regulatory authority of the places where the shares of the Bank are listed and this Articles of Association.

Any matter within the above scope of functions and powers of the shareholders' meeting shall be considered and decided on by the shareholders' meeting or, where necessary, reasonable and lawful, may be decided on by the Board of Directors upon authorization by the shareholders' meeting. The shareholders' meeting shall not delegate to the Board of Directors any function or power that must be exercised by the shareholders' meeting under law.

The authorization shall be clear and concrete. The authorization matter subject to approval by the shareholders' meeting by ordinary resolution shall be adopted by more than half of voting shares represented by the shareholders of ordinary shares attending the shareholders' meeting (including holders of preference shares whose voting rights are restored, in person or by proxy). The authorization matter subject to approval by the shareholders' meeting by special resolution shall be adopted by no less than two-thirds of voting shares represented by the shareholders of ordinary shares attending the shareholders' meeting (including the holders of preference shares with restored voting rights, in person or by proxy).

Article 78 The Bank shall formulate the rules of procedure of the shareholders' meeting to specify the procedures for convening, holding and voting at the shareholders' meeting, including notice, registration, consideration and approval of the proposals, polling, counting and the announcement of results, formation of resolution of the meeting, meeting minutes and signatures, as well as the announcement etc, as well as the principles for the shareholders' meeting to grant authorization to the Board of Directors, and the authorization shall be clear and specific. The Rules of Procedures of the Shareholders' Meeting shall be formulated by the Board of Directors and approved by the shareholders' meeting.

Article 79 Except in special circumstances such as when the Bank is in a crisis, without the prior approval of the shareholders' meeting in the form of special resolution, the Bank shall not conclude any contract with any person other than Directors and senior management members of the Bank for the delegation of the whole business management or part of the important business management of the Bank to such person.

Article 80 The shareholders' meeting includes annual shareholders' meeting and extraordinary shareholders' meeting. Generally, the shareholders' meeting shall be convened by the Board of Directors.

The annual shareholders' meeting shall be held once a year within six (6) months after the end of each fiscal year.

An extraordinary shareholders' meeting shall be held within two (2) months upon the occurrence of any of the following circumstances:

- (1) the number of Directors falls below two-thirds of the minimum number of members of the Board of Directors of the Bank set out in this Articles of Association or below the statutory minimum number stipulated by the Company Law;

- (2) the aggregate uncovered loss amount to one-third of the total share capital of the Bank;
- (3) shareholders who hold, alone or in aggregate, 10% or more voting shares of the Bank (including the preference shareholders with restored voting rights, hereinafter referred to as “proposing shareholders”) presents a written request (number of shares held shall be calculated according to the number of shares held on the date of submitting the written request);
- (4) the Board of Directors deems it as necessary;
- (5) the Audit Committee proposes for such a meeting;
- (6) more than half of, and at least two, independent Directors propose that the meeting be convened;
- (7) other circumstances stipulated by laws, administrative regulations and departmental rules and this Articles of Association.

Where the annual shareholders’ meeting or extraordinary shareholders’ meeting is not convened within the foregoing period, the Bank shall submit a written report indicating the reason therefor to the local offices of the securities regulatory authorities and the banking regulatory authority of the State Council and Shanghai Stock Exchange and publish an announcement.

Article 81 When convening an annual shareholders’ meeting, the Bank shall issue a written notice 20 days prior to the meeting. When convening an extraordinary shareholders’ meeting, the Bank shall issue a written notice 15 days prior to the meeting, informing all the registered shareholders who are entitled to attend the shareholders’ meeting of the matters to be considered at the meeting as well as the date and venue of the meeting. Where any longer notice period is required by the securities regulatory authority in the place where the Bank’s shares are listed, such requirement will prevail.

Article 82 The Board of Directors, the Audit Committee, and shareholders holding individually or in aggregate 1% or more of shares (including the preference shares with restored voting rights) in the Bank shall be entitled to put forward proposals to the Bank.

The content of the proposal shall be within the scope of function of the shareholders’ meeting, shall have a clear subject matter and specific resolution items, and shall be in accordance with the laws, administrative regulations and this Articles of Association.

Shareholders holding individually or in aggregate 1% or more of shares (including the preference shares with restored voting rights) in the Bank may propose an interim proposal and submit it to the meeting convener in written form 10 days prior to the meeting; the convener of the shareholders’ meeting shall issue supplemental notice of the meeting within 2 days after receiving the proposal and announce the content of the proposal, and shall submit the interim proposal to the shareholders’ meeting for examining and approving, except for the circumstances that the interim proposal violates laws, administrative regulations, or this Articles of Association, or does not fall within the scope of

function of the shareholders' meeting. If the provisions of securities supervision and regulation of the place where the shares of the Bank are listed require otherwise, the Bank shall follow such provisions.

Save for the circumstances mentioned above, after the notice of the shareholder's meeting has been issued, the convener shall not amend or add new proposals to the proposals specified in the notice of shareholders' meeting. Proposals not set forth in the notice or supplementary notice of the shareholders' meeting, or not in compliance with the provisions of this Articles of Association, shall not be voted on or subject to any resolution by the shareholders' meeting.

Article 83 The Bank shall hold a shareholders' meeting at the Bank's domicile or other location specified in the notice of the shareholders' meeting. The Bank shall arrange the venue for the meeting and hold the meeting in the form of onsite meeting. The Bank shall also provide online voting channels to facilitate shareholders, enabling them to attend meetings virtually by leveraging technology and cast their votes electronically.

Article 84 The notice of a shareholders' meeting shall include the following content:

- (1) time, venue, date and duration of the meeting;
- (2) matters and proposals submitted to the meeting for consideration;
- (3) a conspicuous statement that all the ordinary shareholders (including the preference shareholders whose voting rights are restored) having the right to attend the meeting and to entrust one or more proxies to attend and vote on their behalf and that such proxy need not be a shareholder of the Bank;
- (4) registered date for entitlement of shareholders to attend the shareholders' meeting;
- (5) name and telephone number of permanent contact person for the meeting;
- (6) time and procedure of voting online or by other means.

Article 85 The notice of a shareholders' meeting shall be given by public announcement. For FLFISs holders (whether or not entitled to vote on the shareholders' meeting), the notice may be delivered by courier or prepaid mail to the recipient's address shown in the register of shareholders.

Article 86 If a shareholders' meeting intends to discuss issues related to the election of directors, the notice of shareholders' meeting and circular for shareholders shall fully disclose the detailed information of the candidates for directors, and contain at least the following contents:

- (1) educational background, working experience, concurrent positions and other personal information;

- (2) whether there is related-party relationship with the Bank or its controlling shareholders or de facto controller;
- (3) the number of shares held by them in the Bank;
- (4) whether they have received any penalty from the securities regulatory authority of the State Council and other relevant authorities or any disciplinary action from the stock exchanges;
- (5) other information required by the securities regulatory authorities in the places where the shares of the Bank are listed.

Article 87 A meeting and the resolutions adopted to thereof shall not be invalidated as a result of accidental omission to give notice of the meeting to, or the failure of receiving such notice by, a person entitled to receive such notice.

Once the notice is issued, the shareholders' meeting shall not be postponed or canceled and the matters listed in the meeting notice shall not be canceled without proper reasons. On the circumstances of postponement or cancellation of the meeting, public announcement shall be made, and reasons shall be explained by the convener at least two (2) working days before the original date when the meeting should have been held.

The Board of Directors and the other conveners shall take necessary measures to ensure the normal order of shareholders' meeting. Behaviors of disrupting the shareholders' meeting, making trouble and violating the legitimate rights and interests of the shareholders shall be stopped through adopting measures and shall be reported to relevant departments for investigation in time.

Article 88 Shareholders may attend the shareholders' meeting in person or appoint proxies to attend and vote on their behalf. Such proxy may exercise the following rights according to his/her entrustment by the shareholder:

- (1) the shareholder's right to speak at the shareholders' meeting;
- (2) the right to vote by poll.

Article 89 Individual shareholder attending the meeting in person shall present his/her identification card, or other effective certificate or proof of his/her identification. When a proxy attends the meeting in place of the shareholder, he/she shall present his/her valid identification card and authorization letter issued by the individual shareholder.

Legal person shareholders shall be represented by its legal representative or proxy entrusted by its legal representative to attend the meeting. Legal representative attending the meeting shall present his/her identification card, effective proof of his/her qualification as a legal representative; when a proxy attends the meeting, he/she shall present his/her identification card and the authorization letter in writing issued by the legal representatives of the legal person shareholder.

Article 90 The power of attorney for proxy shall be placed at the domicile of the Bank or other designated places specified in the meeting convening notice at least 24 hours prior to the convening of relevant meetings at which the proxy is authorized to vote or 24 hours prior to the specified time of voting. If a power of attorney for proxy is signed by a person authorized by the entrusting party, the authorization letter of signing the power of attorney or other authorization documents shall be notarized. Notarized authorization letter or other authorization instruments and the power of attorney shall be deposited at the domicile of the Bank, or at other places designated in the meeting convening notice.

Article 91 The power of attorney issued by a shareholder to entrust proxy to attend shareholders' meeting shall contain the following contents:

- (1) name of the principal, and class and number of shares held in the Bank;
- (2) name of the proxy;
- (3) specific instructions from shareholders, including instruction on each item to be discussed on the agenda of the shareholders' meeting, stating whether the shareholder agrees to, objects to or abstains from voting the resolution, etc;
- (4) the issuing date of power of attorney and its effective period;
- (5) signature (or seal) of the entrusting party; if the entrusting party is a domestic legal person shareholder, the proxy letter shall be sealed by its stamp.

Article 92 Signing book for persons attending the shareholders' meeting shall be prepared by the Bank. The signing book shall state names of participants (or names of companies), identification card numbers, number and class of shares held or represented with voting right, and names (or company names) of the entrusting parties, etc.

Article 93 The convener and the lawyer engaged by the Bank shall verify the legitimacy of shareholders' status according to the register of shareholders provided by the domestic listed shares and the foreign shares registration institutions and shall register names (or company names) of shareholders as well as the number of voting shares held by the shareholders. The meeting registration shall have finalized when the chairman of the shareholders' meeting announces the number of shareholders and proxies attending the meeting and the total number of voting shares held by them.

Article 94 The Board of Directors shall convene the shareholders' meeting in a timely manner within the prescribed period.

More than half of, and at least two, independent Directors are entitled to propose an extraordinary shareholders' meeting to be convened to the Board of Directors. The Board of Directors shall within 10 days of receiving the proposal provide written feedback stating whether they agree to, or object to the proposal in accordance with laws, administrative regulations, departmental rules, and this Articles of Association.

The Board of Directors shall issue notice of shareholders' meeting within 5 days of resolution of the Board upon agreeing to convene an extraordinary shareholders' meeting; the Board of Directors shall provide reasons and publish an announcement when objecting to convene an extraordinary shareholders' meeting.

Article 95 The Audit Committee is entitled to propose for extraordinary shareholders' meeting to the Board of Directors, and shall submit the proposal in writing. The Board of Directors shall grant feedback in writing of agreement or disagreement within 10 days subsequent to the receipt of the proposal in accordance with prescriptions of law, administrative regulations, and this Articles of Association.

The Board of Directors shall give notice of shareholders' meeting within 5 days subsequent to resolution of the Board upon agreeing to convene an extraordinary shareholders' meeting and shall obtain consent of the Audit Committee on alteration of the original proposal.

If the Board of Directors disagrees with convening of an extraordinary shareholders' meeting or does not grant feedback within 10 days subsequent to the receipt of the proposal, it shall be deemed as unable to perform or have not performed its duties of convening shareholders' meeting, and the Audit Committee may convene and preside over a meeting by itself.

Article 96 Shareholders individually or in aggregate holding a total of 10% or more of shares (including the preference shares with restored voting rights) in the Bank have the right to request in writing to the Board of Directors to convene an extraordinary shareholders' meeting. The Board of Directors shall grant feedback in writing of whether to convene the meeting within ten (10) days from the receiving date of such request in accordance with laws, administrative regulations, and this Articles of Association.

The Board of Directors shall give notice of extraordinary shareholders' meeting within 5 days from reaching the resolution of the Board upon agreeing to convene an extraordinary shareholders' meeting and any change to the original proposals stated in the notice shall obtain the consent of relevant shareholders.

If the Board of Directors disagrees with the convening of an extraordinary shareholders' meeting, or the Board of Directors fails to grant feedback within 10 days from receiving the proposal, shareholders individually or in aggregate holding a total of 10% or more of shares (including the preference shares with restored voting rights) in the Bank are entitled to propose for convening an extraordinary shareholders' meeting to the Audit Committee in writing.

The Audit Committee shall give notice of an extraordinary shareholders' meeting within 5 days from receiving the proposal upon agreement with convening an extraordinary shareholders' meeting and any change to the original proposals stated in the notice shall obtain the consent of relevant shareholders.

The Audit Committee fails to issue notice of the extraordinary shareholders' meeting shall be deemed as the Audit Committee shall not convene or preside over such a meeting, such a meeting may be convened and presided over by shareholders individually or in aggregate holding a total of 10% or more of shares (including the preference shares with restored voting rights) in the Bank for at least ninety (90) consecutive days.

For a shareholders' meeting convened by the Audit Committee or shareholders on their own, the Board of Directors and the Secretary of the Board of Directors shall cooperate. The Board of Directors shall provide the shareholder register as of the record date.

Costs for attending shareholders' meeting shall be borne by the shareholders themselves. Where the Audit Committee or the shareholders convene a meeting on their own, the necessary cost of such meeting shall be borne by the Bank.

Article 97 If the Audit Committee or the proposing shareholders propose to convene a shareholders' meeting on their own, the Board of Directors shall be informed in writing, and reports shall be delivered for filing with the domestic stock exchange.

The Audit Committee or the shareholders convening such a meeting shall submit relevant evidence and documents to the domestic stock exchange when issuing the meeting notice and the resolution announcement of shareholders' meeting.

