

# **China CITIC Bank Corporation Limited**

## **ARTICLES OF ASSOCIATION**

(Revised and became effective according to NFRA Reply〔2024〕No. 497 issued by National Financial Regulatory Administration dated 22 July 2024)

\* *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, 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 *Special Regulations of the State Council on Overseas Offering and Listing of Shares by Joint Stock Limited Companies* (hereinafter referred to as the “Special Regulations”), the *Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas* (hereinafter referred to as the “Mandatory Provisions”), the *Guiding Opinions of the State Council on the Pilot Launch of Preference Shares*, the *Guidelines on the Articles of Association of Listed Companies* (hereinafter referred to as the “Guidelines on Articles”), and other applicable laws and administrative regulations and 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 China Banking Regulatory Commission (hereinafter referred to as “CBRC”) (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. 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.

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

**Article 3** 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 4** Address of the Bank: 6-30/F and 32-42/F, Building No. 1, 10 Guanhua Road, Chaoyang District, Beijing  
Postal code: 100020  
Telephone: (86)10 4006800000  
Fax: (86)10 65559100

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

**Article 6** The Chairman of the Board of Directors shall be the legal representative of the Bank.

**Article 7** This Articles of Association shall become effective from the date of the approval of the banking regulatory authority of the State Council, of which the articles in relation to preference shares shall become effective at the date of the completion of the first issuance of preference shares. 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 8** This Articles of Association shall be binding on the Bank, its shareholders, Directors, Supervisors, President and other members of its senior management. All persons mentioned above shall have the rights to refer to this Articles of Association for claims regarding affairs related to the Bank.

The shareholders may institute lawsuits against the Bank pursuant to this Articles of Association; the Bank may institute lawsuits against the shareholders pursuant to this Articles of Association; the shareholders may institute lawsuits against other shareholders of the Bank pursuant to this Articles of Association; and the shareholders may institute lawsuits against the Directors, Supervisors, President and other members of the senior management of the Bank pursuant to this Articles of Association.

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

**Article 9** 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 assets.

**Article 10** 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, 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 11** Within the scope permitted by laws and regulations, the Bank may make investments in other legal person institutions, such as other limited liability companies and joint stock limited companies, and shall bear the liabilities for the legal person institutions in which it has made investment to the extent of the shares subscribed by it.

**Article 12** The senior management referred to in this Articles of Association shall mean the President, vice presidents, secretary of the Board of Directors, chief officers and other management officers specified in this Articles of Association.

**Article 13** 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 14** 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 15** With the approval of the regulatory authorities, such as the banking regulatory authority of the State Council, and the company registration authority, 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 authority of the State Council.

### **CHAPTER 3. Share and Registered Capital**

#### **Section 1 Issue of Shares**

**Article 16** The Bank shall have ordinary shares. Based on actual needs and as approved by the examination and approval authorities authorized by the State Council, the Bank may have other classes of shares such as preference shares. The shares of the Bank shall be in the form of stocks.

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 fifty percent 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 11 herein refer to ordinary shares, ordinary stocks, ordinary share capital and ordinary shareholders respectively.

**Article 17** All of the shares issued by the Bank shall be shares with a par value. The par value of each ordinary share shall be RMB1.00, and par value of each preference share shall be RMB100.

**Article 18** Upon approval by the examination and approval 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, the Macau Special Administrative Region and Taiwan 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 19** 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 shall be called Foreign Investment Shares (FISs). DISs which are listed domestically shall be called Domestically Listed DISs (DLDISs), and FISs which are listed outside of PRC shall be called Foreign Listed FISs (FLFISs).

The foreign currencies referred to in the preceding paragraph shall mean the lawful currencies of other countries or regions, other than RMB, which are recognized by the foreign exchange administration authorities of the State for payment to the Bank for share capital.

The shares as approved by the authorities authorized by the State Council for trading on domestic exchanges shall be of the same class and shall be called collectively as domestically listed shares (DLSs); and the shares as approved by the authorities authorized by the State Council for trading at overseas exchanges shall be of the same class and shall be called collectively as foreign listed shares (FLSs).

**Article 20** As approved by the examination and approval authority authorized by the State Council, the Bank can issue up to 48,934,796,573 ordinary shares.

31,113,111,400 shares were issued to the promoters when the Bank was restructured into a joint stock limited company, representing approximately 63.58% of the total number of ordinary shares the Bank is authorized to issue.

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 and 53.94% of the total number of ordinary shares the Bank is authorized to issue;

CITIC International Financial Holdings Limited: 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 and 9.64% of the total number of ordinary shares the Bank is authorized to issue.

**Article 21** Upon its incorporation as a joint stock limited company, the Bank issued 7,920,232,654 ordinary shares, among which, 5,618,300,000 shares were foreign-listed shares, representing 14.39% of the total number of ordinary shares the Bank was authorized to issue then, and 2,301,932,654 shares were domestic-listed shares issued to the public, representing 5.90% of the total number of ordinary shares the Bank was authorized to issue then.

The Bank issued 7,753,982,980 ordinary shares through the Rights Issue in 2011, among which, 5,273,622,484 shares were domestic-listed shares and 2,480,360,496 shares were foreign-listed shares.

The Bank issued 2,147,469,539 ordinary shares by the private placement in 2016, all of which were domestic-listed shares.

In 2016, the Bank issued 350,000,000 domestic preference shares upon approval by the authorities authorized by the State Council.

The shareholding structure of the Bank is as follows: 48,934,796,573 ordinary shares and 350,000,000 preference shares. 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 22** The Board of Directors of the Bank may arrange for separate implementation of the plans to issue DLSs and FLSs of the Bank as approved by the securities regulatory authorities of the State Council.

The plans of the Bank to separately issue FLSs and DLSs as specified in the preceding paragraph may be implemented separately within 15 months upon approval by the securities regulatory authorities of the State Council.

**Article 23** In the case that the Bank issues FLSs and DLSs separately within the total number of shares as determined by the issuance plan, the total numbers of FLSs and the total number of DLSs shall be issued in full in one time separately. If it cannot be achieved for specific reasons, the FLSs and DLSs may be issued in installments after being approved by the securities regulatory authorities of the State Council.

**Article 24** 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 entity or individual subscribing for shares shall pay the same price for each share.

**Article 25** The registered capital of the Bank is RMB48,934,796,573.

## **Section 2 Increase/Reduction and Repurchase of the Shares**

**Article 26** 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 general meeting and the relevant examination and approval authorities authorized by the State Council by way of:

- (1) public offer of ordinary shares;
- (2) offer of ordinary shares other than a public offering;
- (3) offer of new shares to existing ordinary shareholders;
- (4) issue of bonus shares to existing shareholders;
- (5) increase of the registered capital with capital public reserve;
- (6) conversion of preference shares to ordinary shares;
- (7) other means as specified in the laws and administrative regulations and approved 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 of the State.

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 27** The Bank may reduce its registered capital as specified in this Articles of Association. When reducing its registered capital, the Bank shall compile a balance sheet and list of properties.

The Bank shall notify its creditors within 10 days and shall make public announcement on newspapers within 30 days of the date a resolution is reached on reduction of the registered capital. 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.

The registered capital of the Bank following a capital reduction shall not be lower than the legally specified minimum amount.

**Article 28** The Bank shall not acquire its outstanding shares, unless in any of the following circumstances:

- (1) cancellation of shares for the purpose of reduction of capital of the Bank;
- (2) merger with other companies holding shares of the Bank;
- (3) use of shares for the employee stock ownership plan or share incentives;
- (4) such shares as repurchased by the Bank upon request of any shareholder opposing a resolution regarding a merger or division at a shareholders general meeting;
- (5) redemption of preference shares;
- (6) use of shares for conversion of convertible corporate bonds issued by the Bank;
- (7) protection of the Bank's corporate value and the rights and interests of its shareholders where necessary;
- (8) other circumstances as permitted by the laws, administrative regulations and rules.

After the Bank repurchases its shares according to the provision in the preceding paragraph, the shares repurchased in case (1) shall be cancelled within 10 days of the date of repurchase; and in cases (2) and (4), they shall be transferred or cancelled within 6 months.

Where the shares of the Bank are repurchased by the Bank according to case (3), (6) or (7) above, 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 A-shares 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 29** The Bank may repurchase its shares by one of the following ways in a repurchase approved by the examination and approval authorities authorized by the State Council:

- (1) making repurchase offers to all the shareholders of such class pro rata to their shareholding;
- (2) repurchasing through public trading at stock exchanges;
- (3) repurchasing by means of agreement other than through a stock exchange;
- (4) redeeming preference shares in accordance with laws, administrative regulations, rules, the Articles of Association and the Offering Plan for the Preference Shares;
- (5) other ways as accepted by the laws and administrative regulations and the examination and approval authorities authorized by the State Council.

The Bank shall repurchase its shares by means of open centralized trading in case (3), (6) or (7) under paragraph 1 of Article 28 of this Articles of Association.

**Article 30** In the case of repurchase by the Bank of its shares by means of agreement other than through a stock exchange, the repurchase shall be approved in advance by the shareholders general meeting according to the provisions in this Articles of Association. And following the approval in advance by the shareholders general meeting according to the provisions in this Articles of Association, the Bank may terminate or change the contract entered into as specified in the first sentence of this article, or abandon any of its rights under the contract.

The contract of share repurchase referred to in the preceding paragraph shall include but not be limited to the agreements relating to assumption of obligations to repurchase shares and the acquisition of rights to repurchase shares.

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

**Article 31** When the Bank purchases for redemption a redeemable share:

- (1) Purchase not made through the market or by tender shall be limited to a maximum price; and
- (2) If purchases are by tender, tenders shall be available to all shareholders alike.

**Article 32** 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 market regulation administration authorities for registration change to its registered capital. The total par value of the foregoing shares cancelled shall be deducted from the registered capital of the Bank.