Shares (including the preference shares with restored voting rights) held by shareholders convening such a meeting shall be no less than 10% of the Bank's shares prior to public announcement of the resolution of the shareholders' meeting.

Article 98 Chairman of the Board of Directors shall preside over the shareholders' meeting. If the chairman is unable to or does not perform his/her duties, the vice chairman (if any) of the Board of Directors shall preside over the meeting; if the vice chairman (if any) is unable to or does perform his/her duties, a director elected by more than half of the directors shall preside over the meeting.

Meetings convened by the Audit Committee in accordance with statutory procedures shall be chaired by the chairman of the Audit Committee. Where the chairman of the Audit Committee is unable to perform his/her duties or does not perform his/her duties, a member of the Audit Committee elected by more than half of the members of the committee shall preside over the meeting.

Meetings convened by the shareholders in accordance with statutory procedures shall be presided over by the convener or a representative elected by the convener.

During the course of a shareholders' meeting, if the chairman of the meeting breaches the rules of procedures of the meeting and renders it impossible for the meeting to continue, with the consent of the shareholders attending the meeting and representing more than one half of the total voting rights of all shareholders so present, the shareholders' meeting may elect one individual to serve as chairman of the meeting and the meeting shall continue.

Article 99 All of the Directors and senior management members shall attend the shareholders' meeting as non-voting delegates. Where the shareholders' meeting requires directors and senior management members to attend the meeting, they shall attend and answer enquiries from shareholders.

Article 100 At the annual shareholders' meeting, the Board of Directors shall report its work of previous year to the shareholders' meeting. Each independent Director shall also report his/her work.

Article 101 Directors and senior management members shall make explanation and clarification for enquiries and suggestions of shareholders at the shareholders' meeting.

Article 102 The chairman of the meeting shall announce the number of shareholders and proxies present as well as the total number of voting shares prior to voting, which shall be subject to the meeting registration.

Article 103 Minutes of meetings shall be kept for shareholders' meeting, and the secretary of the Board of Directors shall be responsible for such minutes. The meeting minutes shall record the following information:

- (1) Date, venue, agenda of the meeting and name of the convener;
- (2) Name of the chairman of the meeting and names of the Directors and senior management members attending the meeting as non-voting delegates;
- (3) The number of holders of domestic listed shares, holders of overseas listed shares and their proxies who attend shareholders' meeting, the number of voting shares held, and its proportion to the total number of shares of the Bank;
- (4) Consideration process and key speech points of each speaker on every item for resolution, as well as the voting result of each proposal made by shareholders of domestic listed shares and overseas listed shares;
- (5) Shareholders' enquiries and suggestions, and the relevant answers and explanation;
- (6) Name of lawyer, vote counter and scrutineer;
- (7) Other matters which shall be recorded in the minutes according to this Articles of Association.

Article 104 The convener shall ensure the truthfulness, accuracy and integrity of the contents in the minutes which shall contain signatures of the Directors present at the meeting or attending the meeting as non-voting attendees, secretary of the Board of Directors, convener or their representatives, and the chairman of the meeting. The minutes shall be kept together with the signature list of shareholders attending the meeting, power of attorney for proxy as well as valid materials of voting via Internet or other methods. Meeting minutes shall be retained permanently, while other materials shall be kept for not less than 10 years.

Article 105 Convener shall ensure the smooth going of the shareholders' meeting until reaching a final decision. For ceasing of shareholders' meeting or resolutions unable to be made due to special reasons such as force majeure, measures shall be adopted as soon as possible for resuming of such a meeting or direct termination of this meeting and public report shall be timely issued. Meanwhile, the convener shall report to the local authorized approving authorities of security regulatory authorities of the State Council in the location of the Bank, and the domestic stock exchange.

Article 106 Where the shareholders' meeting approves a proposal regarding cash dividend distribution, stock dividend issuance, or capital reserve conversion into share capital, the Bank shall implement the specific plan within two (2) months after the conclusion of the shareholders' meeting.

Section 4 Resolution of Shareholders' Meeting

Article 107 Resolutions of shareholders' meeting shall include ordinary and special resolutions.

Ordinary resolution made by shareholders' meeting shall be adopted by more than half of voting shares represented by the shareholders of ordinary shares attending the shareholders' meeting (including holders of preference shares whose voting rights are restored).

Special resolution made by shareholders' meeting shall be adopted by at least two-thirds (2/3) of voting shares represented by the shareholders of ordinary shares attending the Shareholders' General Meeting (including the holders of preference shares with restored voting rights). When the holders of preference shares (excluding the holders of preference shares with restored voting rights) attend the shareholders' meeting and exercise the voting right according to laws, regulations and this Articles of Association, special resolution shall be adopted by at least two-thirds (2/3) of voting shares represented by the holders of preference shares (excluding the holders of preference shares with restored voting rights).

For the purposes of this Article, the term "shareholders" includes shareholders who entrust proxies to attend the shareholders' meeting.

Article 108 The following matters shall be passed by ordinary resolution at a shareholders' meeting:

- (1) appointment and removal of relevant Directors, and decisions on their remuneration and payment method;

- (2) work reports of the Board of Directors;
- (3) annual financial budget and final accounts of the Bank;
- (4) profit distribution and losses making-up plans of the Bank;
- (5) significant equity investment, debt securities investment, assets acquisition, assets disposal, assets pledge, and other guarantees not falling into commercial banking business, except for those to be passed by special resolution at a shareholders' meeting;
- (6) appointment and removal of accounting firms that conduct regular statutory audits over financial reports of the Bank, their service fees or the method for determining their service fees;
- (7) other matters except those required by laws, administrative regulations, departmental rules and this Articles of Association to be passed by special resolution at a shareholders' meeting.

Article 109 The following matters shall be passed by special resolution at a shareholders' meeting:

- (1) increase or reduction of the Bank's registered capital or issuance of any class of share, warrants of share subscription or other similar securities;
- (2) merger, division, spin-off, dissolution and liquidation or change the formation of the Bank;
- (3) the issue of corporate bonds or listing;
- (4) acquisition of ordinary shares of the Bank in accordance with legal provisions;
- (5) amendment to this Articles of Association;
- (6) to dismiss independent Directors;
- (7) purchase or sale of material assets or provision of security interest to other persons by the Bank of which the total amount in a year exceeds thirty percent (30%) of the Bank's audited total assets in the latest period;
- (8) deciding on or authorizing the Board of Directors to decide on the matters relevant to preference shares issued by the Bank, including but not limited to deciding on whether to repurchase, convert or distribute dividends;
- (9) other matters prescribed by laws, administrative regulations, departmental rules or this Articles of Association; and identified by ordinary resolutions of the shareholders' meeting which will cause significant impact on the Bank and need to be passed by special resolutions.

Article 110 When matters related to connected transactions are examined in a shareholders' meeting, related shareholders shall not vote, and the voting shares held by them shall not be included in the total number of valid votes. Public announcement of the shareholders' meeting shall fully disclose the voting results of non-related shareholders.

Article 111 If any shareholder shall abstain from voting on certain resolution in accordance with the Hong Kong Listing Rules, or such listing rules limit any shareholder to vote in favor of or against certain resolution, the voting which violates such requirement or limitation by such shareholder or his proxy shall not be included in the number of valid votes.

Article 112 Under the premise of ensuring legitimacy and validity of the shareholders' meeting, the Bank shall provide convenience to shareholders by various ways for participation in the meeting.

If the Bank convenes the shareholders' meeting for the issuance of preference shares, the Bank shall provide online voting platform and other channels as approved by the securities regulatory authority of the State Council for shareholders to attend the meeting in a convenient manner.

Article 113 Except for the cumulative voting system for the election of Directors, each candidate of Directors shall be submitted to the shareholders' meeting for vote in form of a single proposal.

Except for the cumulative voting system, the shareholders' meeting shall make vote itemized on all of the proposals, shall make vote on the proposals according to time order if there are different proposals concerning the same matter and shall not lay proposals aside or not granting vote except ceasing of shareholders' meeting or resolutions are unable to be made due to such special reasons as force majeure.

On consideration of a proposal, the shareholders' meeting shall not amend such a proposal; if any amendment is made, it shall be deemed as a new proposal which cannot be voted at the meeting.

In the consideration of the proposal on issue of preference shares, the shareholders' meeting shall vote on the following matters one by one:

- (1) Type and number of preference shares to be issued;
- (2) Issue mode, targets and placing arrangements for existing shareholders;
- (3) Par value, issue price or pricing range and its determination principle;
- (4) Profit distribution methods for preference shareholders, including: dividend yield and its determination principle, dividend payment conditions, dividend payment methods, whether dividends are accumulated, and whether participation in the distribution of surplus profit is allowed;

- (5) Terms and conditions of repurchase, including repurchase conditions, period, price and its determination principle, and subject of exercising repurchase option (if any);
- (6) Use of proceeds;
- (7) Conditional share subscription agreements signed between the Bank and corresponding targets to which shares are issued;
- (8) Validity period of resolution;
- (9) Plan on amendments to relevant provisions of the Bank's Articles of Association on profit distribution policy for shareholders of preference/ordinary shares;
- (10) Authorization to the Board of Directors on handling specific matters concerning the issue of shares;
- (11) Other matters.

Article 114 When the shareholders' meeting votes on the election of Directors, the cumulative voting system may be implemented in accordance with the provisions of this Articles of Association or resolutions of the shareholders' meeting. If a single shareholder and other persons acting in concert with it hold a 30% or more interest in shares of the Bank, the shareholders' meeting shall, when electing more than two Directors at the same time, adopt a cumulative voting system to vote.

The cumulative voting system used in the preceding paragraph refers to the fact that each share has the same voting rights as the number of Directors to be elected when the shareholders' meeting elects Directors, and the voting rights held by shareholders can be used collectively.

Except as otherwise provided in the laws, administrative regulations, departmental rules, and listing rules in the place where the Bank's shares are listed, the rules for the cumulative voting system are as follows:

- (1) where a cumulative vote system is used to elect Directors, the list of candidates of executive Directors, non-executive Directors, and independent Directors shall be divided into different proposal groups for voting at the shareholders' meeting;
- (2) Shareholders attending the shareholders' meeting shall have the same number of votes as the number of Directors to be elected under each proposal group for each share held in the proposal subject to the cumulative voting system;
- (3) The number of votes held by shareholders can be concentrated to vote for one (1) candidate or several candidates. Shareholders should vote within the number of votes for each proposal group.

Article 115 An ordinary shareholder (including his proxy) may exercise voting rights at the shareholders' meeting according to the number of shares which carry the right to vote held by him and each share shall have one vote. For the preference shareholders whose voting rights are restored, the percentage of votes corresponding to the principal of each preference share shall be calculated pursuant to specific terms and conditions on issue of shares. If classified voting is involved, each preference share (excluding the preference shares which voting rights are restored) shall have one vote.

When significant matters which may influence the interests of small and medium investors are considered at the shareholders' meeting, votes of small and medium investors shall be counted separately. The result of separate counting shall be timely disclosed to the public.

Nevertheless, the Bank's shares held by the Bank do not have the right to vote, and they shall not be counted into the total number of the voting shares attending the shareholders' meeting.

Where a shareholder's purchase of voting shares in the Bank violates paragraph 1 and paragraph 2 of Article 63 of the Securities Law, the shareholder shall not exercise voting rights in shares in excess of the prescribed proportion within 36 months of purchase, and such shares shall be excluded from the total number of voting shares at the shareholders' meeting within said period.

The Board of Directors, independent Directors, shareholders holding no less than 1% of voting shares or the investor protection agency established in accordance with the laws, administrative regulations or rules of the securities regulatory authority of the State Council may solicit for the shareholders' voting rights in an open manner. Information of specific voting intent, etc., shall be fully disclosed in such open solicitation of shareholders' voting rights. A solicitation paid directly or in other disguised way shall be forbidden. The Bank shall not impose any restriction relating to the minimum shareholding for the solicitation of voting rights, except statutory conditions.

Article 116 The same voting right may only choose one of the onsite voting, online voting or other voting methods. In case of repeated voting with the same voting right, the first vote result shall prevail.

The shareholders' meeting shall adopt registered ballot for voting.

Prior to voting at the shareholders' meeting, two (2) shareholders' representatives shall be elected for poll counting and examining. Shareholders and their proxies having related party relationship with the matters to be considered are not permitted to participate in poll counting and examination.

For the voting of each matter considered at the shareholders' meeting, counting and examination of polls shall be conducted together by lawyers, shareholders' representatives and other persons designated according to relevant regulations of local securities regulatory authority, and the voting result shall be announced on the spot, and be recorded in the minutes of the meeting.

Shareholders of the Bank or their proxies who vote online or other ways have right to check their voting results by means of corresponding voting system.

Article 117 The close of onsite shareholders' meeting shall not be earlier than the deadline of voting via Internet or other means. The chairman of the meeting shall announce the voting status and results of each proposal and, based on the voting results, declare whether the proposal is adopted.

Relevant parties including the Bank, counters, scrutineers, shareholders and Internet service provider involved in onsite, Internet and other voting methods of the shareholders' meetings shall be subject to the confidentiality obligation toward the voting before the voting result is announced formally.

Article 118 Shareholders attending the shareholders' meeting shall deliver one of the following opinions: agree, against or abstention concerning proposals to be voted, unless it is the securities registration and clearing institution as the nominee shareholder of the shares subject to the stock trading interconnection mechanism between the Mainland and Hong Kong stock markets, which makes declaration according to the intents of actual shareholders.

Unfilled, wrongly filled, unrecognizable, and un-submitted votes shall be deemed as voters' abstention of his/her voting rights and the voting result of shares held by the above voters shall be taken into account as "abstention".

Article 119 If the chairman of the meeting has any doubts on the outcome of the voting of resolutions, he/she may organize count of the votes; if the chairman does not re-count the votes and the attending shareholders or their proxies challenge the result announced by the chairman, the shareholders or their proxies can request for a re-count immediately after the announcement of the voting result, and the chairman shall organize re-count of the votes immediately.

Article 120 The controlling shareholder and de facto controller of the Bank shall neither restrict or obstruct small and medium-sized investors to exercise their voting rights according to law, nor damage the legitimate rights and interests of the Bank and such small and medium-sized investors.

Article 121 The lawyer attestation system shall be adopted for the shareholders' meeting. The Bank shall engage lawyers to issue legal opinions and make announcement in respect of the following issues when a shareholders' meeting is held:

- (1) whether the convening and the procedures for the shareholders' meeting are in compliance with the laws, administrative regulations and this Articles of Association;
- (2) whether the qualification of the person attending the Shareholders' General Meeting and the person convening the Shareholders' General Meeting are valid;
- (3) whether the voting procedure and voting result of the shareholders' meeting are valid;
- (4) other matters as required by the Bank.

Article 122 Public announcement of the resolution of the shareholders' meeting shall be issued promptly. The Bank shall issue the announcement of resolution on the following day after the making of decision on repurchase of ordinary shares at the shareholders' meeting. The public announcement shall contain the number of shareholders and shareholders' proxies attending the meeting, the total number of voting shares held by the shareholders and shareholders' proxies attending the meeting and the proportion of voting shares accounted in the whole share capital of the Bank, as well as the voting way and result of each proposal, and the detailed content of each resolution.

In case of voting under the circumstances specified in Article 44 herein, the Bank shall separately obtain the statistics and make an announcement on the attendance at the meeting and voting results by the ordinary shareholders (including the preference shareholders whose voting rights have been restored) and the preference shareholders (excluding the preference shareholders whose voting rights have been restored).

Article 123 If the proposal is not passed or resolution of the previous shareholders' meeting is altered at this shareholders' meeting, special announcement shall be made in the public announcement of the resolution of the shareholders' meeting.

CHAPTER 6. Directors and the Board of Directors

Section 1 Directors

Article 124 Directors shall be natural persons. Directors of the Bank shall include executive Directors, non-executive Directors (including independent Directors). Executive Directors are referred to as the Directors who, in addition to serving as a Director, also assume the duties of senior management at the Bank. Non-executive Directors are referred to as the Directors who hold no positions other than Director and assume no duties of senior management in the Bank. Independent Directors are the ones catering to specifications of Article 138 of this Articles of Association. Directors shall possess the qualification required by the laws, administrative regulations and departmental rules.

The Bank has Employee Director(s). Senior management members shall not concurrently serve as employee Directors.

Article 125 Relevant Directors shall be elected by the shareholders' meeting. The qualification of directors shall be submitted to the banking regulatory authority of the State Council for approval. The Director shall have a term of office of three years, commencing from the date when his/her qualification is approved by the banking regulatory authority of the State Council to the expiry date of the then current session of Board of Directors (i.e. the date of the annual shareholders' meeting in the year when the term of office of the then current session of Board of Directors expires). A Director can be re-elected upon the expiry of his/her term of office, and the term of office of the Director so re-elected shall commence on the date of re-election.

Article 126 Directors shall pay ongoing attention to the operation and management of the Bank. Directors are entitled to require the senior management to provide comprehensive, timely and accurate information on operation and management of the Bank or provide explanation on relevant issues and to supervise the senior management's implementation of resolutions of the shareholders' meeting and meeting of the Board of Directors.

Directors shall actively participate in the training organized by the Bank and regulatory authorities, understand the rights and obligations of Directors, be familiar with relevant laws, regulations and regulatory requirements and continuously have the expertise and skills needed to fulfill their duties.

Directors shall perform their duties with diligence and prudence, observe high standards of professional ethics and take into account the legitimate rights and interests of stakeholders.

Article 127 Directors shall comply with laws, administrative regulations, regulatory provisions and this Articles of Association, have the fiduciary duties to the Bank, and take measures to avoid conflicts between their personal interests and the Bank's interests, and shall not abuse their powers to seek improper benefits. Directors shall assume the following faithful duties to the Bank:

- (1) not to encroach upon property of the Bank and not to embezzle funds of the Bank;
- (2) not to open a bank account in their own names or in the names of others for depositing the fund of the Bank;
- (3) not to use their powers to offer bribes or accept other illegal income;
- (4) not to directly or indirectly enter into contract or transact with the Bank without reporting to the Board of Director or the shareholders' meeting and being approved by resolution(s) of the Board of Director or the shareholders' meeting in accordance with this Articles of Association;
- (5) not to seek business opportunities belonging to the Bank for themselves or others with their favorable positions, 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;
- (6) not to engage in business of the same kind as that of the Bank, either on their own or for others, without reporting to the Board of Directors or the shareholders' meeting and approved by a resolution of the shareholders' meeting;
- (7) not to accept commissions in relation to transactions between others and the Bank;
- (8) to strictly keep the secrets of the Bank and not to disclose without authorization or use inside information to obtain improper benefits;

- (9) not to jeopardize interests of the Bank by taking advantage of its related party status;
- (10) to act in the best interests of the Bank, pay close attention to matters that may harm the interests of the Bank, make a timely report thereon to the Board of Directors and cause the problems to be corrected;
- (11) other faithful obligations stipulated by laws, administrative regulations, rules and this Articles of Association.

Income obtained by Directors in violation of this Article shall belong to the Bank; and the Directors shall indemnify the Bank for any losses incurred to the Bank therefrom.

The provisions of item (4) 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 128 Directors shall observe the laws, administrative regulations, departmental rules, regulatory provisions and this Articles of Association, have diligent duties 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 assume the following diligent duties to the Bank:

- (1) to exercise the rights conferred by the Bank in a prudent, careful and diligent manner to ensure that the business acts of the Bank are in line with requirements of laws, administrative regulations and various national economic policies and that its business activities do not exceed the business scope stated in the business license;
- (2) to be responsible to the Bank and all shareholders in performing duties and treat all shareholders equally;
- (3) to have an up-to-date knowledge on the business operation and management and risk profile of the Bank;
- (4) to provide written confirmation in relation to the periodic reports or other documents required to be signed and to ensure the truthfulness, accuracy and completeness of information disclosed by the Bank;
- (5) to provide true information and data to the Audit Committee and not to obstruct the performance of duties by the Audit Committee;

- (6) to devote sufficient time and energy to the Bank's affairs, attend the meetings of the Board of Directors and its specialized committees as required, carefully study and fully examine matters submitted to the Board of Directors for consideration, express opinions independently, professionally and objectively and vote independently on the basis of prudent judgment;
- (7) other diligent obligation stipulated by laws, administrative regulations, departmental rules and this Articles of Association.

Article 129 The methods and procedures for nominating a Director other than employee Director shall be as follows:

- (1) The shareholders holding, alone or in an aggregate, 3% or more of the total number of voting shares of the Bank and the Nomination and Remuneration Committee of the Board of Directors are entitled to propose a candidate for election as Director (independent Director exclusive). The shareholders holding, alone or in an aggregate, 1% or more of the total number of voting shares of the Bank and the Nomination and Remuneration Committee of the Board of Directors are entitled to propose a candidate for election as independent Director.

In principle, directors as nominated by the same shareholder or its related parties shall not exceed 1/3 of the number of members of the Board of Directors, unless otherwise provided by the government of the PRC. Shareholders and their related parties who have nominated non-independent directors shall not nominate independent directors.

- (2) The Nomination and Remuneration Committee of the Board of Directors shall conduct a preliminary review on the qualification and conditions of all director candidates and report to the Board of Directors of any qualified candidates; upon the approvals of the Board of Directors, the proposals shall then be submitted in writing to the shareholders' meeting.
- (3) The director candidate shall, prior to the publication of the notice of shareholders' meeting, make a written undertaking specifying his/her consent to be nominated, his/her representation that his/her particulars as disclosed are true, accurate and complete, and the undertaking to fulfill his/her obligations as a Director of the Bank if so elected.
- (4) The nominator shall provide the shareholders with the resume and basic details of the nominee.
- (5) Before convening a shareholders' meeting, the Board of Directors shall disclose detailed information of all director candidates to shareholders in accordance with laws and regulations and this Articles of Associations so as to ensure that shareholders have sufficient understanding of the candidates at the time of voting.

Article 130 Employee Directors shall be elected by the employee representatives' meeting or other democratic methods.

Article 131 Any Director shall not act on behalf of the Bank or the Board of Directors unless duly authorized by this Articles of Association, shareholders' meeting or the Board of Directors. When acting in his own name, a Director shall declare his position and identity if a third party reasonably think that the Director is acting on behalf of the Bank or the Board of Directors.

Article 132 Directors shall attend at least two-thirds of the onsite meetings of the Board of Directors in person.

For Director failing to attend the meeting of the Board of Directors in person for 2 consecutive times without entrusting any other Director to attend such meetings as his proxy, or attending less than two-thirds of the total meetings of the Board of Directors in person during a year, he shall be deemed as failing in performing his duties and the Board of Directors shall propose to the shareholders' meeting to remove such Director.

Attending a meeting in person in this Articles of Association means attending meeting by relevant participants physically; attending by proxy means that the relevant participant entrust, in writing, the other to attend the meeting as his proxy when the participant is not able to attend the meeting due to certain reasons.

Article 133 A Director may resign before the expiration of his term of office. Director resigning shall submit a written resignation report to the Bank. Unless otherwise prescribed under this Articles of Association, the resignation of the Director shall become effective when the resignation report is delivered to the Board of Directors.

If the resignation of a Director causes the number of Directors on the Board of Directors falls below two-thirds of the required minimum number of Directors on the Board of Directors specified in this Articles of Association or below the statutory minimum number, the Board of Directors shall convene an extraordinary shareholders' meeting within two months to elect a Director to fill the vacancy resulted from the resignation of Director. Under this circumstance, the resignation report of the Director shall not become effective until the vacancy resulted from his resignation is filled by a new Director so elected. Before the new Director takes office, the resigning Director shall continue to discharge his duties in accordance with laws, administrative regulations, regulatory provisions, rules of the stock exchange in the places where shares of the Bank are listed, and this Articles of Association.

Where the resignation of a member of the Audit Committee of the Board of Directors results in the number of members of the Audit Committee being lower than the statutory minimum or the lack of accounting professionals, or the resignation of an independent Director results in the proportion of independent Directors on the Board of Directors or special committees not complying with laws, administrative regulations, regulatory provisions or this Articles of Association, or the lack of accounting professionals among independent directors, the original director shall continue to perform his/her duties in accordance with laws, administrative regulations, regulatory provisions, rules of the stock exchange in the places where the Bank's shares are listed, and this Articles of Association before the newly elected director takes office.

Where the number of Directors is less than the statutory minimum number or the quorum required for voting at the Board of Directors due to the death of any Director, dismissal of any Director by the shareholders' meeting, the resignation of an independent Director due to loss of independence or other circumstances that prevent Directors from performing their duties, the powers and functions of the Board of Directors shall be exercised by the shareholders' meeting until the number of members of the Board of Directors meets requirements.

Article 134 If a new Director is not elected in time when the term of office of the original Director expires, the original Director shall fulfill the Director's duties in accordance with laws, administrative regulations, regulatory provisions and this Articles of Association before the new Director takes office.

Article 135 The Bank shall establish a management system for the resignation of directors, specifying the safeguards to ensure accountability and recourse for unfulfilled public commitments and other outstanding matters. A Director shall conduct handover procedures with the Board of Directors upon resignation or expiration of his term of office. His fiduciary duties towards the Bank and the shareholders shall be still valid before his resignation report becomes effective or within reasonable period after his resignation report becomes effective, and within a reasonable period after expiration of his term of office; the obligation of the Director to keep in confidentiality the trade secret of the Bank shall be valid after the expiration of his term of office till such trade secret becomes public information. Duration of the Director's duty of loyalty shall be determined on a fair basis depending on the length of the time between the occurrence of relevant events and his departure from office, and the circumstances and the conditions under which his relation with the Bank is terminated. The liability of a director arising from the performance of his/her duties during his/her term of office shall not be exempted or terminated by his/her resignation.

Article 136 The shareholders' meeting may resolve to remove a director, with the removal taking effect on the date of the resolution.

If a director is removed without a proper reason before the expiration of his/her term of office, the director may request compensation from the Bank.

Article 137 The Bank shall bear liability for compensation for any harm caused to others by a director in the performance of his/her duties for the Bank. The director shall also bear liability for compensation if the director acts with any intentional or gross negligence.

The Director shall compensate the Bank for any losses incurred to the Bank resulting from his/her violation of laws, administrative regulations, departmental rules and this Articles of Association when performing his/her duties.

Section 2 Independent Directors

Article 138 The independent Director of the Bank means a Director who holds no position in the Bank other than Director and who has no conflict of interests directly or indirectly with the Bank, its shareholders and its de facto controllers or have other relationship that may impact his/her independent and objective judgment on the affairs of the Bank. Independent Directors shall account for more than one-third of the total members on the Board of Directors of the Bank. The Bank shall appoint appropriate personnel to serve as independent Directors, including at least one accounting professional.

Independent Directors shall be of high professional expertise and good creditability and reputation, and shall also satisfy the following conditions:

- (1) to satisfy the qualification requirements set forth by laws, administrative regulations and departmental rules for persons holding the position of Director in a listed company;
- (2) to independently perform the duties and responsibilities without any interference of the Bank, the substantial shareholders of the Bank or any person who is de facto controller of the Bank, or other entities or individuals that have a material interest in the Bank;
- (3) to have a bachelor degree or above, or senior technical titles of relevant professions;
- (4) to have basic knowledge related to the operation of a listed company and are familiar with relevant laws, administrative regulations and departmental rules;
- (5) to have no less than eight-year experiences in law, economics, financial, accounting or other working experiences required for performing the duties and responsibilities of an independent Director;
- (6) to be familiar with laws, administrative regulations and departmental rules related to the operation and management of commercial banks;
- (7) to be able to read, understand and analyze credit report and financial report of commercial banks;
- (8) to undertake to have sufficient time and energy to effectively perform fiduciary and diligent duties of an independent Director;
- (9) having good personal morality without any material dishonesty or other negative records;
- (10) in line with the requirements on the independence and qualifications of independent Directors as specified by laws, administrative regulations, departmental rules and local listing rules.