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

**Article 33** Unless the Bank is in liquidation, the repurchase of issued shares by the Bank shall be subject to the following provisions:

- (1) for share repurchased at par value, payment shall be made out of the balance of distributable profits as shown on the accounts of the Bank or from the proceeds from issuance of new shares which are issued for the purpose of repurchasing the old shares;
- (2) for share repurchased at a price higher than the par value, payment up to the par value thereof shall be made out of the balance of distributable profits as shown on the accounts of the Bank or from the proceeds from issuance of new shares which are issued for the purpose of repurchasing the old shares; payment of the portion in excess of the par value thereof shall be dealt with in the following manners:
  - (a) for the repurchased shares which were issued at par value, it shall be paid out of the balance of the distributable profits as shown on the accounts of the Bank;
  - (b) for the repurchased shares which were issued at a price in excess of the par value, it shall be paid out of the balance of the distributable profits as shown on the accounts of the Bank or from the proceeds from the issuance of new shares which are issued for the purpose of repurchasing old shares, provided that the amount paid out of the proceeds from the issuance of new shares shall not exceed the total premium received from the issuance of such repurchased shares, nor shall it exceed the amount in the capital public reserve account or the premium account (including the amount of premium from the issuance of the new shares) of the Bank at the time of such repurchase.
- (3) The payments made by the Bank for the following purposes shall be paid out of the distributable profits of the Bank:
  - (a) acquisition of rights to repurchase its shares;
  - (b) alteration of any contract of repurchase of its shares;
  - (c) discharging any of its obligations under any repurchase contract.
- (4) After deducting the total par value of the shares which have been so cancelled from the Bank's registered capital according to relevant provisions, the amount which has been deducted from the distributable profits and which has been used for repurchasing the nominal value of the shares shall be credited to the Bank's capital public reserve account or the premium account.

### **Section 3 Share Transfer**

**Article 34** Except otherwise stipulated in the relevant provisions of the laws, administrative regulations and the securities regulatory authorities of the location where the Bank's shares are issued, the Bank's shares may be transferred freely without any lien attached thereto, but 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 Stock Exchange of Hong Kong Limited (hereinafter referred to as 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 (hereinafter "Certified Clearing House" or "CCH") 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 of the Bank held by the promoters of the Bank shall not be transferred within one year of the date of the Bank's establishment in the form of a joint stock limited corporation. 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, Supervisors and the members of the senior management shall file with the Bank their holding of the shares of the Bank and changes to the holdings; the ordinary or preference shares transferred in any year during their tenures shall not exceed 25% of the total number of the shares in the same class held by them; 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, except for transfers enforced by a court.

**Article 39** If any shareholders holding 5% or more of the Bank's total shares, Directors, Supervisors or 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, Supervisor, 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 preceding paragraph, 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 general 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 general meetings, resolutions of the meetings of the Board of Directors, resolutions of the meetings of the Board of Supervisors, 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 ten 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 general 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 general meeting, 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 general meeting, 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 general meeting 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 general meeting 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, departmental rules and the Articles of Association 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 general meeting of shareholders;
- (2) the shareholders who are entitled to convene and preside over a shareholders general meeting;
- (3) the shareholders who are entitled to submit interim proposals to the general meeting of shareholders;
- (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 ten 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. Financial Assistance for the Purchase of the Bank's Shares**

**Article 49** The Bank or any subsidiary bank (subsidiary company) of the Bank shall not, at any time, provide any financial assistance to any person who purchases or intends to purchase the shares of the Bank in relation to their purchase or contemplated purchase of the shares of the Bank in any manner such as gifts, fund advancing, guarantees, compensation or loans. The person who acquires the shares of the Bank as aforesaid includes the person who assumes, directly or indirectly, obligations as a result of the purchase of the shares of the Bank.

The Bank or any subsidiary bank (subsidiary company) of the Bank shall not, at any time or in any manner, provide any financial assistance to a person who assumes the obligations as a result of the purchase or contemplated purchase of the shares of the Bank as aforesaid to alleviate or discharge them from such obligations.

This article shall not apply to circumstances as described in Article 51 of this chapter.

**Article 50** The financial assistance referred to in this chapter shall include without limitation:

- (1) gifts;
- (2) guarantees (including the assumption of obligations by the guarantor or the offering of property by the guarantor to secure the performance of obligations by the obligor), compensation (other than compensation to be made as a result of default on the part of the Bank), discharge or waiver of rights;
- (3) provision of loans or entering into contracts in which the Bank has to perform obligations prior to the performance of obligations by the other party, and changes to loans or to the contracting parties and the assignment of the rights under the loans or contracts;
- (4) any other forms of financial assistance provided by the Bank when the Bank is unable to pay its debts, has no net assets or as a result of which the net assets of the Bank would be reduced to a material extent.

The assumption of the obligations referred to in this chapter shall include the obligations assumed due to obligator's change of his/her financial status by entering into contracts or making arrangements (whether or not such contract or arrangement is enforceable and whether or not such person is liable individually or jointly with others) or by any other means.

**Article 51** The following acts are not deemed as prohibited by Article 49 of this chapter:

- (1) the relevant financial assistance is provided by the Bank in good faith in the interest of the Bank, and the principal purpose of the financial assistance is not for the purchase of the shares of the Bank, or the financial assistance so provided is only an incidental part of some general plans of the Bank;
- (2) the Bank distributes its assets as dividends in accordance with relevant laws;
- (3) the Bank distributes dividends in the form of bonus shares;
- (4) reduction of registered capital, repurchase of shares or adjustment of shareholding structure, etc., in accordance with this Articles of Association;
- (5) the Bank provides loans in the ordinary course of business which falls within its business scope (but the provision of loans shall not result in decrease of the Bank's net assets, or even it constitutes a decrease, the said financial assistance is made out of the distributable profits of the Bank);
- (6) the Bank provides fund to employee share scheme (but the provision of fund shall not result in decrease of the Bank's net assets, or even if it constitutes a decrease, the said financial assistance is made out of the distributable profits of the Bank).

## **CHAPTER 5. Share Certificates and Register of Shareholders**

**Article 52** The share certificates of the Bank shall be in registered form.

The particulars to be set out in the share certificates of the Bank shall include those stipulated in the Company Law and other particulars which are required to be included by the stock exchange on which the shares of the Bank are listed.

The FLSs issued by the Bank may take the form of overseas stock depository certificate or other derivative forms of share certificates according to the laws and the practices of securities registration and deposition of the place of listing.

**Article 53** The share certificates shall be signed by the Chairman of the Board of Directors. If the stock exchange on which the shares of the Bank are listed requires the share certificates be signed by the President of the Bank or other members of the senior management, the President or other relevant

Members of the senior management shall also sign the share certificates. The signatures of the Chairman of the Board of Directors, the President or other relevant members of the senior management on the share certificates may also be made in a printed form.

The share certificate of the Bank shall be valid after the seal of the Bank (including the Bank's securities seal) has been affixed thereto or the seal has been affixed thereto in a printed form. The affixing of the Bank seal on the share certificates shall be authorized by the Board of Directors.

In the case of virtual shares of the Bank are issued and traded, applicable provisions of the securities regulatory authorities in the place where the Bank's shares are listed shall be followed.

**Article 54** The Bank shall have a register of shareholders to register the following particulars:

- (1) the name (description), address (domicile), occupation or nature of each shareholder;
- (2) the class and number of the shares held by each shareholder;
- (3) the amount paid for the shares held by each shareholder;
- (4) the serial number of the share certificates held by each shareholder;
- (5) the date when each shareholder is registered as shareholder;
- (6) the date when each shareholder ceased to be a shareholder.

The Bank shall make a register of shareholders based on the vouchers provided by securities registrar institutions. The register of shareholders shall be the sufficient evidence proving the shareholders' holding of the Bank's shares, unless there are evidences to the contrary.

**Article 55** In accordance with the understandings and/or agreements reached between the securities regulatory authority of the State Council and overseas securities regulatory authorities, the Bank may keep the register of shareholders holding FLSs outside of PRC and engage an overseas agent to administer the same.

The Bank shall keep at its domicile a duplicate copy of the register of shareholders of FLSs; the appointed overseas agent shall ensure the consistency of the original and the duplicate copy of the register of shareholders of FLSs.

In the case of inconsistency between the original and the duplicate copy of the register of shareholders of FLSs, the original register of shareholders of FLSs shall prevail.

**Article 56** The Bank shall maintain a complete register of shareholders.

The register of shareholders shall contain the following parts:

- (1) the register of shareholders which shall be kept at the domicile of the Bank other than those who are required to be registered under (2) and (3) of this Article;
- (2) the register of shareholders of the Bank's FLSs that is kept in the place of the overseas stock exchange where the FLSs are listed; the original of the register of shareholders of FLSs listed on the Hong Kong Stock Exchange shall be kept in Hong Kong;
- (3) the register of shareholders kept at other place(s) as the Board of Directors deems necessary for the listing the shares of the Bank.

**Article 57** The various parts of the register of shareholders shall not overlap. A transfer of shares registered in a particular part of the register of shareholders shall not be registered in another part of the register of shareholders during the subsistence of the registration of such shares.

Changes to or rectification of each part of the register of shareholders shall be made according to the laws of the place where such part of the register of shareholders is kept.

**Article 58** Where relevant laws and regulations and the securities regulatory authority in the place where the Bank's shares are listed prohibits any update of the register of shareholders to record any changes resulting from any share transfer prior to a shareholders general meetings or prior to the record date on which the Bank decides the basis of distribution of dividends, such prohibition shall be observed.

The aforesaid suspension of changes to the register of shareholders shall not exceed 30 days in total within one year. However, it can be extended for another 30 days as maximum upon approval by the shareholders general meeting.

The Bank shall, upon receiving an application for access to the register of shareholders during the suspension of changes to the register of shareholders, issue to the applicant a supporting document signed by the Company Secretary of the Bank that specifies the approving agency for and the duration of such suspension.

**Article 59** When the Bank convenes a shareholders general 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 general meeting shall fix a record date and those shareholders appearing on the register of shareholders as at the end of the record date (after closing of market) shall be the Bank's shareholders of all the relevant classes that are entitled to participate in the activities above.

**Article 60** Anyone who raises objections regarding the register of shareholders and requests to have his/her/its name (or description) registered on or removed from the register of shareholders may petition to a court of competent jurisdiction to rectify the register of shareholders.

**Article 61** For any shareholder whose name has been registered on the register of shareholders or anyone who requires to have his/her/its name (or description) registered on the register of shareholders, if his/her/its share certificates (i.e., “original share certificates”) are stolen, lost or missing, he/she/it may apply to the Bank for the issuance of a replacement share certificates in respect of such shares (i.e., “relevant shares”).

In the case the share certificates of the shareholders of DLSs are stolen, lost or missing and the replacement certificates are applied for, the applications shall be made in accordance with the relevant provisions of the Company Law.

In the case the share certificates of the shareholders of FLSs are stolen, lost or missing and the replacement certificates are applied for, the applications shall be made in accordance with the laws and the rules of the stock exchange, or other relevant provisions of the place where the original register of shareholders of FLSs is kept.

In the case the shareholders of FLSs apply for replacement certificates for lost share certificates, the issuance of the replacement share certificates shall be made in accordance with the following requirements:

- (1) applicants shall submit an application in standard form designated by the Bank together with a notarial certificate or statutory declaration. The notarial certificate or statutory declaration shall include the reason for the application made by the applicant, the circumstances under which the share certificate(s) was/were lost, stolen or missing with supporting evidence, and a declaration that no other persons may request to be registered as a shareholder in respect of the relevant shares.
- (2) the Bank receives no declaration from anyone other than the applicant requesting registration as a shareholder of such shares before the Bank decides to issue (a) replacement share certificate(s).
- (3) If the Bank decides to issue (a) replacement share certificate(s) to the applicant, an announcement of such intention to issue replacement share certificate(s) shall be published in the newspapers designated by the Board of Directors. The period for such announcement shall be 90 days, and such announcement shall be published at least once every 30 days during such period.
- (4) prior to the publishing of the announcement for the issuance of (a) replacement share certificate(s), the Bank shall submit a copy of such proposed announcement to the stock exchange on which its shares are listed, and shall publish the announcement after obtaining the reply of such stock exchange confirming that the announcement has been published at the stock exchange. The period of displaying the announcement at the stock exchange shall be 90 days.

If the registered shareholders of the relevant shares do not consent to the issuance of replacement share certificate(s), the Bank shall send to such shareholders by post a copy of the proposed announcement.

- (5) upon the expiry of the 90-day period for the publication of the said announcement as stipulated in (3) and (4) of this Article, if no objection is received by the Bank from anyone to the issuance of replacement share certificate(s), (a) replacement share certificate(s) shall be issued pursuant to the application of the applicant.
- (6) Upon issuing (a) replacement share certificate(s) pursuant to this Article, the Bank shall immediately cancel the original share certificate(s), and such cancellation and replacement shall be registered in the register of shareholders.
- (7) all expenses incurred by the Bank in connection with the cancellation of the original share certificates and the issuance of replacement share certificates shall be borne by the applicant. The Bank shall be entitled to refuse to take any action unless the applicant provides reasonable guarantee to pay the expenses.

**Article 62** Upon the issuance by the Bank of (a) replacement share certificate(s) pursuant to the provisions of this Articles of Association, the name (description) of a bona fide purchaser who acquired the new share certificates so issued or a shareholder who is subsequently registered as the owners of such shares (if being a bona fide purchaser) shall not be removed from the register of shareholders.

**Article 63** The Bank shall have no liability for any loss incurred by anyone as a result of the cancellation of the original share certificates or issuance of replacement share certificates, unless it can be proved that the Bank has acted fraudulently.

## **CHAPTER 6. Party Organization (Party Committee)**

**Article 64** 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, the board of supervisors and the senior management through legal procedures, while eligible members of the board of directors, the board of supervisors 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 65** 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 general meeting, the board of directors, the board of supervisors 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 7. Shareholders and Shareholders General Meeting**

### **Section 1 Shareholders**

**Article 66** The Bank's shareholders are persons that lawfully hold shares of the Bank and whose names are recorded in the register of shareholders.

Shareholders shall enjoy rights and assume obligations according to the class and number 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 general 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 67** 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 business operation of the Bank, and make suggestions and enquiries accordingly;

- (4) to dispose the shares they hold by means of transfer, donate, pledge or other methods 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 receive information in accordance with the provisions of this Articles of Association, including:
  - (a) to obtain this Articles of Association after paying relevant costs;
  - (b) to inspect the following documents free of charge:
    - (i) all parts of the register of shareholders;
    - (ii) personal particulars of the Directors, Supervisors, President and other senior management of the Bank, including:
      - aa) present and former names and aliases;
      - bb) principal address (domicile);
      - cc) nationality;
      - dd) full-time and all other part-time occupations or positions;
      - ee) identification document and the number thereof;
    - (iii) the share capital of the Bank;
    - (iv) a report on the total par value, total number of shares, highest and lowest prices and all payments made by the Bank in respect of each class of shares repurchased by the Bank since the last fiscal year;
    - (v) minutes of shareholders general meeting;
    - (vi) resolutions of meetings of the Board of Directors and the Board of Supervisors;
    - (vii) counterfoils of debt securities of the Bank;
    - (viii) financial reports.
- (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 general meeting of the Bank, may request the Bank to purchase their shares;
- (8) other rights conferred by laws, administrative regulations and this Articles of Association.

**Article 68** Shareholders are entitled to copy the documents specified in item (i) to (v) under item (5) of Article 67 after paying a reasonable cost. To copy the relevant documents, shareholders shall notify the Bank by delivering prior written notice and providing written evidence of the type and quantity of their shares. After verification of shareholders' identification, the required copies shall be provided based on the shareholders' request.

**Article 69** 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 70** 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 laws, regulations or regulatory rules; 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 shares, 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' general 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' general 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 CBIRC 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, rules and this Articles of Association.

Any shareholders of the Bank that abuse the shareholders' rights and cause damages 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.

Other than the conditions agreed by the subscribers of shares at the time of subscription, shareholders shall not be liable to subscribe for any additional share capitals subsequently.

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 71** 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 general meeting. Relevant shareholder or its representative shall recuse from voting.

**Article 72** The controlling shareholders and de facto controller owe a duty of honesty to the Bank and other shareholders. The controlling shareholders shall strictly comply with laws, administrative regulations, rules and this Articles of Association while exercising their rights as investors, and shall not gain improper benefit or cause detriments to the interests of the Bank or other shareholders by taking advantage of the profits distribution, assets reorganization, external investment, capital appropriation and loan guarantee or using their privileged positions as controlling shareholders.

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.

Except for the obligations imposed by laws, administrative regulations, or rules of securities regulatory authorities of the location where the Bank's shares are listed, while exercising voting rights, the controlling shareholders of the Bank shall not make such decisions to the detriment of all or part of the shareholders' interests as below:

- (1) relieving a Director or a Supervisor of the responsibility to act honestly in the best interest of the Bank;
- (2) approving the action of a Director or a Supervisor (for his/her own or other person's benefit) to deprive the Bank of its property in any form, including (but not limited to) any opportunities that are favorable to the Bank; or
- (3) approving the action of a Director or a Supervisor (for his/her own or other person's benefit) to deprive other shareholders of their rights or interests, including (but not limited to) rights to distribution and voting rights, unless pursuant to a restructuring of the Bank submitted to and adopted by the shareholders general meeting in accordance with this Articles of Association.

**Article 73** The nomination of candidates for Directors and Supervisors of the Bank by the controlling shareholders shall comply with the conditions and procedures as provided in relevant provisions of laws, administrative regulations, 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 general meeting or the personnel appointment decisions of the Board of Directors.

**Article 74** 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, 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 75** The term "controlling shareholder(s)" in this section shall refer to the person(s) satisfying any of the following conditions:

- (1) such person(s), either acting alone or in concert with others, may elect half or more number of the Directors;
- (2) such person(s), either acting alone or in concert with others, may exercise or control the exercise of 30% or more of the total voting shares of the Bank;

- (3) such person(s), either acting alone or in concert with others, hold 30% or more of the total voting shares of the Bank; or
- (4) such person(s), either acting alone or in concert with others, may obtain actual control of the Bank in any other manner.

The term of “acting in concert” referred to herein shall mean two or more parties, through means such as agreement (either orally or in writing) and cooperation, expand their control proportion in the shares of the Bank or strengthen control over the Bank so that they can reach a common expression while exercising the voting rights.

The term of “reaching a common expression” stated in the previous clause shall include the situations of joint motion, joint nomination of Directors, and entrusting of exercising of voting rights without indicating the tendency of voting, but with the exception of public assembling of voting proxy.

“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 although such person is not the shareholder of the Bank.

**Article 76** The Bank shall not provide more preferential conditions for loans to its shareholders who hold 5% or more voting shares of the Bank than other borrowers who apply for the same type of loans.

**Article 77** Loan balance of one shareholder in the Bank shall not exceed 10% of the capital balance of the Bank.

**Article 78** 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 general meeting, and their shares shall also not be counted as the number of total voting shares of the shareholders who attend the shareholders general 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 79** Shareholders of the Bank shall strictly comply with requirements of laws and regulatory authorities and provide advance notice to the Board of Directors if they provide guarantee with the shares they hold for themselves or others. 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 or Supervisors 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 80** 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 general meetings and the voting rights of Directors appointed by such shareholder at meetings of the Board of Directors shall be restricted.