Article 139 Independent directors shall conscientiously fulfill their duties in accordance with laws, administrative regulations, departmental rules, rules of the stock exchange in the places where shares of the Bank are listed, and this Articles of Association, and play the roles of participation in decision-making, supervision, checks and balances, and professional consulting in the Board of Directors, so as to safeguard the interests of the Bank as a whole and to protect the legitimate rights and interests of minority shareholders. In the case of any conflict among shareholders or among Directors of the Bank, which has a material impact on the operation and management of the Bank, independent Directors shall perform their duties proactively to protect the overall interests of the Bank.

Independent Directors shall promptly report to regulatory authorities any material deficiencies or failure of the corporate governance mechanism of the Bank. Apart from reporting relevant information to regulatory authorities as required, independent Directors shall keep the Bank's secrets.

Independent Directors shall be independent in discharging their duties and responsibilities and shall not be influenced by the substantial shareholders, de facto controller of the Bank or entities or individuals who have an interest in the Bank, the substantial shareholders or de facto controller of the Bank.

Independent directors shall conduct annual self-examination of their independence and submit the self-examination results to the Board of Directors. The Board of Directors shall annually assess and issue a special opinion on the independence of the incumbent independent directors, which shall be disclosed along with the annual report. In case of non-compliance conditions or other circumstances of independent Directors unfit to perform the duties of independent Directors causing the number of independent Directors to be less than the number required by the Articles of Association, the number of independent Directors shall be made-up in accordance with this Articles of Association.

Article 140 Apart from the persons who cannot be the Directors of the Bank, the following persons shall be prohibited from holding the position of an independent Director:

- (1) individual shareholders directly or indirectly holding more than 1% of the total issued shares of the Bank or who are among the Bank's top ten (10) shareholders, and their spouses, parents and children, or persons in such circumstances in the latest 12 months;
- (2) persons holding positions in a shareholder entity who holds directly or indirectly more than 1% of the Bank's issued shares or entity who are among the Bank's top five (5) shareholders, and their close relatives, or persons in such circumstances in the latest 12 months;
- (3) persons holding positions in the Bank, entities controlled by the Bank or whose de facto controller is the Bank three years prior to taking the office in the Bank and their close relatives and major social relations (serving as independent Directors excluded);
- (4) persons holding positions in the affiliates of the Bank's controlling shareholders or de facto controllers in the latest 12 months, and their spouses, parents and children;

- (5) persons holding positions in enterprises unable to repay the loans on time granted by the Bank, and close relatives of such persons;
- (6) persons holding position in entities in the latest 12 months that have business connection with the Bank in areas of law, accounting, audit, management consultation, guarantee, sponsorship, etc. or have creditor-debtor relationship with the Bank which undermines the independence of performance of duties, and close relatives of such persons;
- (7) persons who have significant business dealings with the Bank, its controlling shareholders, de facto controllers, or their respective affiliates in the latest 12 months, or persons holding position in entities that have significant business dealings with the Bank as well as their controlling shareholders and de facto controllers;
- (8) persons providing financial, legal, consulting, sponsorship and other services to the Bank, its controlling shareholders, de facto controllers or their respective affiliates in the latest 12 months, including but not limited to, all the personnel of the project team of an intermediary agency providing the services, reviewers at all levels, persons signing the report, partners, directors, senior management members and chief principals;
- (9) persons probably controlled or materially impacted by major shareholders or senior management of the Bank which undermines the independence of their performance of duties, and close relatives of such persons;
- (10) the staff of governmental institutions;
- (11) other persons specified by the banking regulatory authority of State Council, the securities regulatory authorities and stock exchanges in the places where stocks of the Bank are listed and other regulatory authorities as not suitable for being independent Directors.

Affiliates of the Bank's controlling shareholders or de facto controllers under items (4), (7) and (8) of paragraph 1 of this article do not include enterprises that are controlled by the same state-owned asset management institution as the Bank and that do not constitute a related party relationship with the Bank in accordance with relevant provisions.

Close relatives in this article refer to spouse, parents, children, grandparents, siblings, and grandchildren; major social relations refer to siblings, spouses of siblings, parents of spouses, siblings of spouses, spouses of children, and parents of children's spouses, etc.

Article 141 Independent directors, as members of the Board of Directors, shall have the fiduciary duties and duties of diligence to the Bank and all shareholders. They shall prudently fulfill the following duties:

- (1) to participate in the decision-making of the Board of Directors and express clear opinions on the matters under consideration;

- (2) to supervise matters of potential material conflicts of interest between the Bank and its controlling shareholders, de facto controllers, directors and senior management members, and to protect the legitimate rights and interests of minority shareholders;
- (3) to provide professional and objective advice on the Bank's operation and development, and to enhance the Board of Directors' decision-making;
- (4) other duties stipulated by laws, administrative regulations, departmental rules and this Articles of Association.

Article 142 The following matters shall be submitted to the Board of Directors for consideration after being approved by more than half of all independent directors of the Bank:

- (1) related party transactions that should be disclosed as stipulated by the securities regulatory authority of the State Council and the stock exchange in the places where shares of the Bank are listed;
- (2) programs for the Bank and related parties to change or waive their commitments;
- (3) decisions made and measures taken by the Board of Directors in response to the acquisition of the Bank when the Bank is the subject being acquired;
- (4) other matters stipulated by laws, administrative regulations, departmental rules, rules of the stock exchange in the places where shares of the Bank are listed, and this Articles of Association.

Article 143 The Bank shall establish a mechanism of special meeting attended by all independent Directors (the "special meeting(s) of independent Directors"). The Bank shall convene the special meetings of independent Directors on a regular or irregular basis to consider matters listed in Article 142 and items (1) to (3) of paragraph 1 of Article 147 of this Articles of Association. The special meetings of independent Directors may study and discuss other matters of the Bank as needed.

The special meetings of independent Directors shall be convened and chaired by an independent director jointly elected by more than half (1/2) of the independent Directors; if the convener fails to or is unable to perform his/her duties, two (2) or more independent Directors may convene and elect a representative to preside over the meeting on their own.

The special meetings of independent Directors shall produce minutes in accordance with the provisions, and the opinions of independent directors shall be set forth in the minutes. Independent Directors shall sign the minutes to confirm them.

The Bank shall provide convenience and support for the convening of the special meetings of independent Directors.

Article 144 The term of office of independent Directors shall be the same as other Directors of the Bank. Independent Directors can be re-elected upon the expiration of their terms but the accumulated term of an independent director shall not exceed 6 years.

An independent Director shall not concurrently serve as independent director in more than two (2) commercial banks. In principle, a person shall serve as an independent director in a maximum of three (3) domestic listed companies and in a maximum of five (5) domestic and overseas enterprises at the same time.

Article 145 The independent Director may resign prior to the expiration of his/her term of office.

The independent Directors resigning shall submit a written resignation report to the Board of Directors, and serve a written statement immediately following shareholders' meeting to explain any matters that are relevant to their resignation or that they think is necessary to bring to the attention of shareholders and creditors.

If the resignation of an independent director results in the number of independent Directors falling below one-third of the total number of Directors, the proportion of independent Directors in the special committees of the Board of Directors not complying with laws, regulations or this Articles of Association, or a lack of accounting professionals among the independent directors, the independent director shall continue to perform his/her duties before the new independent director takes office, except for those who resign or are removed from office due to loss of independence. The Bank shall complete by-election within 60 days of the resignation of an independent Director.

Independent Directors should attend meetings of the Board of Directors as required. For independent Director who fails to attend the meetings of the Board of Directors for two (2) consecutive times in person, and does not appoint another independent Director to attend on their behalf, the Board of Directors shall propose to the shareholders' meeting to remove him/her within 30 days from the date of occurrence of such fact. If an independent director fails to attend the meetings of the Board of Directors in person for three (3) consecutive times, it shall be deemed that the independent Director is not performing his/her duties, and the Bank shall convene a shareholders' meeting within three (3) months to remove him/her from office and elect a new independent Director.

Article 146 Independent Directors shall devote enough time to the performance of duties in a faithful and diligent manner. They shall work on-site at the Bank for no less than 15 working days per annum.

Independent Director may entrust other independent Directors to attend the meetings of the Board of Directors as proxy; however, independent Director shall attend in person no less than two-thirds of the onsite meetings of the Board of Directors convened during a year.

Article 147 In addition to the powers conferred by the Company Law and other relevant laws, administrative regulations, departmental rules and this Articles of Association, independent Directors shall have the following special powers:

- (1) to independently engage intermediary agency to audit, consult or verify specific matters of the Bank;
- (2) to propose to the Board of Directors to convene an extraordinary shareholders' meeting;
- (3) to propose to convene a meeting of the Board of Directors;
- (4) to publicly solicit shareholders' rights from shareholders prior to the shareholders' meeting in accordance with laws;
- (5) to express independent opinions on matters that may jeopardize the interests of the Bank or minority shareholders;
- (6) other powers stipulated by the law, administrative regulations, departmental rules, listing rules in the place where the Bank's are listed and this Articles of Association.

The exercise of powers listed in items (1) to (3) herein by independent Directors shall be approved by more than half of all independent Directors, unless otherwise provided for by laws, administrative regulations or departmental rules.

The Bank shall disclose in a timely manner any exercise of the powers in item (1) herein by independent Directors. In the event that the above powers cannot be exercised properly, the Bank shall disclose the details and reasons.

Article 148 Independent Directors shall express objective, impartial and independent opinions on the matters discussed at the shareholders' meeting and the meeting of the Board of Directors, and in particular on the following matters:

- (1) major connected transactions;
- (2) profit distribution plan;
- (3) nomination, appointment and removal of Directors;
- (4) appointment and dismissal of senior management personnel;
- (5) remuneration of Directors and senior management of the Bank;
- (6) appointment or dismissal of the accounting firm that conducts regular statutory audits over financial reports of the Bank;

- (7) other matters that may have a significant impact on the legitimate rights and interests of the Bank, small and medium shareholders and financial consumers;
- (8) the influence of the issuance of preference shares on the equity interest of the Bank's shareholders of all classes;
- (9) other matters stipulated by the laws, administrative regulations, departmental rules and this Articles of Association.

The major related party transactions in this Articles of Association refer to the major related party transactions defined by laws, administrative regulations and regulatory provisions applicable to the Bank.

Article 149 To ensure an effective performance of functions by independent Directors, the Bank shall provide the following necessary conditions:

- (1) the Bank shall ensure that independent Directors enjoy the same right to know as other Directors. The Bank shall safeguard the right to know of independent Directors, and provide necessary information for participating in decision-making in a timely and complete manner.
- (2) the Bank should provide working conditions and personnel support to independent Directors necessary for them to perform their duties;
- (3) Directors, senior management members and other relevant personnel of the Bank shall cooperate with the independent Directors performing their duties and shall not refuse, obstruct or hide information from or interfere in the independent performance of their functions;
- (4) expenses incurred for the engagement of professional advisers by the independent Directors or for the performance of duties by the independent Director shall be borne by the Bank.

Article 150 Independent Directors shall be deemed as committing a serious failure in performing their duties under any of the following circumstances:

- (1) disclosure of the Bank's trade secrets and harming the Bank's legitimate interests;
- (2) accepting improper gains during the performance of their duties or manipulation of the position of independent Directors to seek for private gains;
- (3) failure to offer an opposing opinion with prior knowledge that the resolutions of the Board of Directors are in violation of the laws, administrative regulations, departmental rules or this Articles of Association;
- (4) failure to vote against the connected transactions which caused material losses to the Bank;

- (5) other serious misconduct identified by the banking regulatory authority of the State Council.

Independent Directors who are disqualified by the banking regulatory authority of the State Council because of serious failure in performing their duties shall be automatically removed from office on the day of disqualification.

Article 151 Under any of the following circumstances, the Board of Directors may propose to the shareholders' meeting to remove the relevant independent Directors:

- (1) serious failure in performing his duties;
- (2) failure to file resignation himself when he does not meet the qualifications for independent Directors;
- (3) failure to attend in person the meetings of the Board of Directors for 3 consecutive times or failure to attend in person the meetings of the Board of Directors for 2 consecutive times without entrusting any other Director to attend such meetings as his proxy, or failure to attend in person less than two-thirds of the meetings of the Board of Directors convened during a year;
- (4) other circumstances rendering the relevant person not suitable to continue to serve as independent Directors as stipulated by laws, administrative regulations and departmental rules.

Article 152 The Board of Directors shall serve a written notice to the relevant independent Director within one (1) month prior to the shareholders' meeting if proposing to the shareholders' meeting to remove the independent Director. The independent Director is entitled to express his opinions orally or in writing before the voting and to deliver such opinions to the banking regulatory authority of the State Council five (5) days prior to the shareholders' meeting. The shareholders' meeting shall vote on the relevant proposal after considering the opinions presented by the independent Director.

Proposal for removal of independent Director shall be approved by more than two-third of all the Directors before the Board of Directors submits such proposal to the shareholders' meeting for consideration.

Article 153 The Bank shall pay the independent Directors remuneration and allowances commensurate with the duties they assume. The payment standard shall be formulated by the Board of Directors, and approved by the shareholders' meeting and disclosed in the annual report. Except for the above remuneration and allowances, the independent Directors shall not obtain other benefits from the Bank, the substantial shareholders, de facto controller of the Bank or from entities and personnel have an interest in the Bank.

Section 3 The Board of Directors

Article 154 The Bank shall have a Board of Directors and the Board of Directors shall be accountable to the shareholders' meeting. The Board of Directors of the Bank shall consist of no less than nine but no more than fifteen Directors, with the number of executive Directors no more than one third of the total number of Directors and the sum of executive Directors and employee Directors no more than half of the total number of Directors, 7 to 10 non-executive Directors (including 3 to 5 independent Directors), and 1 to 2 employee Directors, and the number of members on the Board of Directors shall be determined by the shareholders' meeting.