**Article 81** 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 82** 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 Shareholders General Meeting**

**Article 83** The shareholders general meeting is the organ of authority of the Bank and shall have the following functions and powers in accordance with law:

- (1) to decide on the Bank's business operation policies and investment plans;
- (2) to appoint or remove Directors, and to decide upon matters relating to the remuneration of Directors;
- (3) to appoint or remove shareholder representative Supervisors and external Supervisors, and decide upon matters relating to the remuneration of Supervisors;
- (4) to examine and approve reports of the Board of Directors;



- (5) to examine and approve reports of the Board of Supervisors;
- (6) to examine and approve proposals on the Bank's annual financial budget and financial statements;
- (7) to examine and approve profit distribution plans and loss make-up plans;
- (8) to examine and approve matters of alteration of use of proceeds;
- (9) to adopt resolutions regarding the increase or reduction of the Bank's registered capital;
- (10) to adopt resolutions on merger, division, spin-off, dissolution, liquidation or change in the form of the Bank;
- (11) to adopt resolutions on the issue of corporate bonds or other securities as well as on the proposal of listing thereof;
- (12) to adopt resolutions on acquisition of the Bank's ordinary shares in accordance with legal provisions;
- (13) to amend this Articles of Association;
- (14) 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;
- (15) to examine and approve proposals raised by the shareholders individually or in aggregate representing 3% or more of the Bank's voting shares;
- (16) 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;
- (17) to examine and approve share incentive scheme;
- (18) 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;
- (19) to examine and approve connected transactions which shall be approved by the shareholders general meeting in accordance with laws, administrative regulations, rules and provisions of the securities regulatory authority of the places where the shares of the Bank are listed;
- (20) to dismiss independent Directors;

- (21) to consider and approve the rules of procedure of the shareholders general meeting, meeting of the Board of Directors and meeting of the Board of Supervisors;
- (22) to examine and approve other matters which shall be decided by the shareholders general meeting in accordance with laws, administrative regulations, departmental rules, and rules issued by the securities regulatory authority of the places of listing and this Articles of Association.

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

The authorization shall be clear and concrete. The authorization matter subject to approval by the shareholders general meeting by ordinary resolution shall be adopted by more than half of voting shares represented by the shareholders of ordinary shares attending the shareholders general 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 general 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 general meeting (including the holders of preference shares with restored voting rights, in person or by proxy).

**Article 84** Shareholders general meeting shall formulate the rules of procedure of the shareholders general meeting to specify the procedures for convening and voting at the shareholders general 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 general meeting to grant authorization to the Board of Directors, the authorization shall be clear and specific. Rules of Procedures of the Shareholders General Meeting shall be an annex to this Articles of Association, which shall be formulated by the Board of Directors and be implemented after being approved by the shareholders general meeting, so as to ensure the efficiency and scientific decision-making of the shareholders general meeting.

**Article 85** Except in special circumstances such as when the Bank is in a crisis, without the prior approval of the shareholders general meeting or person(s) or entities authorized by the shareholders general meeting, the Bank shall not conclude any contract with any person other than Directors, Supervisors, Presidents and other senior management personnel of the Bank for the delegation of the whole business management or part of the important business management of the Bank to such person.

**Article 86** The shareholders general meeting includes annual shareholders general meeting and extraordinary shareholders general meeting. Generally, the shareholders general meeting shall be convened by the Board of Directors.

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

An extraordinary shareholders general 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 number of members of the Board of Directors of the Bank or below the statutory minimum number stipulated by the Company Law;
- (2) the aggregate uncovered loss amount to one-third of the total paid-up share capital of the Bank;
- (3) shareholders (hereinafter referred to as “proposing shareholders”) who hold, alone or in aggregate, 10% or more voting shares of the Bank 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 Board of Supervisors 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 rules and this Articles of Association.

Where the annual shareholders general meeting or extraordinary shareholders general 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 87** When convening an annual shareholders general meeting, the Bank shall issue a written notice 20 days prior to the meeting. When convening an extraordinary shareholders general 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 general 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 88** The Board of Directors, the Board of Supervisors, and ordinary shareholders (including the preference shareholders whose voting rights are restored) holding, individually or in aggregate, 3% or more of shares in the Bank shall be entitled to put forward proposals to the shareholders general meeting.

The content of the proposal shall be within the scope of function of the shareholders general 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.

Ordinary shareholders (including the preference shareholders whose voting rights are restored) holding individually or in aggregate 3% or more of shares in the Bank may propose an interim proposal and submit it to the meeting convener in written 10 days prior to the meeting; the convener of the shareholders general meeting shall issue supplemental notice of the meeting within 2 days after receiving the proposal and the content of the proposal, and shall submit the interim proposal to the shareholders general meeting for examining and approving. The content of the interim proposal shall be within the scope of function of the shareholders general meeting and shall have a clear subject matter and specific resolution items.

Save for the circumstances mentioned above, the convener shall not amend or add new proposals to the proposals specified in the notice of shareholders general meeting.

**Article 89** The Bank will arrange the venue for the meeting and will hold the meeting in the form of onsite meeting. The Bank will also provide online voting channels to facilitate shareholders' attendance at the shareholders general meeting. The shareholder who attends the shareholders general meeting by the above means is deemed to be present.

Proposals which are not in the notice or the supplemental notice of the shareholders general meeting, or the proposals which are not consistent with the provisions of the prior clause shall not be voted for resolutions in the shareholders general meeting.

**Article 90** The notice of a shareholders general meeting shall meet the following requirements:

- (1) it shall be made in writing;
- (2) it shall specify the venue, date and time of the meeting;
- (3) it shall describe the matters to be discussed at the meeting;
- (4) it shall provide necessary information and explanations to the shareholders so as to enable them fully understand the matters to be discussed and make decisions accordingly; this principle shall mean (but not limited to), when the Bank proposes a merger, repurchase of shares, restructuring share capital or other manners of reorganization, it shall provide the specific conditions and contracts (if any) of the transaction under discussions and earnestly explain the cause and implications of the transaction;

- (5) if any of the Directors, Supervisors, President or other senior management has a material interest in the matters to be considered, it shall disclose the nature and the extent of such interest; if the matters to be considered have an effect on such Directors, Supervisors, President or other senior management in the capacity of a shareholder which differs from other shareholders of the same class, such differences shall be specified;
- (6) it shall contain the full text of any special resolutions proposed to be adopted at the meeting;
- (7) it shall contain a conspicuous statement that ordinary shareholders (including the preference shareholders whose voting rights are restored) having the right to attend and vote have the right to entrust one or more proxies to attend and vote on their behalf and that such proxy need not be a shareholder;
- (8) it shall state the time and place for the delivery of the proxy's forms of the meeting;
- (9) it shall record the registered date for entitlement of shareholders to attend the shareholders general meeting;
- (10) it shall contain the name and telephone number of permanent contact person for the meeting;
- (11) time and procedure of voting online or by other means.

**Article 91** The notice of a shareholders general meeting shall be delivered to the shareholders (whether or not entitled to vote on the shareholders general meeting) by courier or prepaid mail to the recipient's address shown in the register of shareholders. For shareholders of domestic listed shares, the notice of a shareholders general meeting may also be given by public announcement. For overseas shareholders holding foreign listed shares, the notice of a shareholders general meeting, circular for shareholders and related documents shall be given through the Bank's website and the website of Hong Kong Stock Exchange prior to the meeting, provided that relevant laws and administrative regulations, relevant provisions of local securities regulatory authority and the Bank's Articles of Association are satisfied.

The public announcement referred to in the preceding paragraph shall be published on the stock exchange website and the media that meet requirements prescribed by the securities regulatory authorities of the State Council prior to the meeting. Once the announcement is made, all shareholders of domestic listed shares shall be deemed to have received the notice of the relevant shareholders meeting.

**Article 92** 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 general 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 general meeting. Behaviors of disrupting the shareholders general meeting, making trouble and violating the legitimate rights and interests of the shareholders shall be stopped through adopting measures and will be reported to relevant departments for investigation in time.

**Article 93** Any shareholders having the right to attend and vote at a shareholders meeting are entitled to appoint one or more persons (who need not be shareholders) as his/her proxies to attend and vote on his/her 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 general meeting;
- (2) the right to demand a poll by himself/herself or in conjunction with others;
- (3) the right to vote by hand or by poll, except that if a shareholder has appointed more than one proxy, the proxy may only exercise the right to vote by poll.

**Article 94** Shareholders shall entrust the proxy in writing, which shall be signed by the entrusting party or the agent authorized by the shareholders in writing; if the entrusting party is a legal person or other institution, the instrument shall be sealed with the legal person's stamp or signed by its Directors or legal representative or a duly authorized agent.

Individual shareholder attending the meeting in person shall present his/her identification card, or other effective certificate or proof of his/her identification and certificate of shareholding. 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 is entrusted to attend the meeting, he/she shall present his/her identification card and authorization letter issued by the legal representatives of the legal person shareholder.

**Article 95** The proxy letter 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 proxy letter is signed by a person authorized by the entrusting party, the authorization letter of

signing the proxy letter or other authorization documents shall be notarized. Notarized authorization letter or other authorization instruments and the proxy letter shall be deposited at the domicile of the Bank, or at other places designated in the meeting convening notice.

If a shareholder is legal person or other institution, its legal representative or such other person as is authorised by resolutions of its board of directors or other decision-making bodies shall attend shareholders general meeting of the Bank.

**Article 96** The proxy letter issued by a shareholder to entrust proxy to attend shareholders general meeting shall contain the following contents:

- (1) Name of the proxy;
- (2) Number and class of shares represented by the proxy;
- (3) Proxy's voting right;
- (4) Instruction on each item to be discussed on the agenda of the shareholders general meeting, stating whether the shareholder agrees to, objects to or abstains from voting the resolution respectively;
- (5) The issuing date of proxy letter and its effective period;
- (6) 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 97** Any blank form issued by the Board of Directors of the Bank or conveners to the shareholders for the appointment of proxies shall give the shareholders free choice to instruct their proxies to cast an affirmative, negative or waiver vote and enable the shareholders to give separate

Instructions on each matter to be voted during discussions at the meeting. The proxy letter shall specify that in the absence of instructions from the shareholder, the proxy may vote in the way as he/she thinks fit.

**Article 98** A vote given in accordance with the terms of proxy letter shall remain valid as long as no written notice is received before the commencement of the relevant meeting, indicating that the entrusting party has died, become incapacitated to act, revoked the proxy or the authorization to sign the proxy letter prior to the voting, or the relevant shares have been transferred prior to the voting.

**Article 99** Signing book for attending persons shall be prepared by the Bank. The signing book shall state names of participants (or names of companies), identification card numbers, addresses of domicile, number and class of shares held or represented with voting right, and names (or company names) of the entrusting parties, etc.

**Article 100** 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. Prior to announcement of number of shareholders and proxies attending the meeting and the total number of voting shares held by them by the meeting chairman, the meeting registration shall have finalized.