Article 155 The Bank shall establish an office under the Board of Directors to be responsible for preparing for the shareholders' meeting, meetings of the Board of Directors, meetings of the specialized committees of the Board of Directors and special meetings of independent Directors, preparing documents, and recording meeting minutes, information disclosure, investor relations management, and other day-to-day affairs of the Board of Directors and of the specialized committees of the Board of Directors.

Article 156 The Board of Directors shall have one (1) chairman and may have one (1) vice chairman. The chairman and vice chairman (if any) of the Board of Directors shall be Directors and shall be elected or removed with the approval of a majority of all Directors.

The chairman of the Board of Directors shall not concurrently serve as the President of the Bank.

Article 157 The Board of Directors shall exercise the following duties and powers:

- (1) to convene the shareholders' meeting and to make a work report to the meeting;
- (2) to implement the resolutions adopted by the shareholders' meeting;
- (3) to determine the development strategies, business plans and investment proposals of the Bank and supervise the strategy implementation;
- (4) to prepare the annual financial budget and final accounts of the Bank;
- (5) to prepare the profit distribution plans and plans for making up losses of the Bank;
- (6) in accordance with laws, regulations, regulatory provisions and this Articles of Association and within the scope of authorization of the shareholders' meeting, to determine the plans for major investment, major assets acquisition, disposal and write-off plan, asset pledge, data governance, external donations and other major matters;
- (7) to prepare proposals for the increase or reduction of registered capital of the Bank;

- (8) to formulate proposals for major acquisition or merger, division, spin-off, dissolution, liquidation or change in the form of the Bank within the scope of powers of the shareholders' meeting of the Bank;
- (9) to prepare proposals for the issue of bonds or other securities as well as the listing thereof;
- (10) to formulate the capital plan of the Bank and assume the ultimate responsibility for capital management;
- (11) to prepare proposals for acquisition of ordinary shares of the Bank;
- (12) to prepare proposals for the amendment of this Articles of Association;
- (13) to decide to appoint or dismiss the President of the Bank and the Secretary of the Board of Directors and to determine matters relating to their remuneration, rewards and punishment;
- (14) according to the nomination of the President, to decide to appoint and dismiss the vice president, chief officers and other senior management personnel who shall be appointed by the Board of Directors according to regulatory requirements, to determine matters relating to their remuneration, awards and punishment and to supervise the duty performance of the senior management;
- (15) to review and establish the basic management system and internal management structure of the Bank;
- (16) to establish, improve and ensure the effective implementation of the internal control system of the Bank and to develop the risk tolerance and risk management policy of the Bank and take the ultimate responsibility for comprehensive risk management;
- (17) to approve the Bank's internal audit charter, mid-to-long term audit plans, annual work plan and internal audit system;
- (18) to review and establish the codes and standards of the Bank, which shall specify the codes of conduct for management and business staff at all levels, require explicitly employees at all levels to promptly report the possible conflict of interest, specify the specific accountability terms and establish a corresponding mechanism to handle the same;
- (19) to decide the establishment of internal management bodies of the head office, domestic tier one (directly controlled) branch, directly controlled institutions and overseas institutions;
- (20) to decide the policies and procedures on disclosure of information of the Bank, take charge of information disclosure of the Bank and be ultimately responsible for the authenticity, accuracy, completeness and timeliness of financial statements;

- (21) to decide the information reporting system and request the senior management personnel to report on operation matters of the Bank to it on a regular basis;
- (22) to propose the appointment or removal of the accounting firms that conduct regular statutory audits over financial reports of the Bank to the shareholders' meeting;
- (23) to decide procedures on management of related party transactions; to review and approve or authorize the Related Party Transactions Control Committee under the Board of Directors to approve the related party transactions (except for the related party transactions that should be approved by the shareholders' meeting in accordance with applicable laws); to consider and approve related-party transactions with the Directors and senior management members of the Bank (including relevant parties stipulated by relevant laws, administrative regulations, departmental rules or the rules of the stock exchange in the places where the Bank's shares are listed); to report on related party transactions and the implementation of the relevant procedures to the shareholders' meeting;
- (24) to review and approve the proposals submitted by each specialized committee under the Board of Directors;
- (25) according to the applicable regulatory requirements, to listen to the work reports of the President of the Bank and other senior management, and to monitor and ensure the effective discharge of their managerial responsibilities; to hear the regulatory opinion on the Bank given by the banking regulatory authorities of the State Council and its notification of the rectification performance of the Bank;
- (26) to review and approve the rules of procedures of each specialized committees of the Board of Directors;
- (27) to be ultimately responsible for the consolidated statement management of the Bank, under which to be responsible for formulating the overall strategic plans, to review and supervise the formulation and enforcement of the implementation plans of consolidated statement management, and to establish a periodic review and evaluation system, in compliance with applicable requirements of the banking regulatory authorities of the State Council on consolidated statement supervision;
- (28) to decide on the matters relevant to preference shares issued by the Bank within the authorization of the shareholders' meeting, including but not limited to deciding on whether to repurchase, convert or distribute dividends;
- (29) to determine the green credit development strategy of the Bank, consider and approve the green credit objectives set by the senior management and the green credit report submitted by the senior management and supervise and assess the implementation of the green credit development strategy of the Bank.

- (30) to formulate the compliance management objectives of the Bank and perform the duties of compliance management;
- (31) to regularly assess and improve corporate governance of the Bank;
- (32) to safeguard the legitimate rights and interests of financial consumers and other stakeholders;
- (33) to establish a mechanism for identifying, examining and managing the conflicts of interest between the Bank and its shareholders, especially the substantial shareholders;
- (34) to assume the responsibility for the management of shareholder affairs;
- (35) to exercise any other authorities prescribed by the applicable laws, administrative regulations, departmental rules or this Articles of Association, or conferred by the shareholders' meeting.

In principle, the Board of Directors shall not delegate to the chairman of the Board of Directors, Directors, President or other entities or individuals any function or power that must be exercised by the Board of Directors as specified by laws.

The Party Committee's study and discussion shall be a preceding procedure to the decision-making on major issues by the Board of Directors and the management. The Board of Directors shall seek advice from the Bank's Party Committee before making decisions on the Bank's major issues.

Article 158 The authority of the Board of Directors with respect to investment with the Bank's assets, acquisition or disposal of assets of the Bank or external donations shall be determined by the shareholders' meeting. The Board of Directors shall establish strict review and decision-making procedures in relation to the aforesaid authority. Major investment projects shall be reviewed by relevant experts and professionals, and such matters that need to be reported to the shareholders' meeting shall be reported to the shareholders' meeting for approval pursuant to this Articles of Association.

Major investment and major assets acquisition and disposal involved in daily operation shall be implemented by the President of the Bank in accordance with the project and the amount approved in the annual budget. The following authorization mechanism shall apply for projects in excess of the approved budget and project whose content is not specified even though the amount is within the approved budget:

- (1) a single amount below RMB200 million (inclusive) shall be approved by the President of the Bank and shall be reported to the Board of Directors for filing;
- (2) a single amount above RMB200 million (exclusive) but below RMB500 million (inclusive), once approved by the Audit Committee as authorized by the Board of Directors, shall be approved by the chairman of the Board of Directors and shall be reported to the Board of Directors for filing;

- (3) a single amount above RMB500 million (exclusive) but not exceeding 10% (inclusive) of the latest audited net asset value of the Bank shall be approved by resolution of the Board of Directors;
- (4) a single amount exceeding 10% (exclusive) of the latest audited net asset value of the Bank shall be approved by ordinary resolution of the shareholders' meeting.

The amount of separate acquisitions and disposals of the same or related assets by the Bank within 12 consecutive months shall be aggregated.

Article 159 The Board of Directors shall make explanation to the shareholders' meeting for any non-standard audit opinions expressed by the certified public accountant on the financial reports of the Bank.

Article 160 The Board of Directors shall formulate the rules of procedures of the Board of Directors to ensure the efficiency and scientific decision-making of the Board of Directors. The Rules of Procedures of the Board of Directors shall be approved by the shareholders' meeting.

The Bank shall support the Board of Directors in exercising its functions and powers in accordance with laws, administrative regulations and this Articles of Association and provide necessary conditions for Directors to perform their duties properly.

Article 161 The Board of Directors shall perform duties in accordance with the laws and ensure the Bank abides by laws, administrative regulations, departmental rules and this Articles of Association.

Article 162 The chairman of the Board of Directors shall exercise the following powers:

- (1) to preside over the shareholders' meeting as well as to convene and preside over the meetings of the Board of Directors;
- (2) to supervise and examine the implementation of resolutions of the Board of Directors;
- (3) to supervise and examine the work of special committees;
- (4) to sign the share certificates, corporate debt securities and other securities of the Bank;
- (5) to sign important documents of the Board of Directors and other documents which shall be signed by legal representative/chairman of the Board of Directors of the Bank;
- (6) to exercise other functions conferred by the Board of Directors and that shall be performed by the legal representative/chairman of the Board of Directors of the Bank in accordance with the relevant laws, administrative regulations and departmental rules;

- (7) to exercise the special right to dealing with the affairs of the Bank in accordance with laws and in the interest of the Bank under the emergent force majeure such as extraordinarily serious natural disaster, and timely report to the Board of Directors and shareholders' meeting after the event.

Article 163 The meetings of the Board of Directors shall consist of regular meetings and interim meetings.

Article 164 The regular meetings of the Board of Directors shall be held at least four (4) times each year and at least once each quarter. The Board of Directors shall notify all the Directors in writing 10 working days prior to a regular meeting of the Board of Directors.

Article 165 The chairman of the Board of Directors shall convene and preside over an interim meeting of the Board of Directors within 10 days under any of the following circumstances:

- (1) the chairman of the Board of Directors deems it necessary;
- (2) shareholders representing 10% or above of voting rights propose for such a meeting;
- (3) more than one-third of Directors propose for such a meeting;
- (4) at least two of the independent Directors propose for such a meeting;
- (5) the Audit Committee proposes for such a meeting;
- (6) the President of the Bank proposes for such a meeting in emergency circumstances.

Notice for holding the interim meeting of the Board of Directors shall be issued in writing within a reasonable period of time. Notice for holding meetings of the Board of Directors shall be given in the manners specified in Article 244 of this Articles of Association.

Article 166 The notice of meetings of the Board of Directors shall contain the following contents:

- (1) venue, date and time of the meeting;
- (2) form and duration of the meeting;
- (3) reason for holding the meeting and topics for discussion;
- (4) date of issuance of meeting notice;
- (5) other contents required by laws, administrative regulations and departmental rules.

Article 167 The meeting of the Board of Directors shall be held only if more than half of the Directors are present at the meeting.

If a Director has any related party relation with the enterprises or individuals involved in the matters to be resolved at the meeting, the Director shall promptly report to the Board of Directors in writing, and such meeting of the Board of Directors shall be held only if more than half of Directors having no related party relation present at the meeting.

Article 168 Voting at an onsite meeting of the Board of Directors (including video conference and teleconference) shall be made by show of hands or by poll. If a Director participates in the onsite meeting through telephone or similar communication equipment, as long as he/she can make himself heard by the other participants at the meeting and can communicate and discuss with them instantly, all participating Directors shall be deemed to be present at the meeting in person. Each Director shall have one (1) vote when voting for resolution of the Board of Directors.

The Board meeting can be convened and pass resolution by way of voting through written circulation provided that the Directors are guaranteed to fully express their opinions and such resolution shall be signed by the participating Directors. Voting through written circulation shall have a voting time limit, and Directors who fail to vote within such voting time limit shall be deemed as abstaining from voting.

Resolutions of the Board of Directors shall be passed by a majority of all the Directors. However, resolutions with respect to the following matters shall not be adopted through written circulation and shall be passed by no less than two-thirds of all the Directors:

- (1) the profit distribution plans and plans for making up losses;
- (2) the proposals for the increase or reduction of the registered capital;
- (3) the proposals for merger, division, dissolution, liquidation or change in the form of the Bank;
- (4) the proposals for the issue of corporate bonds and other securities as well as the listing thereof;
- (5) the proposals for acquisition of ordinary shares of the Bank;
- (6) the proposals for the amendment of this Articles of Association;
- (7) the appointment or dismissal of the President or other senior management members of the Bank;
- (8) major matters such as major investment and major assets disposal plan;
- (9) remuneration plan;

- (10) other matters that a majority of all the Directors of the Board of Directors deem will have a material impact on the Bank and shall be passed by no less than two-thirds of all the Directors;
- (11) deciding on the matters relevant to preference shares issued by the Bank within the authorization of the shareholders' meeting, including but not limited to deciding on whether to repurchase, convert preference shares or distribute dividends.

Article 169 If any Director or any of his associates (as defined under the Hong Kong Listing Rules) has interests in the matters proposed to the Board of Directors, such Director shall abstain from voting in relation to such matter at the Board meeting, such Director shall not exercise his/her voting rights nor shall he/she vote on behalf of any other Directors in relation to such matter, and his/her voting rights shall not be counted into the total voting rights, unless otherwise provided by laws, administrative regulations and rules, and the relevant regulations of the securities regulatory authorities in places where the shares of the Bank are listed.

Resolutions to approve such matters shall be passed by no less than two-third of the Directors not related to such matters.

When the Directors not related to such matters present at the meeting are less than 3, the Board of Directors shall promptly submit such proposal to the shareholders' meeting for consideration. The Board of Directors shall explain the deliberations of the Board of Directors concerning such proposal when submitting such proposal to the shareholders' meeting and shall record the opinions of Directors having no interest in such matter on such proposal.

Resolution passed by the Board of Directors with respect to matters falling within the authority of the shareholders' meeting shall be implemented after being approved by the shareholders' meeting.

Article 170 The Directors shall attend at the meetings of the Board of Directors in person. If the Directors are unable to attend at the meeting in person for certain reasons, they may entrust other Directors in writing to attend the meeting as proxy. If independent Directors are unable to attend the meeting for certain reasons, they shall entrust other independent Directors to attend the meeting as proxy. When considering related party transactions, a non-related Director shall not appoint a related Director as his/her proxy to attend the meeting. In principle, a Director can be appointed as the proxy of no more than two Directors who do not attend the meeting in person. The letter of proxy shall include particulars such as the names of proxies, entrusted matter, scope of authorization and duration of the authorization, and be signed or stamped by the principal.

Directors attending the meeting as proxy for others shall exercise the director rights within the scope of authorization. Directors failing to attend a meeting in person nor entrusting proxy to attend the meeting shall be deemed to have abstained from voting on such meeting.

Article 171 Minutes of the meeting of Board of Directors shall be prepared in relation to the matters deliberated on the meeting and be signed by the Directors attending the meeting, the secretary of the Board of Directors and the recorder. Directors shall be responsible for resolutions adopted by

the Board of Directors. Directors participating in the decision-making process for resolutions which are in violation of laws, administrative regulations, this Articles of Association or resolutions of the shareholders' meeting and cause material losses to the Bank shall indemnify the Bank for the losses so incurred. However, if it is proved that a Director offered opposing opinions at voting, which was recorded in the meeting minutes, such Director can be exempt from the compensation liability.

The meeting minutes of the Board of Directors shall contain the following contents:

- (1) date and place of the meeting as well as name of the convener;
- (2) names of Directors who attend the meeting, Directors who entrust other persons to attend the meeting and their proxies;
- (3) agenda of the meeting;
- (4) key points of Directors' speeches;
- (5) voting method and result for each matter discussed (the voting result shall specify number of affirmative votes, negative votes or abstaining votes as well as the voting of every director).

Article 172 Minutes of the meetings of the Board of Directors shall be kept permanently by the secretary of the Board of Director as archive of the Bank.

Section 4 Specialized Committees of the Board of Directors

Article 173 The Board of Directors of the Bank shall establish under it the Audit Committee, the Strategic and Sustainable Development Committee, the Related Party Transactions Control Committee, the Risk Management Committee, the Nomination and Remuneration Committee and the Consumer Rights Protection Committee. The Board of Directors may establish other specialized committees or alter the existing specialized committees if necessary. The specialized committees of the Board of Directors shall be accountable to the Board of Directors, provide professional opinions to the Board of Directors or make decisions on specific matters as authorized by the Board of Directors. The specialized committees of the Board of Directors shall perform duties pursuant to this Articles of Association and the authorization from the Board of Directors and submit any of their proposals to the Board of Directors for consideration and decision-making.

Each specialized committee of the Board of Directors shall be composed of Directors alone, and shall have at least three (3) members. The Audit Committee shall only be composed of non-executive directors, with a majority of independent Directors. The chairman of the Audit Committee shall be an independent Director who is an accounting professional. Employee director may serve as member of the Audit Committee. The Related Party Transactions Control Committee and the Nomination and Remuneration Committee shall be composed mostly of, and chaired by, independent Directors. In principle, at least one-third of the members of the Risk Management Committee shall be independent Directors.

Article 174 The terms of reference of the specialized committees of the Board shall be formulated by the Board to regulate the operation of specialized committees of 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. The following matters shall be submitted to the Board of Directors for deliberation after obtaining the consent of more than half of all members of the Audit Committee:

- (1) to disclose financial information in financial accounting reports and periodic reports, and internal control evaluation reports;
- (2) to engage or dismiss accounting firms that conduct regular statutory audits of the Bank's financial reports;
- (3) to appoint or remove the Bank's chief financial officer;
- (4) to make changes to accounting policies or accounting estimates, or correct material accounting errors for reasons other than changes in accounting standards;
- (5) other matters stipulated by laws, administrative regulations, departmental rules, securities regulatory authorities of the places where the Bank's shares are listed, this Articles of Association, and matters authorized by the shareholders' meeting or the Board of Directors.

Article 176 The Audit Committee shall convene at least one (1) meeting each quarter. An interim meeting may be convened upon the proposal of two (2) or more members of the Audit Committee or when the chairman of the Audit Committee deems it necessary. A meeting of the Audit Committee may only be held if more than two-third of all members are present.

Resolutions of the Audit Committee shall be adopted by a majority vote of all members. Each member shall have one (1) vote when voting on the resolutions.

Meeting minutes shall be prepared for the Audit Committee resolutions as required, and members of the Audit Committee present at the meeting shall sign the meeting minutes.

Article 177 The Strategy and Sustainable Development Committee shall primarily be responsible for making researches on the Bank's operational management objectives, long-term development strategies, major collaborations, investment and financing plans, mergers and acquisitions plans, and submitting recommendations to the Board of Directors. The committee shall comprehensively promote the building of the Bank's environmental, social, and governance system, and handle other matters stipulated by laws, administrative regulations, departmental rules, securities regulatory authorities in the places where the Bank's shares are listed, this Articles of Association, and authorized by the Board of Directors.

Article 178 The Related Party Transactions Control Committee shall primarily be responsible for making researches on related party transaction systems, conducting preliminary reviews of related party transactions that require approval by the Board of Directors, approving or accepting filings for related party transactions within the scope authorized by laws, regulations and the Board of Directors, and handling other matters stipulated by laws, administrative regulations, departmental rules, securities regulatory authorities in the places where the Bank's shares are listed, this Articles of Association, and authorized by the Board of Directors.

Article 179 The Risk Management Committee shall be mainly responsible for overseeing the senior management's control of risks such as credit, liquidity and market risks; regularly evaluating the Bank's risk appetite; reviewing risk management related proposals submitted to the Board of Directors; performing compliance management duties as authorized by the Board of Directors; and handling other matters as stipulated by laws, administrative regulations, departmental rules, the securities regulatory authorities in the places where the Bank's shares are listed, this Articles of Association, and authorized by the Board of Directors.

Article 180 The Nomination and Remuneration Committee shall be primarily responsible for formulating selection criteria and procedures for directors and senior management members; screening and reviewing candidates for directors and senior management, and their qualifications; establishing performance evaluation standards for directors and senior management members and conducting assessments; developing remuneration policies and plans, including mechanisms for determining compensation, decision-making processes, and arrangements for payment, suspension, and clawback of remuneration for directors and senior management members; handling other matters as stipulated by laws, administrative regulations, departmental rules, the securities regulatory authorities in the places where the Bank's shares are listed, this Articles of Association, and authorized by the Board of Directors.

Article 181 The Consumer Rights Protection Committee shall be primarily responsible for making researches on major issues and important policies related to consumer rights protection; formulating strategies, policies, and objectives for the Bank's consumer rights protection work; overseeing the comprehensiveness, timeliness and effectiveness of the work carried out by the senior management and the consumer rights protection department; handling other matters as stipulated by laws, administrative regulations, departmental rules, the securities regulatory authority in the places where the Bank's shares are listed, this Articles of Association, and authorized by the Board of Directors.

Section 5 Secretary of the Board of Directors

Article 182 The Bank shall have one (1) secretary of the Board of Directors, who shall be nominated by Chairman of the Board of Directors and appointed or removed by the Board of Directors. The secretary of the Board of Directors shall be a member of the senior management of the Bank and accountable to the Bank and the Board of Directors.

Article 183 The secretary of the Board of Directors shall be a natural person with professional knowledge and experience. The principal duties of the secretary of the Board of Directors shall include:

- (1) to prepare for shareholders' meetings and meetings of the Board of Directors, and safekeep documents;
- (2) to manage the Bank's shareholder information;
- (3) to organize and coordinate information disclosure of the Bank;
- (4) to perform other functions conferred by the Board of Directors and required in the domestic and overseas places of listing.

The secretary of the Board of Directors, as a member of the senior management of the Bank, is entitled to attend relevant meetings, retrieve relevant documents and access information on financial and operational conditions of the Bank for the purpose of performing duties. The Board of Directors and other members of the senior management shall support the work of the secretary of the Board of Directors. No internal department or individual of the Bank shall interfere with the normal performance of duties by the secretary of the Board of Directors.

CHAPTER 7. President of the Bank and Other Senior Management

Article 184 The Bank shall have one (1) President, who shall be appointed or dismissed by the Board of Directors.

The Bank shall have several vice presidents and several chief officers who shall be appointed or dismissed by the Board of Directors, and may have other senior management personnel to assist the President where necessary.

Article 185 The President shall have a term of office of 3 years and may be re-appointed upon expiry of his term of office.

Article 186 The President of the Bank shall be accountable to the Board of Directors and shall exercise the following powers:

- (1) to be in charge of the daily business and management of the Bank and shall make reports on those management activities to the Board of Directors;
- (2) to organize the implementation of resolutions of the Board of Directors;
- (3) to draft and organize the implementation of the development strategies, business plans and investment plans of the Bank formulated by the Board of Directors;

- (4) to draft the basic management system, internal management structure, and internal management department of the Head Office and important branches establishment plan of the Bank and report to the Board of Directors for approval;
- (5) to organize and lead the daily operation of the Bank's internal control;
- (6) to formulate the specific regulations of the Bank;
- (7) to nominate the vice president and other senior management members who shall be appointed by the Board of Directors as required by regulators, and report to the Board of Directors for appointment or dismissal. To appoint or dismiss the president and vice president of a branch, as well as other management members of the Bank the appointment or dismissal of whom are not decided by the Board of Directors;
- (8) to appoint or dismiss the persons in charge of the internal departments of the Bank;
- (9) to engage in or authorize other senior management and persons in charge of the internal departments or branches of the Bank to conduct daily business and management activities under the authorization of the Board of Directors;
- (10) to formulate remuneration plans for the senior management; to decide the remuneration plans for employees of the Bank except for the senior management; to decide or authorize to decide on appointment and dismissal of the employees of the Bank;
- (11) to propose the convening of an interim meeting of the Board of Directors in case of emergency;
- (12) to decide on major investment, major assets acquisition and disposal with a single amount of no more than RMB200 million (inclusive);
- (13) to assume responsibility in implementing consolidated statement management of the Bank according to the consolidated regulatory requirements of the banking regulatory authority under the State Council;
- (14) other functions to be performed by the President of the Bank in accordance with applicable laws, administrative regulations, departmental rules, other relevant provisions and the decisions of the shareholders' meeting and the Board of Directors.

President who is not a director shall attend meetings of the Board of Directors as a non-voting attendee.

Other senior management personnel shall assist the President with his work. Under the authorization of the President of the Bank, they shall be responsible for the matters falling under their respective authority.

Article 187 The President of the Bank and other senior management members shall make truthful report to the Board of Directors or the Audit Committee on the business performance, material contracts, financial position, risks and operation prospects and major events, etc. on regular basis or as required by the Board of Directors or the Audit Committee.

Article 188 When discharging his duties, the President may convene the president office meeting, which shall be attended by senior management personnel of the Bank, persons in charge of the internal departments of the Bank as well as other management staff as determined by the President as appropriate.

Article 189 The working rules of the President shall be formulated by the President and shall be implemented after being approved by the Board of Directors.

The working rules of the President shall contain the following content:

- (1) the conditions and procedures for holding president work meetings, and attendees of the meetings;
- (2) the specific duties and division of responsibilities among the President and other senior management members;
- (3) the authority to use the Bank's funds and assets and enter into major contracts, and the reporting system to the Board of Directors;
- (4) other matters deemed necessary by the Board of Directors.

Article 190 Proper operation management activities of the President and other senior management personnel within their authority as stipulated by the laws, administrative regulations, and this Articles of Association shall be free from any improper interference by the shareholders and Board of Directors.

Article 191 The Bank may establish necessary insurance system in relation to the liability of the President and other senior management personnel to reduce the risks resulting from the normal performance of duties by the President and other senior management personnel.

Article 192 If necessary, the President may establish special committees and formulate the rules of procedure for each special committee.

Article 193 The Board of Directors shall discuss in time and make decisions in relation to matters submitted by the senior management for approval.

Article 194 The President and other senior management members of the Bank shall abide by their faithful and diligent duties in accordance with laws, administrative regulations, departmental rules, regulatory provisions and this Articles of Association, demonstrate high standards of professional

ethics, assume the obligations of loyalty, diligence and prudence to the Bank, perform their duties in good faith with due care and prudence, ensure dedication of sufficient time and energy to their duties and avoid negligence or breach of authority in performing their duties. The provisions concerning the duties of loyalty and diligence of the Directors specified under this Articles of Association shall also apply to the senior management members.

The Bank shall be liable for any damage caused to others by a senior management member in the performance of his/her duties at the Bank. The senior management member shall also be held compensation liability for any intentional or gross negligence. Senior management members of the Bank shall be responsible for indemnifying the Bank for losses incurred by the Bank as a result of their violation of laws, administrative regulations, departmental rules or this Articles of Association when discharging their powers.

Senior management members of the Bank shall faithfully perform their duties and safeguard the best interests of the Bank and all its shareholders. Any senior management personnel of the Bank who fail to faithfully perform their duties or violate the fiduciary duties, which harms the interests of the Bank or public shareholders, shall be liable to pay damages in accordance with the law.

Article 195 The President and other senior management may resign before expiration of their terms of office and the specific procedures and measures of his resignation shall be prescribed by the service contract between them and the Bank.

The provisions of this Articles of Association concerning the departure of the Directors shall also apply to the senior management members.

CHAPTER 8. Qualifications, Obligations and Incentive Mechanism of Directors, President and Other Senior Management Personnel

Article 196 The qualifications of Directors, President and other senior management personnel of the Bank shall be in conformity with relevant laws, administrative regulations, requirements of the banking regulatory authority of the State Council or other relevant supervisory and regulatory authorities and this Articles of Association, and shall be submitted to the banking regulatory authority of the State Council for examination pursuant to regulatory requirements.