**Article 101** More than half of, and at least two, independent Directors are entitled to propose an extraordinary shareholders general 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 and rules, and this Articles of Association.

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

**Article 102** The Board of Supervisors is entitled to propose for extraordinary shareholders general 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 rules and regulations, and this Articles of Association.

The Board of Directors shall give notice of shareholders general meeting within 5 days subsequent to resolution of the Board upon agreeing to convene an extraordinary shareholders general meeting and shall obtain consent of the Board of Supervisors 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 general meeting, and the Board of Supervisors may convene and preside over a meeting by itself.

**Article 103** Shareholders individually or in aggregate holding a total of 10% or more of the voting rights of all the shares have the right to request in writing to the Board of Directors to convene an extraordinary shareholders general meeting or a class 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 rules, and this Articles of Association.

The Board of Directors shall give notice of extraordinary shareholders general meeting or class meeting within 5 days from reaching the resolution of the Board upon agreeing to convene an extraordinary shareholders general meeting or class 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 general meeting and a class 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 voting shares are entitled to propose for convening an extraordinary shareholders general meeting or a class meeting to the Board of Supervisors in writing.

The Board of Supervisors shall give notice of an extraordinary shareholders general meeting or a class meeting within 5 days from receiving the proposal upon agreement with convening an extraordinary shareholders general meeting or class shareholders meeting and any change to the original proposals stated in the notice shall obtain the consent of relevant shareholders.

The Board of Supervisors fails to issue notice of the extraordinary shareholders general meeting or class meeting shall be deemed as the Board of Supervisors will 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 voting shares for at least ninety (90) consecutive days.

Costs for attending extraordinary shareholders general meeting or class meeting shall be borne by the shareholders themselves. Where the shareholders convene and hold a meeting because the Board of Directors and the Board of Supervisors failed to convene such meeting pursuant to a request as mentioned above, the reasonable costs incurred by such meeting shall be borne by the Bank and shall be deducted from the sums owed by the Bank to the negligent Directors and Supervisors.

**Article 104** If the Board of Supervisors or the proposing shareholders propose to convene a shareholders general meeting on their own, the Board of Directors shall be informed in writing, and reports shall be delivered for filing with the banking regulatory authorities of the State Council and the domestic stock exchange; in addition, the notice for convening an extraordinary shareholders general meeting shall be issued, and the contents of the notice shall be consistent with the provisions of Article 90 and shall also meet the following requirements:

- (1) New contents are not allowed to be added, otherwise the Board of Supervisors or the shareholders making proposal shall request for convening an extraordinary shareholders general meeting to the Board of Directors according to the above procedures once again;
- (2) Venue of the meeting shall be the domicile of the Bank.

The Board of Supervisors 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.

Shares held by shareholders convening such a meeting shall be no less than 10% of the Bank's total number of voting shares prior to public announcement of the resolution of the shareholders general meeting.

**Article 105** Shareholders general meeting convened by the Board of Directors shall be presided over by the chairman of the Board of Directors as the chairman of the meeting; if the chairman of the Board of Directors is unable to attend the meeting due to certain reasons, the meeting shall be convened and presided over by a vice- chairman designated by the chairman of the Board of Directors as the chairman; if the chairman and vice-chairman are both unable to attend the meeting, the meeting shall be convened and presided over by a Director designated by the Board of Directors as the chairman; if no chairman is designated for the meeting, a person may be elected by the attending shareholders as chairman of the meeting to preside over the meeting.

Meetings convened by the Board of Supervisors in accordance with statutory procedures shall be chaired by the chief Supervisor of the Board of Supervisors. Where the chief Supervisor is unable to perform his duties or does not perform his duties, the vice chief Supervisor of the Board of Supervisors shall preside over the meeting; where the vice chief Supervisor is unable to perform his duties or does not perform his duties, a Supervisor elected by more than half of the Supervisors of the Board shall preside over the meeting.

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

During the course of a shareholders general 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 present physically at the meeting and representing more than one half of the total voting rights of all shareholders so present, the shareholders general meeting may elect one individual to replace the original chairman of the meeting and the meeting shall continue.

**Article 106** All of the Directors, Supervisors and the secretary of the Board of Directors shall attend the shareholders general meeting; the President of the Bank and other senior management shall also attend the shareholders general meeting as nonvoting delegates.

**Article 107** At the annual shareholders general meeting, the Board of Directors and the Board of Supervisors shall report their works of previous year to the shareholder general meeting. Each independent Director shall also report his work.

**Article 108** Directors, Supervisors and senior management shall make explanation and clarification for questions and suggestions of shareholders at the shareholders general meeting.

**Article 109** 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. The corresponding numbers as shown on the meeting registration form shall be the definitive numbers.

**Article 110** Minutes of meetings shall be kept for shareholders general meetings, 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) Names of the chairman of the meeting and that of the Directors, Supervisors, President and other senior management attending the meeting or attending as nonvoting delegates;
- (3) The number of voting shares held by shareholders of domestic listed shares (including shareholders' proxies) and shareholders of overseas listed shares (including shareholders' proxies) who attend shareholders general meeting, 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 111** The convener shall ensure the truthfulness, accuracy and integrity of the contents in the minutes which shall contain signatures of the attending Directors, Supervisors, 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, proxy letters as well as valid materials of voting situation. Meeting minutes shall be retained permanently, while other materials shall be kept for not less than 10 years.

**Article 112** Convener shall ensure the smooth going of the shareholders general meeting until reaching a final decision. For ceasing of shareholders general 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.

### **Section 3 Resolution of Shareholders General Meeting**

**Article 113** Resolutions of shareholders general meeting can be divided into ordinary and special resolutions.

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

Special resolution made by shareholders general 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, in person or by proxy). When the holders of preference shares (excluding the holders of preference shares with restored voting rights) attend the shareholders general 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).

**Article 114** The following matters shall be passed by ordinary resolution at a shareholders general meeting:

- (1) the business operation policies and significant investment plans of the Bank;
- (2) appointment and removal of Directors, shareholder representative Supervisors and external Supervisors and their remuneration;
- (3) work reports of the Board of Directors and the Board of Supervisors;
- (4) annual financial budget, final accounts, balance sheet, profit statement and other financial statements of the Bank;
- (5) profit distribution and losses making-up plans of the Bank;
- (6) 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 general meeting;
- (7) 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;
- (8) annual report of the Bank;
- (9) other matters except those required by laws, administrative rules, regulations and this Articles of Association to be passed by special resolution at a shareholders general meeting.

**Article 115** The following matters shall be passed by special resolution at a shareholders general 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) to examine and approve the share incentive scheme;
- (8) purchase or sale of material assets within one year or provision of security interest having the value more than 30% of the Bank's audited total assets;
- (9) 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;
- (10) other matters prescribed by laws, administrative regulations, regulatory rules or this Articles of Association; and identified by ordinary resolutions of the shareholders general meeting which will cause significant impact on the Bank and need to be passed by special resolutions.

**Article 116** When connected transactions are examined in a shareholders general 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 general meeting shall fully disclose the voting results.

**Article 117** 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 118** Under the premise of ensuring legitimacy and validity of the shareholders general meeting, the Bank shall provide convenience to shareholders by various ways for participation in the meeting.

If the Bank convenes the shareholders general meeting for the issuance of preference shares, the Bank shall provide online voting platform and other channels as approved by the CSRC for shareholders to attend the meeting in a convenient manner.

**Article 119** Except for the cumulative voting system for the election of Directors and Supervisors, each candidate of Directors and Supervisors shall be submitted to the shareholders general meeting for vote in form of a single proposal.

Except for the cumulative voting system, the shareholders general 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 general meeting or resolutions are unable to be made due to such special reasons as force majeure.

On consideration of a proposal, the shareholders general meeting shall not amend such a proposal, or else, relevant alteration 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 general 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 120** When the shareholders' general meeting votes on the election of Directors and Supervisors, the cumulative voting system may be implemented in accordance with the provisions of this Articles of Association or resolutions of the shareholders' general 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 general meeting shall, when electing more than two Directors or Supervisors 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 or Supervisors to be elected when the shareholders' general meeting elects Directors or Supervisors, and the voting rights held by shareholders can be used collectively.

Except as otherwise provided in the laws, administrative regulations and 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 and Supervisors, the list of candidates of executive Directors, non-executive Directors, independent Directors, shareholder representative Supervisors and external Supervisors shall be divided into different proposal groups for voting at the shareholders general meeting;
- (2) Shareholders attending the shareholders' general meeting shall have the same number of votes as the number of Directors or Supervisors 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 candidate or several candidates. Shareholders should vote within the number of votes for each proposal group.

**Article 121** An ordinary shareholder (including his proxy) may exercise voting rights at the shareholders general 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 general meetings, 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 general meeting.

Any shares in the share capital of the Bank carrying no right to vote shall be marked with "Without Voting Rights" in its name.

If the share capital of the Bank consists of shares with different voting rights attached, each class of shares (except for those with the most preferential voting rights attached) shall be marked with "Limited Voting Right" or "Restricted Voting Right" in their name.

Any vote of shareholders at a shareholders general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

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 general 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 CSRC 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 122** If the matter demanded to be voted by poll is the election of the chairman or the adjournment of the meeting, a poll shall be taken immediately. If a poll is demanded for any other matters, such poll shall be taken at the time decided upon by the chairman and the meeting may proceed with the discussion of other matters; the result of the poll shall still be regarded as a resolution passed at that meeting.

**Article 123** When a poll is held, shareholders (including their proxies) who are entitled to two or more votes are not required to cast all their votes in favor of or against a resolution.

When the number of votes for and against a resolution is equal, regardless whether the vote is taken by a show of hands or by poll, the chairman of the meeting shall be entitled to one additional vote.

Prior to voting at the shareholders general meeting, two 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 general meeting, counting and examination of polls shall be conducted together by lawyers, shareholders' representatives, supervisors' representatives and other persons designated according to relevant regulations of local securities regulatory authority, and the voting result shall be announced on the spot.

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 124** The conference president shall make decisions on passing or not passing the resolution according to the provisions of this Articles of Association. His/Her decision shall be a final one and shall be announced at the meeting and shall be recorded in the minutes.