Article 197 A person with one of the following circumstances shall not serve as Director, President and other member of the senior management of the Bank:

- (1) the person who is incapable or with limited capabilities under civil laws;
- (2) the person has been convicted of an offence of corruption, bribery, misappropriation or embezzlement of properties or violating social and economic order, and less than five years have elapsed since the expiration of the enforcement period; or the person has been deprived of

political rights due to conviction and less than five years have elapsed since the expiration of the enforcement period, or less than two (2) years have elapsed since the expiration of the probation period if having been placed on probation;

- (3) the person is a former director or factory manager or manager of a company or enterprise which has become insolvent and such person is personally liable for the insolvency of such company or enterprise, where less than three (3) years have elapsed since the date of completion of the insolvency and liquidation of such company or enterprise;
- (4) the person was the legal representative of a company or an enterprise whose business license has been revoked or has been ordered to close down as a result of the violation of the laws and who is personally liable, where less than three (3) years have elapsed since the date of revocation of the business license or order to close down of such company or enterprise.
- (5) the person has a relatively large amount of personal indebtedness which is overdue and outstanding and who therefore have been included in the list of the faithless persons subjected to enforcement by the people's court;
- (6) the person having a criminal record of intentional crimes or gross negligence;
- (7) the person who has been forbidden by the securities regulatory authority of the State Council from access to the securities market and the enforcement period has not expired;
- (8) the person who has been publicly declared by the stock exchange as unfit to serve as director or senior management member of a listed company, with the period not yet expired;
- (9) the person who has been recognized by the banking regulatory authority of the State Council as unfit to serve as director or senior management member of a banking financial institution;
- (10) other circumstances as stipulated by laws, administrative regulations or departmental rules.

Person who holds administrative positions other than director in the controlling shareholder of the Bank shall not be a member of senior management of the Bank.

Election, appointment or engagement of Directors and senior management personnel in violation of this Articles of Association shall be void. In the event that any circumstance above occurs during the term of office of a Director or senior management personnel, the Director or senior management personnel shall be dismissed from his/her position and shall cease performing his/her duties by the Bank.

Article 198 The Bank shall establish a performance appraisal mechanism with scientific and comprehensive indicators and clear, standardized processes in accordance with the principle of balancing benefits and risks as well as attaching equal importance to long-term and short-term

incentives, and set up an incentive mechanism connecting the remuneration and benefits with personal performance, so as to ensure the stability of the senior management and core staff members. The Bank may entrust a third party to conduct performance assessment.

Article 199 The remuneration and incentive plan for the Directors shall be formulated by the Nomination and Remuneration Committee under the Board of Directors and shall be submitted to the shareholders' meeting after being approved by the Board of Directors.

Article 200 The appraisal, remuneration and incentive plan for members of senior management shall be formulated by the Nomination and Remuneration Committee under the Board of Directors, and shall be approved by the Board of Directors. Those matters falling within the scope of authority of the shareholders' meeting shall be submitted to and approved by the shareholders' meeting. The appraisal results on the members of senior management shall be given by the Board of Directors, and shall be used as the basis for the remuneration and other incentive arrangement of the members of senior management personnel.

CHAPTER 9. Financial Accounting System, Profit Distribution, and Audit

Section 1 Financial Accounting System and Profit Distribution

Article 201 The Bank shall establish a financial and accounting system of the Bank in accordance with laws, administrative regulations and the PRC accounting standards formulated by the financial authority of the State Council.

Article 202 The Bank shall prepare a financial report at the end of each fiscal year and the financial report shall be audited by an accounting firm pursuant to applicable laws.

Article 203 The Bank shall submit and disclose its annual report to the local counterparts of the securities regulatory authority of the State Council and the stock exchange of the place where the Bank's shares are listed within 4 months after the end of each fiscal year. The Bank shall submit and disclose the interim report to the local counterparts of the securities regulatory authority of the State Council and the stock exchange of the place where the Bank's shares are listed within 2 months after the end of the first half of each fiscal year.

The aforesaid annual report and interim report shall be compiled in accordance with applicable laws, administrative regulations and rules of the securities regulatory authority of the State Council and stock exchanges.

Article 204 The Board of Directors shall submit to shareholders financial report that shall be prepared by the Bank in accordance with relevant laws, administrative regulations and departmental rules at every annual shareholders' meeting.

Article 205 The financial reports of the Bank shall be available in the Bank for inspection by the shareholders 20 days prior to the annual shareholders' meeting.

The Bank shall send the aforesaid reports or report of the Board of Directors together with the announcement on balance sheet and the loss and profit sheet by personal delivery or prepaid post to every shareholder of FLSs at least 21 days prior to the annual shareholders' meeting. The addresses of the recipients shall be the ones registered in the register of shareholders.

Shareholders shall be entitled to dividend of any shares before making call in arrears but shall not be entitled to dividends of any advance on subscription announced and distributed before the subscription payment day.

Under the premise that relevant laws, administrative regulations and departmental rules of China are complied with, the Bank can exercise the right of confiscation of unclaimed share dividend but this right shall only be exercised after six (6) years or more upon the declaration of the dividend. Should laws, administrative regulations, departmental rules and securities regulatory rules in the places where the Banks' shares are listed provide otherwise, such provisions on relevant applicable period shall prevail.

The Bank is entitled to terminate delivering dividend warrant by way of mail to holders of FLSs, however, such right may be exercised only if the dividend warrant is not withdrawn for two consecutive times. Nevertheless, such right may be exercised if the dividend warrant is returned without reaching the recipient in the first time.

The Bank is entitled to sell the shares of the shareholders of FLSs who cannot be contacted in the manner deemed appropriate by the Board of Directors, but the following conditions shall be strictly complied with:

- (1) the Bank has distributed dividend for the said shares for at least three times within 12 years but no one claims the dividend during such period;
- (2) the Bank, after expiry of the 12 years, publishes announcement in one or more newspapers in the place where the shares of the Bank are listed stating the intention of the Bank to sell the shares and notifies the securities regulatory authority in the place where the shares of the Bank are listed.

Article 206 The Bank's fiscal year shall be the calendar year, which starts from January 1st and ends on December 31st.

Article 207 The Bank shall have no book of account record other than those provided by the laws. The fund of the Bank shall not be deposited in any account opened and operated in the name of any individual.

Article 208 The profits of the Bank after payment of income tax shall be distributed in accordance with the following priority:

- (1) making up for losses of the previous years;

- (2) allocation of 10% of the balance of the net profit of the Bank after making up for losses of the previous years to the statutory reserve;
- (3) allocation to the general reserve;
- (4) payment of dividends in terms of preference shares;
- (5) allocation to the discretionary surplus reserve in accordance with the resolution of the shareholders' meeting;
- (6) payment of dividends in terms of ordinary shares.

Article 209 The Bank needs not allocate further amounts if the accumulated amount of the statutory reserve is over 50% of its registered capital.

The Bank shall use the net profit of the current year to make up for losses before making allocation to the statutory surplus reserve in accordance with item (2) of Article 208 in this Articles of Association.

The Bank's general reserve shall be subject to relevant laws, administrative regulations and departmental rules.

After the Bank has made statutory reserve from the after-tax profit, the Bank may successively draw the general reserve, pay dividends to the holders of preference shares, draw the discretionary reserve fund and pay dividends to shareholders of ordinary shares. After the dividends to holders of preference shares have been paid, the matter of whether to draw the discretionary reserve fund shall be decided by the shareholders' meeting.

Distributions shall be made to the Bank's holders of preference shares and holders of ordinary shares pro rata to their holding of shares in relevant classes respectively unless it is otherwise stipulated in this Articles of Association that the profits shall not be distributed in pro rata to the shareholding of the shareholders.

Where the shareholders' meeting distributes profits to the holders of preference shares and holders of ordinary shares in violation of the Company Law, the shareholders shall refund all profits distributed in contravention of such requirements to the Bank, and the shareholder, director or senior management member who is liable for any loss to the Bank shall be reliable for compensations.

The Bank's preference shares and ordinary shares held by the Bank shall not participate in any distribution of profits.

Article 210 Subject to the approval of the shareholders' meeting, the reserves of the Bank may be used to make up for the losses of the Bank, to expand the business of the Bank or to be converted into the capital of the Bank.

If the Bank needs to use its reserve to make up for losses, it shall first utilize the discretionary reserve and statutory reserve. If these are insufficient, the capital reserve may be used in accordance with the relevant provisions.

When the statutory reserve is converted into the capital, the amount remaining in such reserve shall not be less than 25% of the registered capital before the conversion.

Article 211 The Bank may distribute dividends in the form of cash, share, or a combination of cash and share.

The dividend distribution policy of the Bank shall be focused on generating reasonable return for investors. The dividend distribution policy shall maintain its continuity and stability and, meanwhile, give consideration to the long-term interests of the Bank, the interests of the shareholders as a whole, and the sustainable development of the Bank.

Cash shall be the prioritized form of dividend distributed by the Bank. Pursuant to the regulatory requirements of the securities regulatory authorities at the places where the shares of the Bank are listed, the Bank shall provide online voting platform when the profit distribution plan is considered and deliberated.

The Bank may distribute interim dividend if the situation permits.

Except under special circumstances, the Bank shall distribute dividends to shareholders of ordinary shares in the form of cash every year with an aggregate amount not less than 10% of the net profit attributable to the shareholders of the Bank. The special circumstances refer to circumstances where:

- (1) the profit distribution is restricted by laws, regulations and regulatory requirements;
- (2) cash dividend distribution may adversely affect the long-term interests of the shareholders.

Under circumstances where the Bank has sound operation, and the Board of Directors determines that the share price of the Bank does not match the size of its share capital and share dividend is beneficial to the interests of the shareholders of the Bank as a whole, a plan on dividend distribution in the form of share may be formulated and implemented upon approval at the shareholders' meeting, provided that the requirements of cash dividend distribution set out above have been met.

The profit distribution plan of the Bank is prepared by the Board of Directors and approved by the shareholders' meeting. Prior to the deliberation of the shareholders' meeting on specific proposals, the Bank shall communicate and exchange with public investors through various channels and fully listen to their opinions. When formulating a prudent profit distribution plan, the Bank shall ensure compliance with the requirements for its capital adequacy ratio during the current period and the reasonably foreseeable future period, and shall give full consideration to the Bank's development needs.

The Bank shall complete the distribution of dividends (or shares) within two (2) months after the shareholders' meeting resolves on the profit distribution plan, or after the Board of Directors formulates the specific plan in accordance with the conditions and limits for the interim dividend of the next year as adopted by the annual shareholders' meeting.

If the Bank does not distribute cash dividend due to special circumstances, the profit distribution plan proposed to the shareholders' meeting for consideration and deliberation shall include the reasons for such no dividend distribution and the use of the undistributed fund, and corresponding disclosure shall be made in the periodic reports.

In the case of force majeure events such as wars and natural disasters, changes in external business environment that have material effect on the Bank's business performance, or material changes in the Bank's own operation situations, the Bank may adjust the profit distribution policies herein. If the Bank intends to adjust its profit distribution policies, a written proposal shall be prepared by the Board of Directors and, upon review and approval by the independent directors, submitted to the shareholders' meeting for approval by way of special resolution. If required under the regulatory requirements of the securities regulatory authorities at the places where the shares of the Bank are listed, the Bank shall provide online voting platform when the proposal on adjustment of profit distribution policies is considered and deliberated.

Article 212 The Bank shall appoint a receiving agent for the shareholders of FLSs, who shall receive the dividend distributed by the Bank in relation to FLSs and other amounts payable by the Bank on behalf of the shareholders of FLSs.

The receiving agent appointed by the Bank shall meet the requirements of the laws of the place where the shares of the Bank are listed or those of the relevant regulations of stock exchange.

The receiving agent appointed by the Bank for shareholders of FLSs listed in Hong Kong must be a trust company registered in accordance with the Trustee Ordinance of Hong Kong.

Article 213 For joint holders of any shares, where the Bank pays the dividends, bonus or capital return payable to such joint holders to any one (1) of such holders, such payment shall be deemed as having been duly made by the Bank to all joint holders of the relevant shares.

Section 2 Internal Audit

Article 214 The Bank shall establish an internal audit system, which specifies the governance structure, responsibilities and authorities, staffing arrangements, financial resources, application of audit findings, and accountability mechanisms. The Bank shall set an independent internal audit department responsible for internal audit related work, and have sufficient full-time internal audit staff.

Article 215 The basic internal audit system of the Bank shall be implemented after being approved by the Party Committee of the Bank's head office and the Board of Directors, and shall be disclosed.

Article 216 The internal audit department of the Bank shall conduct supervision and inspection over the Bank's business activities, risk management, internal control, financial information, and other matters. The internal audit work shall be independent from business operations, risk management, internal control and compliance, and financial management. The internal audit department shall maintain its independence, and shall not be placed under the leadership of the business department, risk management department, internal control and compliance department, financial department, or co-located with the above-mentioned relevant departments.

Article 217 The internal audit department shall accept the supervision and guidance of the Audit Committee during the process of supervising and inspecting the Bank's business activities, risk management, internal control, and financial information. Where the internal audit department discovers any major issues or clues, it shall immediately report directly to the Audit Committee.

Article 218 The internal audit department shall be responsible for specific organization and implementation of the Bank's internal control evaluation. The Bank shall issue an annual internal control evaluation report based on the evaluation report issued by the internal audit department and reviewed by the Audit Committee, as well as relevant materials.

Article 219 When the Audit Committee communicates with accounting firms, national audit institutions and other external audit entities, the internal audit department shall actively cooperate and provide necessary support and collaboration.

Article 220 The Audit Committee shall participate in the performance assessment of the head of the internal audit department.

CHAPTER 10. Appointment of Accounting Firm

Article 221 The Bank shall appoint an accounting firm that is qualified under the Securities Law to conduct accounting statement audits, net asset verification, and other related consulting services, with a term of one (1) year, which may be renewed.

Article 222 The Bank undertakes to provide the appointed accounting firm with true and complete accounting vouchers, accounting books, financial and accounting reports, and other accounting materials, and shall not refuse to provide, conceal, or falsify such materials.

Article 223 The audit fees of the accounting firm shall be approved by the shareholders' meeting.

Article 224 The Bank's appointment or removal of accounting firm shall be determined by the shareholders' meeting. The Board of Directors shall not appoint any accounting firm before the shareholders' meeting makes decisions.