**Article 125** Shareholders attending the general meeting of shareholders 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 126** If the chairman of the meeting has any doubts on the outcome of the voting of resolutions, he/she may count the votes; if the chairman does not re-count the votes and the attending shareholders or their proxies challenge the voting result announced by the chairman, the shareholders or their proxies can request for a re-count immediately after the announcement of the result, and the chairman shall re-count the votes immediately.

**Article 127** Resolution of the meeting of shareholders shall be deemed as invalid if it is in violation of laws and administrative regulations.

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 128** Shareholders may have free access to copies of the minutes of the shareholders general meeting during the opening hours of the Bank. For demand of copies of the minutes of the shareholders general meeting by any of the shareholder, the Bank shall send the copies out within 7 days from receiving a reasonable cost.

**Article 129** The lawyer attestation system shall be adopted for shareholders general meeting. Lawyers shall be engaged to attend the shareholders general meeting for issuing of legal opinions, and making announcement in respect of the following issues:

- (1) whether the convening and the procedures for the shareholders general 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, the voting result, and content of resolution are valid;
- (4) other matters as required by the Bank.

**Article 130** Public announcement of the resolution of the shareholders general meeting shall be issued promptly, and 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 general 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 131** If the proposal is not passed or resolution of the previous shareholders general meeting is altered at this shareholders general meeting, special announcement shall be made in the public announcement of the resolution of the shareholders general meeting.

**Article 132** If the proposal with respect to Director or Supervisor election is approved at a shareholders general meeting, the term of office of such new Director or Supervisor shall commence on the date when the resolution is approved at the shareholders general meeting. If his/her qualification is subject to the approval of the banking regulatory authority of the State Council in accordance with applicable laws and regulations, the term of office of such new Director or Supervisor shall commence on the date when his/her qualification is approved by the banking regulatory authority of the State Council.

## CHAPTER 8. Special Procedures for the Voting by Class Shareholders

**Article 133** Shareholders of different classes refer to the shareholders holding different classes of shares.

Shareholders of different classes in accordance with the laws, administrative regulations and the provisions of this Articles of Association, enjoy rights and assume obligations.

In addition to shareholders of other class of shares, shareholders of domestic listed shares and foreign listed shares listed shall be deemed as shareholders of different classes of shares.

Upon the approval of the securities regulatory authority of the State Council, the domestic listed shares of the Bank held by shareholders may be transferred to foreign investors and become publicly tradable on overseas stock exchange. The listing of the transferred shares on the overseas stock exchange shall comply with supervision rules, regulations and requirements of foreign securities market. A resolution of shareholders of different class for the listing of the transferred shares on the foreign stock exchange is not needed.

**Article 134** If the Bank intends to change or abrogate the rights of shareholders of different class, it may do so only after such change or abrogation has been approved by way of a special resolution of the shareholders general meeting and by a separate shareholders meeting convened by the affected shareholders of different class in accordance with Articles 136 to 140 of this Articles of Association.

**Article 135** The rights of shareholders of a certain class shall be deemed to have been changed or abrogated in the following conditions:

- (1) an increase or decrease in the number of shares of such class or an increase or decrease in the number of shares of a class having voting rights, distribution rights or other privileges equal or superior to those of the shares of such class;
- (2) a change of all or part of the shares of such class into shares of another class, or a conversion of all or part of the shares of another class into shares of such class or the grant of the right to such conversion;
- (3) a removal or reduction of rights to acquire the accrued dividends or to cumulate dividends attached to shares of such class;
- (4) a reduction or removal of the priority attached to shares of such class in dividend distribution or property distribution during liquidation of the Bank;
- (5) an addition, removal or reduction of share conversion rights, options, voting rights, transfer rights, preemptive rights to placing or rights to acquire securities of the Bank attached to shares of such class;

- (6) a removal or reduction of rights to receive amounts payable by the Bank in a particular currency attached to shares of such class;
- (7) a creation of a new class of shares with voting rights, distribution rights or other privileges equal or superior to those of the shares of such class;
- (8) an imposition of restrictions or additional restrictions on the transfer or ownership of shares of such class;
- (9) a right to subscribe for, or convert into, shares of such class or other class;
- (10) an increase in the rights and privileges of shares of other class;
- (11) assuming obligations otherwise than in proportion by different classes of shareholders as a result of the reorganization of the Bank;
- (12) an amendment or cancellation of the provisions of this Chapter.

**Article 136** Shareholders of the affected class, whether having the right to vote at shareholders general meeting, shall have the right to vote at meetings of shareholders of different class in respect of matters referred to in Items (2) to (8) and (11) to (12) of Article 135, except that interested shareholders shall not have the right to vote at meetings of shareholders of different class.

For the purposes of the preceding paragraph, the term “interested shareholders” shall have the following meanings:

- (1) if the Bank has made a repurchase offer to all shareholders in the same proportion or has repurchased its own shares through open transactions on a stock exchange in accordance with Article 29 hereof, the controlling shareholders as defined in Article 75 hereof shall be “interested shareholders”;
- (2) if the Bank has repurchased its own shares by an agreement outside a stock exchange in accordance with Article 29 hereof, shareholders in relation to such agreement shall be “interested shareholders”;
- (3) under a restructuring proposal of the Bank, shareholders who will bear liability in a lower proportion than other shareholders of the same class, or shareholders who have different interest from other shareholders of the same class, shall be “interested shareholders”.

**Article 137** Resolutions of a meeting of shareholders of different class may be passed only by at least two-thirds of voting shares of shareholders present at the meeting by poll in accordance with Article 136.

**Article 138** When the Bank is to convene a meeting of shareholders of different class, it shall issue a written notice pursuant to the notice period requirement for convening shareholders general meeting as required in the Articles of Association, informing all the registered shareholders of that class of the matters to be considered at the meeting as well as the time and place of the meeting.

**Article 139** The notice of a meeting of shareholders of different class needs to be delivered only to the shareholders entitled to vote thereat.

Unless otherwise specified herein, the procedures according to which a meeting of shareholders of different class is held shall, to the extent possible, be identical to the procedures according to which a shareholders general meeting is held. Provisions of the Articles of Association relevant to procedures for the holding of a shareholders general meeting shall be applicable to meetings of shareholders of different class.

**Article 140** The special voting procedures for shareholders of different class shall not apply in the following circumstances:

- (1) where, as approved by way of a special resolution of the shareholders general meeting, the Bank issues, either separately or concurrently, domestic listed shares and foreign listed shares every 12 months, and the number of the domestic listed shares and foreign listed shares intended to be issued does not exceed 20% of the issued and outstanding shares of the respective class;
- (2) where the plan for issuance of domestic listed shares and foreign listed shares is completed within 15 months since being approved by the securities regulatory authorities of the State Council;
- (3) where the shares of the Bank held by founding shareholders are converted into foreign investment shares upon the approval of the State Council or its authorized approving authorities and publicly tradable on overseas stock exchange.

## **CHAPTER 9. Directors and the Board of Directors**

### **Section 1 Directors**

**Article 141** Directors shall be natural persons and do not need to hold shares of the Bank. Directors of the Bank shall include executive Directors and 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 154 of this Articles of Association. Directors shall possess the qualification required by the laws, administrative regulations and rules.

**Article 142** The Director shall be elected by the shareholders general meeting and his/her qualification 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 general 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 term of office, and the term of office of the Director so re-elected shall commence on the date of re-election.

**Article 143** 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 general 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 144** Directors shall comply with laws, administrative regulations, regulatory provisions and this Articles of Association and shall assume the following faithful duties to the Bank:

- (1) not to accept bribes or other illegal income by taking advantage of their positions or rights and shall not encroach upon property of the Bank;
- (2) not to embezzle funds of the Bank;
- (3) not to open a bank account in their own names or in the names of others for depositing the assets or fund of the Bank;
- (4) not to loan the fund of the Bank to others or to provide guarantee to others with the Bank' assets without the approval of the shareholders general meeting or the Board of Directors in contravention of this Articles of Association;
- (5) not to enter into contract or transact with the Bank in contravention of this Articles of Association or without the approval of the shareholders general meeting;
- (6) not to, without the approval of shareholders general meeting, seek business opportunities originally belonging to the Bank for themselves or others with their favorable positions, or shall not operate business for themselves or others that are similar to that of the Bank;

- (7) not to accept for themselves commissions in relation to transactions with the Bank;
- (8) to strictly keep the secrets of the Bank and not to disclose without authorization;
- (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.

**Article 145** Directors shall assume the following diligent duties to the Bank in accordance with the laws, administrative regulations, rules, regulatory provisions and this Articles of Association:

- (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 Board of Supervisors and not to obstruct the performance of duties by the Board of Supervisors or Supervisors;
- (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, rules and this Articles of Association.

**Article 146** The methods and procedures for nominating a Director are as follows:

- (1) The Board of Directors or shareholders holding, alone or in an aggregate, 3% or more of the total number of voting shares of the Bank are entitled to propose a candidate for election as Director (independent Director exclusive) at the shareholders general meeting. Please refer to Article 157 of this Articles of Association for the nomination of independent Director.

A shareholder or its related parties shall not nominate candidates for director and supervisor at the same time; where a candidate for director (or supervisor) nominated by a shareholder or its related parties is appointed as the Directors (or Supervisors), the same shareholder may not subsequently nominate any candidate for supervisor (or director) until the term of the appointed director (or supervisor) expires or the appointed director (or supervisor) is replaced; and as a 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.

- (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 general meetings.
- (3) The director candidate shall, prior to the publication of the notice of shareholders general 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 intention to nominate a director candidate, the written undertaking of the director candidate's consent to be nominated, and the relevant written materials regarding the nominees shall be delivered to the Bank not less than 7 days prior to the publication of the notice of the shareholders general meeting. The nominator shall provide the shareholders with the resume and basic details of the nominee.
- (5) Before convening a shareholders general 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 147** Any Director shall not act on behalf of the Bank or the Board of Directors unless duly authorized by this Articles of Association, shareholders general 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 148** 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 general 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 149** In accordance with applicable laws and administrative regulations, the shareholders general meeting shall have power by ordinary resolution to remove any non-independent Director before the expiration of his term of office, and by special resolution to remove any independent Director before the expiration of his term of office, but this does not prejudice any claim for damages by the Director pursuant to any contract.

**Article 150** A Director may resign before the expiration of his term of office. Director resigning shall submit a written resignation report to the Board of Directors. Unless otherwise prescribed under this Articles of Association, the resignation of the Director shall become effective on the date 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 general meeting within two months to elect a Director to fill the vacancy resulted from the resignation of Director. Before a resolution is adopted by the shareholders general meeting with respect to the election of Director, 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 and this Articles of Association.

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 general 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 general meeting until the number of members of the Board of Directors meets requirements.

**Article 151** 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 152** 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.

**Article 153** The Director shall compensate the Bank for any losses incurred to the Bank resulting from his violation of laws, administrative regulations, rules and this Articles of Association when performing his duties.

## **Section 2 Independent Directors**

**Article 154** The independent Director of the Bank means a Director who holds no position in the Bank other than Director and who has no relationship with the Bank, its shareholders and its de facto controllers 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 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 other relevant stipulations for persons holding the position of Director in a listed company;
- (2) to independently perform the duties and responsibilities without any interference of the substantial shareholders 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 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 and administrative regulations 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) in line with the requirements on the qualifications of independent Directors as specified by laws, administrative regulations, rules and local listing rules.

**Article 155** Independent Directors shall faithfully perform their duties to protect interests of the Bank, and pay special attention to the legitimate rights and interests of small shareholders and prevent their rights from being undermined. 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.

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 156** 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 voting shares of the Bank or persons holding positions at the shareholders entity of the Bank that directly or indirectly holding 1% or more of total voting shares of the Bank;
- (2) persons holding positions (independent Directors excluded) in the Bank, entities controlled by the Bank or whose de facto controller is the Bank;
- (3) persons having been under the circumstances above (serving as independent Directors excluded) three years prior to taking the office in the Bank;
- (4) persons holding positions in enterprises having loans granted by the Bank that are overdue;

- (5) persons holding position in entities that have business connection or interests with the Bank in areas of law, accounting, audit and management consultation etc.;
- (6) any other persons who can be controlled by the Bank or on whom the Bank may impose a material impact through various ways;
- (7) close relatives of the above persons (close relatives mean spouse, parents, children, grandparents, siblings, parents-in-law, son-in-law, daughter-in-law, spouse of siblings, and siblings of spouses, etc.);
- (8) the staff of governmental institutions;
- (9) other persons specified by the banking regulatory authority of State Council, the securities regulatory authorities where stocks of the Bank are listed and other regulatory authorities as not suitable for being independent Directors.

**Article 157** The Nomination and Remuneration Committee of the Bank may propose candidates for independent Directors to the Board of Directors. The Board of Directors, the Board of Supervisors, and the shareholders holding, alone or in an aggregate, 1% or more of the issued shares of the Bank are entitled to propose a candidate for election as an independent Director at the shareholders general meeting. A shareholder who has already proposed a candidate for non-independent directorship and its related parties shall not at the same time propose an independent director candidate. The qualification of the independent Directors shall be submitted to the banking regulatory authority of the State Council for approval.

The term of office of independent Directors shall be the same as other Directors of the Bank and shall be further subject to the requirements of relevant regulatory authorities.

An independent Director shall not concurrently serve as independent director in more than two commercial banks. An independent Director may serve as independent Director concurrently for no more than five enterprises at home and abroad.

**Article 158** 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 general 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 causes the number of independent Directors fall below one-third of the total number of Directors on the Board of Directors, the resignation of the independent Director shall not become effective until the vacancy so caused is filled by the successive independent Director, except for resignation or dismissal due to loss of independence.

Independent Directors should attend meetings of the Board of Directors in time, understand the operation and functioning of the Bank, conduct proactively investigation to obtain the information and data needed to make a decision. For independent Director who fails to attend the meetings of the Board of Directors for three consecutive times in person, the Board of Directors shall propose to the shareholders general meeting to remove him.

Save for the above circumstances and circumstances stipulated in the Company Law and the Commercial Bank Law under which the persons cannot serve as Directors or independent Directors, prior to the expiry of the term of office, the independent Directors shall not be removed from office

without appropriate reasons. Removal of independent Director prior to the expiry of his term of office shall be disclosed as a special matter. The independent Director so removed may make public statement if he thinks the reasons of the removal are inappropriate.

**Article 159** Independent Directors shall devote enough time to the performance of duties in a faithful and diligent manner. They shall work 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 160** In addition to the powers conferred by the Company Law and other relevant laws, administrative rules and regulations and this Articles of Association, independent Directors shall also have the following powers:

- (1) major connected transactions shall be approved by independent Directors prior to submission to the Board of Directors for discussion; and the independent Directors may engage professional advisers to provide an independent financial adviser report to serve as a basis of decision before they come to a conclusion;
- (2) to propose to the Board of Directors to convene an extraordinary shareholders general meeting;
- (3) to propose to the Board of Directors to appoint or remove an accounting firm;
- (4) to propose to convene a meeting of the Board of Directors;
- (5) to publicly solicit voting rights from shareholders prior to the shareholders general meeting;
- (6) to engage independently external auditing and consulting advisers and conduct audit and consulting over specific matters of the Bank;
- (7) to consider and approve matters that are required to be approved by the independent Directors according to the listing rules in the place where the FISs are listed;

- (8) other powers stipulated by the law, administrative regulations and rules, listing rules in the place where the FISs are listed and this Articles of Association.

Independent directors' exercising of these powers except cases (4) and (6) shall be agreed by no less than half of all the independent Directors. Independent Directors' exercising of the powers under case (4) above shall conform to Article 182 of this Articles of Association, and their exercising of the powers under case (6) above is subject to consent of all independent Directors.

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.

Independent Directors may elect an independent Director responsible for convening special meetings attended by independent Directors to study issues related to performance of duties.

**Article 161** Independent Directors shall express objective, impartial and independent opinions on the matters discussed at the shareholders general 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) matters deemed by independent Directors as may harm the interests of small and medium shareholders;
- (7) matters deemed by independent Directors as that may cause significant losses to the Bank;
- (8) appointment or dismissal of the accounting firm that conducts regular statutory audits over financial reports of the Bank;
- (9) other matters that may have a significant impact on the legitimate rights and interests of the Bank, small and medium shareholders and financial consumers;
- (10) the influence of the issuance of preference shares on the equity interest of the Bank's shareholders of all classes;

(11) other matters stipulated by the laws, administrative regulations, rules and this Articles of Association.

**Article 162** To ensure an effective performance of functions by independent Directors, the Bank shall provide the following necessary conditions:

- (1) the Bank should ensure that independent Directors enjoy the same right to know as other Directors. For all matters subject to the approval of the Board of Directors, the Bank shall serve a prior notice on the independent Directors in accordance with statutory requirements and provide necessary materials to them. Independent Directors may require additional materials if they think the materials are not sufficient;
- (2) the Bank should provide working conditions to independent Directors necessary for them to perform their duties;
- (3) the Board secretary of the Bank and other relevant personnel should actively 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 163** 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, 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 164** Under any of the following circumstances, the Board of Directors and the Board of Supervisors may propose to the shareholders general 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 rules.

**Article 165** The Board of Directors and the Board of Supervisors shall serve a written notice to the relevant independent Director within one month prior to the shareholders general meeting if proposing to the shareholders general 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 5 days prior to the shareholders general meeting. The shareholders general 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-thirds of all the Directors or the Supervisors before the Board of Directors and the Board of Supervisors submit such proposal to the shareholders general meeting for consideration.

**Article 166** The Bank shall pay remuneration and allowances to the independent Directors. The payment standard shall be formulated by the Board of Directors, and approved by the shareholders general 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 or from entities and personnel have an interest in the Bank.

### **Section 3 The Board of Directors**

**Article 167** The Bank shall have a Board of Directors and the Board of Directors shall be accountable to the shareholders general 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 seven to ten non-executive Directors (including three to five independent Directors), and the number of members on the Board of Directors shall be determined by the shareholders general meeting.



**Article 168** The Board of Directors of the Bank shall establish under it the Strategic and Sustainable Development Committee, the Audit and 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. The Audit and 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. The Audit and Related Party Transactions Control Committee shall be chaired by an accounting professional.

**Article 169** The terms of reference of the specialized committees of the Board shall be formulated separately by the Board to regulate the operation of specialized committees of the Board of Directors.

**Article 170** The Bank shall establish an office under the Board of Directors to be responsible for preparing for the shareholders general meetings, meetings of the Board of Directors and meetings of the specialized committees of the Board of 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 171** The Board of Directors shall have a chairman and a vice chairman. The chairman and vice chairman 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 172** The Board of Directors shall exercise the following duties and powers:

- (1) to convene the shareholders general meetings and to make a work report to the meeting;
- (2) to implement the resolutions adopted by the shareholders general 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 general 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 general 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 general meeting;
- (23) to decide procedures on management of related party transactions; to review and approve or authorize the Audit and 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 general meeting in accordance with applicable laws); to report on related party transactions and the implementation of the relevant procedures to the shareholders general 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 general 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 regularly assess and improve corporate governance of the Bank;
- (31) to safeguard the legitimate rights and interests of financial consumers and other stakeholders;
- (32) to establish a mechanism for identifying, examining and managing the conflicts of interest between the Bank and its shareholders, especially the substantial shareholders;
- (33) to assume the responsibility for the management of shareholder affairs;
- (34) to exercise any other authorities prescribed by the applicable laws, administrative regulations, rules or this Articles of Association, or conferred by the shareholders general meetings.

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 173** 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 general 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 general meeting shall be reported to the shareholders general 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 and Related Party Transactions Control 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 general 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 174** The Board of Directors shall make explanation to the shareholders general meeting for any non-standard audit opinions expressed by the certified public accountant on the financial reports of the Bank.