If the Bank removes or does not renew the engagement with an accounting firm, the Bank shall notify the accounting firm 30 days in advance, and the accounting firm shall be entitled to state its opinions when the shareholders' meeting votes on the removal of the accounting firm.

Article 225 Where the accounting firm is to resign, it shall state in the shareholders' meeting whether or not there are irregularities in the Bank.

CHAPTER 11. Disclosure of Information

Article 226 The Board of Directors of the Bank shall formulate the standards, means and ways, etc., of information disclosure, establish and improve the Bank's information disclosure system according to the relevant laws, administrative regulations and departmental rules and relevant provisions of the securities regulatory authorities at the places where the Bank's shares are listed, as well as this Articles of Association.

Article 227 The Bank shall make truthful, accurate, complete, timely and fair information disclosure by following applicable requirements.

CHAPTER 12. Labor and HR Administration

Article 228 The Bank shall abide by the relevant laws and administrative regulations of the State on labor and personnel, labor protection and social security, and implement the State's systems of labor protection and social security, and shall respect and protect the legitimate rights of the employees of the Bank.

Article 229 According to relevant provisions of the State, the Bank shall be entitled to decide by itself on the conditions, number, timing and forms of recruitment and mode of employment.

Article 230 Based on national laws and regulations as well as the Bank's needs of business management, the Bank shall institute a remuneration system that is effective in stimulation and efficient in constraint and reasonably determine the remuneration levels for various types of employees.

Article 231 In case of a labor dispute arises between the Bank and an employee, the dispute shall be settled according to relevant laws and regulations of the State and the relevant provisions of the Bank on settlement of labor disputes.

CHAPTER 13. Merger, Division, Bankruptcy, Dissolution and Liquidation

Article 232 The Bank may conduct mergers and division in accordance with laws. The mergers and division of the Bank shall be conducted in compliance with the provision in the Company Law, the Commercial Bank Law and departmental rules.

The mergers of the Bank may take either of the two forms of merger, namely absorption merger or merger by new establishment.

Article 233 In the Bank's merger, the parties to the merger shall execute an agreement on the merger, and a balance sheet and property list shall be compiled. The Bank shall notice its creditors within 10 days after the resolution on merger is adopted and publicly announce the resolution on newspapers designated by the Bank or on the National Enterprise Credit Information Publicity System within 30 days. The creditors may require the Bank to pay back the debts or provide relevant security within 30 days after receiving the notice or within 45 days after the announcement is published in case of not receiving the notice.

Under circumstances of merger of the Bank, the credits and debts of the parties to the merger shall be inherited by the company existing after the merger or the company newly established after the merger.

Article 234 In the case of the Bank's division, its properties shall be divided accordingly.

In the case of division, a balance sheet and property list shall be compiled. The Bank shall notice its creditors within 10 days after the resolution on the division is adopted and publicly announce the resolution on newspapers designated by the Bank or on the National Enterprise Credit Information Publicity System within 30 days.

The Bank's debts before division shall be assumed jointly and severally by the companies existing after the division, unless otherwise provided in the written agreement between the Bank and the relevant creditors before the division.

Article 235 In the case of the Bank's merger or division, if there are changes to the registered items of the Bank, registration changes shall be filed with company registration authority according to the laws. In the case of the Bank's dissolution, the Bank's deregistration shall be processed according to the laws; in the case of establishment of a new company, establishment registration shall be processed according to the laws.

Article 236 The Bank shall be dissolved if:

- (1) a resolution is passed at the shareholders' meeting to dissolve the Bank;
- (2) dissolution of the Bank is necessary due to a merger or division of the Bank;
- (3) the Bank's business license is revoked according to the laws, or the Bank is ordered to close down or is deregistered;
- (4) serious difficulties have been encountered by the Bank in its operations and management, and continual operations will cause substantial losses to the interests of the shareholders, and the problem cannot be solvable through other means; shareholders holding more than 10% of the total shares with voting rights may request the people's court to dissolve the Bank.

Where the Bank encounters the dissolution causes as specified in the preceding paragraph, it shall, within 10 days, publicly disclose the dissolution causes through the National Enterprise Credit Information Publicity System.

The dissolution of the Bank shall be filed with the banking regulatory authority of the State Council for approval.

Article 237 In the cases of the Bank's dissolution due to reasons specified in (1), (3) or (4) above, a liquidation committee shall be set up according to the laws. The liquidation committee shall be composed of Directors, unless otherwise provided in this Articles of Association or the shareholders' meeting resolves to elect other persons.

Article 238 The liquidation committee shall notify the creditors within 10 days of its establishment, and shall make public announcement on newspapers designated by the Bank or on the National Enterprise Credit Information Publicity System within 60 days.

The creditors shall report their credits to the liquidation committee within 30 days after receiving the notice or within 45 days after the public announcement is published in case of not receiving the notice.

In reporting their credits, the creditors shall give explanations on issues related to the credits and provide documents as evidence. The liquidation committee shall register these credits.

During the period of reporting the credits, the liquidation committee shall not make payment to the creditors.

Article 239 The liquidation committee shall perform the following duties during the liquidation period:

- (1) to sort out the Bank's properties, and to compile balance sheet and property list respectively;
- (2) to notify or make public announcement to the creditors;
- (3) to handle the Bank's outstanding businesses related to the liquidation;
- (4) to pay taxes due and payable and taxes incurred in the liquidation process;
- (5) to sort out credits and debts;
- (6) to distribute the properties of the Bank remaining after payment of its debts;
- (7) to represent the Bank in civil proceedings.

Article 240 After sorting out the Bank's properties and compiling the balance sheet and property list, the liquidation committee shall formulate a liquidation plan, which shall be submitted to the shareholders' meeting and the banking regulatory authority of the State Council for approval.

The properties of the Bank shall be used for payment of the amounts according to the order of payment as specified in the Company Law and other relevant laws and regulations, i.e. the liquidation costs, employees' wages, social insurance and statutory compensation, taxes due and payable, and the Bank's debts.

The properties of the Bank remaining after the payment as specified in the above paragraph shall be distributed to the shareholders according to the class of shares held by them and in pro rata to their shareholding. During the liquidation period, the Bank shall not engage in any business activities unrelated to the liquidation. The Bank's property will not be distributed to shareholders until it has been liquidated in accordance with the preceding paragraph.

Article 241 In the case of liquidation due to dissolution of the Bank, if the liquidation committee finds out that the Bank's properties are not enough to pay its debts after the committee sorts out the Bank's properties and compiles the balance sheet and property list, the liquidation committee shall petition with a People's Court for bankruptcy liquidation after being approved by the banking regulatory authority of the State Council.

When the People's Court accepts the application for bankruptcy, the liquidation committee shall hand over the liquidation matters to the bankruptcy administrator designated by the People's Court.

Article 242 After completion of the Bank's liquidation, the liquidation committee shall compile a liquidation report, a statement on income and expenditures during the liquidation and financial account books, which shall be filed with the shareholders' meeting and the banking regulatory authority of the State Council for confirmation after they are certified by certified public accountants of China.

The liquidation committee shall file the aforementioned documents with company registration authorities to apply for deregistration of the Bank within 30 days upon confirmation by the banking regulatory authority of the State Council.

Article 243 The members of the liquidation committee shall perform their liquidation obligations and have the fiduciary duties and duties of diligence.

The members of the liquidation committee who fail to perform their liquidation duties, thereby causing losses to the Bank, shall be liable for compensation. In the case of intentional misconducts or gross negligence causing losses to the creditors, the members of the liquidation committee shall assume the responsibility of compensation.

CHAPTER 14. Notices and Announcements

Article 244 The notice of the Bank shall be given in one or more of the following manners:

- (1) by personal delivery;
- (2) by post;
- (3) by public announcement;
- (4) by other ways as agreed upon between the Bank and the recipients of the notice or rectified by the recipients of the notice upon receiving the notice;
- (5) other manners as accepted by the securities regulatory authorities in the place where the Bank's shares are listed or specified in this Articles of Association.

Article 245 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.

Article 246 In the case the securities regulatory rules at the place where the Bank's shares are listed require the Bank to send out, post, dispatch, distribute, publish or provide relevant documents of the Bank by other means in both the Chinese and English versions, if the Bank has made proper arrangement to determine whether its shareholders only want to receive the English version or the Chinese version, the Bank may (based on the wishes as notified by the shareholders) send to relevant shareholders the English version or the Chinese version only to the extent permitted by applicable laws and regulations and according to these applicable laws and regulations.

Article 247 In the case the notice of the Bank is given by personal delivery, the recipient shall sign (or stamp) the return sheet of delivery, and the date of the recipient's signing on the notice shall be the date of delivery; in the case the notice of the Bank is given via post, the date of delivery shall be the 48th hour after delivery to post office; in the case the notice of the Bank is given through public announcement, the date of the first publication of the announcement shall be the date of delivery.

Article 248 The newspapers designated by the Bank shall be the media for publishing the Bank's announcements and other information required to be disclosed.

CHAPTER 15. Amendment to the Articles of Association

Article 249 The Bank may amend this Articles of Association in accordance with laws, administrative regulations and this Articles of Association.

Article 250 The Bank shall amend this Articles of Association if any of the following circumstances occurs:

- (1) if any term contained in this Articles of Association becomes inconsistent with the provisions of the amended laws, administrative regulations and departmental rules after the Company Law, or other relevant laws, administrative regulations and departmental rules are amended;
- (2) if certain changes of the Bank occur resulting in the inconsistency with certain terms specified in this Articles of Association;
- (3) if the shareholders' meeting adopts a resolution to amend this Articles of Association.

Article 251 Amendments of this Articles of Association passed by resolutions of the shareholders' meeting shall be subject to examination and approval of the banking regulatory authority of the State Council if necessary. In the case an amendment to this Articles of Association is subject to registration, the Bank shall register the amendment according to the laws.

Article 252 The Board of Directors shall amend this Articles of Association based on the resolution of the shareholders' meeting on amendment to the Articles of Association and the examination and approval opinions from the banking regulatory authority of the State Council.

Article 253 In the case the amendment to the Articles of Association involves matters required to be disclosed in accordance with laws, regulations and departmental rules, relevant announcements shall be made according to these requirements.

CHAPTER 16. Dispute Resolution Involving Shareholders of FLSs

Article 254 Except otherwise stipulated in this Articles of Association, the Bank shall abide by the following dispute resolution procedures:

- (1) If any disputes or claims related to the Bank's business based on the rights or obligations provided in this Articles of Association, the Company Law and other relevant laws or administrative regulations arise between the shareholders of FLSs and the Bank, between the shareholders of FLSs and the Directors and senior management personnel of the Bank or between the shareholders of FLSs and other shareholders, the parties concerned shall submit such dispute or claim for arbitration.

When such disputes or claims as described above are submitted for arbitration, such disputes or claims shall be submitted in their entirety, and all persons that have a cause of action due to the same events or whose participation is necessary for the settlement of such disputes or claims, and if such persons being the Bank, shareholders, Directors, the President or other senior management personnel of the Bank, shall abide by the arbitration result.

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

- (2) A dispute or claim submitted for arbitration may be arbitrated, at the option of the arbitration applicant, by either the China International Economic and Trade Arbitration Commission in accordance with its arbitration rules or the Hong Kong International Arbitration Center in accordance with its securities arbitration rules. After the arbitration applicant has submitted the dispute or claim for arbitration, the other party must carry out arbitration in the arbitration institution selected by the applicant.

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

- (3) Unless otherwise provided by laws or administrative regulations, the laws of the People's Republic of China shall apply to the settlement by means of arbitration of disputes or claims referred to in item (1).
- (4) The award of the arbitration institution shall be final and binding upon each party.

CHAPTER 17. Miscellaneous

Article 255 This Articles of Association are made in Chinese; in the case of any discrepancies between the Articles of Association of any other language or different versions and this Articles of Association, the Chinese version of this Articles of Association as most recently certified by and registered with the banking regulatory authority of the State Council and most recently registered and filed with the company registration authority shall prevail.

Matters not mentioned here in this Articles of Association shall be handled in accordance with laws, administrative regulations, departmental rules, and securities regulatory rules in places where the shares of the Bank are listed and in the light of the actual situation of the Bank. In the case of any discrepancies between this Articles of Association and any newly promulgated laws, administrative regulations, departmental rules, and securities regulatory rules in places where the shares of the Bank are listed, the latter shall prevail.

Article 256 The term “substantial shareholder” as mentioned in this Articles of Association means a shareholder that holds or controls 5% or more of the Bank's shares or voting right, or that holds less than 5% of the total capital or the total shares but has a significant influence on the Bank's operations and management.

The “significant influence” in the preceding paragraph include, but is not limited to, dispatching 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 authority of the State Council or its local branches.

“Onsite meeting of the Board of Directors” as referred to in this Articles of Association means a meeting held on site or by video or telephone, which ensures constant communication and discussion by persons attending the meeting.

“Written circulation” as referred to in this Articles of Association means a form of meeting at which proposals are resolved on through separate delivery or circulation for review and discussion.

“Stakeholders” as referred to in this Articles of Association include the Bank’s financial consumers, employees, suppliers, creditors and communities.

For the purposes of this Articles of Association, the “newspapers designated by the Bank” refer to the *China Securities Journal*, *Shanghai Securities News*, *Securities Times*, or any newspaper that complies with the requirements of the competent authorities.

Article 257 Except as otherwise stipulated in this Articles of Association or creating ambiguity in the context, the phrases such as “no less than”, “within” and “no more than” as used in this Articles of Association shall also include the number or amount itself, while the phrases such as “in excess of”, “less than”, “lower than”, “other than” and “under” shall not include the number or amount itself.

Article 258 “Total number of voting shares” mentioned in this Articles of Association only refer to ordinary shares and preference shares with restored voting right.

Article 259 The Board of Directors shall be responsible to interpret this Articles of Association.

Article 260 The Annexes to this Articles of Association shall include the Rules of Procedures for the Shareholders’ Meeting and the Rules of Procedures for the Board of Directors.