**Article 175** Without the prior approval of the shareholders general meeting, the Board of Directors may not dispose or agree to dispose the fixed assets where the aggregate of the expected value of the fixed assets for the proposed disposal and the value of the fixed assets disposed within the four months period immediately preceding the proposed disposal exceeds 33% of the value of the fixed assets shown in the last balance sheet reviewed by the shareholders general meeting.

A disposal of fixed assets in this article shall include the assignment of certain interest in assets other than using fixed assets as collaterals.

The validity of transactions whereby the Bank disposes fixed assets shall not be affected by the breach of the first paragraph of this article.

**Article 176** 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 implemented after being approved by the shareholders general 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 177** If the Board of Directors dismisses the President of the Bank during his term of office, the Board of Directors shall promptly inform and make written explanation to the Board of Supervisors.

**Article 178** The Board of Directors shall perform duties in accordance with the laws and ensure the Bank abides by laws, administrative regulations and rules and this Articles of Association.

**Article 179** The chairman of the Board of Directors shall exercise the following powers:

- (1) to preside over the shareholders general 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 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 general meeting after the event.

**Article 180** The meetings of the Board of Directors shall consist of regular meetings and interim meetings. The Supervisors shall be notified to attend the meetings of the Board of Directors as non-voting delegates.

**Article 181** The regular meetings of the Board of Directors shall be held at least four times each year and at least once each quarter. The Board of Directors shall notify all the Directors and Supervisors in writing 10 working days prior to a regular meeting of the Board of Directors.

**Article 182** 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) a majority of or at least two of the independent Directors propose for such a meeting;
- (5) the Board of Supervisors 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 within a reasonable period of time.

**Article 183** The meeting of the Board of Directors shall be held only if a majority of the Directors are present at the meeting. If a Director has material interest in the proposed matters to be resolved at the meeting, such meeting of the Board of Directors shall be held only if a majority of Directors having no material interest in the proposed matters to be resolved present at the meeting.

President of the Bank who is not concurrently a Director shall attend the meeting of the Board of Directors as non-voting delegate.

**Article 184** 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 vote. When the numbers of votes against and in favor of a certain proposal are equal, the chairman of the Board of Directors shall be entitled to one additional vote.

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 general meeting, including but not limited to deciding on whether to repurchase, convert preference shares or distribute dividends.

**Article 185** If any Director or any of his associates (as defined under the Hong Kong Listing Rules) has material 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 voting rights nor shall he vote on behalf of any other Directors in relation to such matter, and he shall not be counted into the quorum present at the meeting, 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 proposed matters shall be passed by no less than two-thirds of the Directors having no material interest in such matters.

When resolutions cannot be adopted because the Directors having no material interests present at the meeting are less than 3 or Directors abstain from voting because of having material interest in the proposed matters, the Board of Directors shall submit such proposal to the shareholders general 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 general meeting and shall record the opinions of Directors having no material 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 general meeting shall be implemented after being approved by the shareholders general meeting.

**Article 186** 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 187** 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 general 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 relevant contents required by laws, administrative regulations and rules as well as this Articles of Association.

Resolutions of the Board of Directors shall be void if in violation of laws and administrative regulations.

**Article 188** 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 Secretary of the Board of Directors**

**Article 189** There shall be one secretary of the Board of Directors to be appointed or removed by the Board of Directors. The secretary is a member of the senior management of the Bank and is accountable to the Board of Directors. The secretary of the Board of Directors shall have a term of office of 3 years and can be re-appointed upon expiry of his term of office.

**Article 190** 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 ensure the Bank has complete organizational documents and records;
- (2) to ensure the Bank's preparation and submission of reports and documents required by competent authorities;
- (3) to ensure the register of shareholders of the Bank is properly compiled and maintain the register of shareholders;
- (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.

**Article 191** Unless otherwise provided in the laws, administrative regulations and rules, the secretary of the Board of Directors of the Bank can hold concurrently other positions in the Bank.

**Article 192** Directors or senior management other than President of the Bank) can serve concurrently as the secretary of the Board of Directors. However, they must ensure adequate energy and time commitment to the duties of the secretary of the Board of Directors.

The President of the Bank, Supervisors and the accountants of the accounting firm engaged by the Bank shall not serve concurrently as the secretary of the Board of Directors.

**Article 193** If a Director acts as the secretary of the Board of Directors and an act is required to be done by a Director and the secretary of the Board of Directors separately, such person who is at the same time a Director and the secretary of the Board of Directors shall not perform such act in both capacities.

## **CHAPTER 10. President of the Bank and Other Senior Management**

**Article 194** The Bank shall have one President, several vice presidents and several chief officers and may have other senior management personnel to assist the President where necessary.

**Article 195** The President shall have a term of office of 3 years and may be re-appointed upon expiry of his term of office.

**Article 196** 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 formulate and organize the implementation of the mid-term and long-term development plans, annual business plans and investment plans of the Bank;
- (4) to draft the basic management system, internal management structure 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 the chief officers 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, vice president of a branch, as well as other senior management the appointment or dismissal of whom are not within the authority of 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 adopt emergency measures in the Bank's interests under significantly emergent circumstances in connection with business operation such as bank run, and report immediately to the Board of Directors, Board of Supervisors and the banking regulatory authority of the State Council;
- (13) to decide on major investment, major assets acquisition and disposal with a single amount of no more than RMB200 million (inclusive);
- (14) 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;
- (15) other functions to be performed by the President of the Bank in accordance with applicable laws, administrative regulations and rules, other relevant provisions and the decisions of the shareholders general meeting and the Board of Directors.

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 197** The President of the Bank and other senior management shall make truthful report to the Board of Directors or the Board of Supervisors 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 Board of Supervisors.

**Article 198** 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 199** The working rules of the President shall be formulated by the President and shall be implemented after being approved by the Board of Directors.

**Article 200** 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 201** 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 202** If necessary, the President may establish special committees and formulate the rules of procedure for each special committee.

**Article 203** The Board of Directors shall discuss in time and make decisions in relation to matters submitted by the senior management for approval.

**Article 204** The President and other senior management of the Bank shall abide by their faithful and diligent duties in accordance with laws, administrative regulations, 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.

Senior management 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 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 205** 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.

## **CHAPTER 11. Supervisors and the Board of Supervisors**

### **Section 1 Supervisors**

**Article 206** Supervisors shall include shareholder representative Supervisors, external Supervisors, and employee representative Supervisors. Both the external Supervisors and the employee representative Supervisors shall account for no less than one-third of the members on the Board of Supervisors of the Bank respectively.

**Article 207** Directors and senior management of the Bank may not serve concurrently as Supervisors.

**Article 208** The method and procedures for nominating a shareholder representative Supervisor are as follows:

- (1) the Board of Supervisors or shareholders holding, alone or in aggregate, 3% or more of the total number of voting shares of the Bank are entitled to propose a candidate for election as shareholder representative Supervisor at the shareholders general meeting;

- (2) the Nomination Committee of the Board of Supervisors will conduct a preliminary review of shareholder representative supervisor candidates in regards to their qualifications and conditions and submit any qualified candidates to the Board of Supervisors for its consideration; upon approval of the Board of Supervisors, the proposals in writing shall then be submitted to the shareholders general meeting;
- (3) the shareholder representative Supervisor candidate shall, prior to publication of the notice of the shareholders general meeting, make a written undertaking specifying his/her consent to be nominated, his/her representation that his/her information as disclosed are true, accurate and complete, and the undertaking to fulfill his/her obligations as a Supervisor of the Bank if so elected;
- (4) The intention to nominate a candidate for Supervisor, the written notification of the candidate's consent to be nominated and the relevant written materials regarding the nominees shall be delivered to the Bank not less than 7 days prior to the publication date of notice of the shareholders general meeting. The nominator shall provide the shareholders with the resume and basic details of the nominee.
- (5) The Board of Supervisors shall as prescribed by laws, regulations and this Articles of Association provide to the shareholders the detailed information of the shareholder representative Supervisor candidates prior to the shareholders general meeting to ensure the shareholders have informed knowledge of the candidate when voting.

**Article 209** Employee representative Supervisors shall be nominated by the Board of Supervisors and the Labor Union of the Bank and elected, removed and replaced by the Congress of Employees or other democratic processes by the employees of the Bank.

**Article 210** The Supervisors shall have a term of office of 3 years, and may be re-elected upon the expiration of their term of office.

**Article 211** Supervisors shall attend meetings of the Board of Supervisors in person. If Supervisors are unable to attend the meeting in person for certain reasons, they may entrust other Supervisors in writing to attend the meeting as their proxy. 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.

**Article 212** A Supervisor may resign before the expiration of his term of office. Supervisor resigning shall submit a written resignation report to the Board of Supervisors. The provisions on resignation of Supervisors may refer to those on resignation of Directors as specified in section 1 of chapter 8 of this Articles of Association.

If a failure to elect a new Supervisor in time upon the term of office of the original Supervisor expires, or the resignation of a Supervisor during his term of office causes the number of Supervisors fall below the statutory minimum number, the original Supervisor shall fulfill the Supervisor's duties in accordance with laws, administrative regulations, rules, regulatory provisions and this Articles of Association before the new Supervisor takes office.

**Article 213** Supervisors should abide by law, administrative regulations, rules, regulatory provisions and this Articles of Association and should carry out their obligations faithfully and diligently.

**Article 214** Supervisors shall ensure the truthfulness, accuracy and completeness of information disclosed by the Bank and sign the written confirmation for periodic reports.

**Article 215** The Supervisors may attend the meetings of the Board of Directors, meetings of the specialized committees of the Board of Directors and meetings of the senior management as non-voting delegates, and the Supervisors so present may query the matters or make proposals in relation to the matters deliberated at these meetings, but have no voting right.

The Supervisors attending the meetings of the Board of Directors as non-voting delegates shall report to the Board of Supervisors in relation to the meetings of the Board of Directors.

**Article 216** The Board of Supervisors may designate Supervisors to attend the meeting of the senior management, if necessary.

**Article 217** Supervisors should not harm the interests of the Bank by manipulating their position and shall indemnify the Bank for any losses incurred by the Bank therefrom.

**Article 218** The Supervisors shall compensate the Bank for any losses incurred by the Bank resulting from their violation of laws, administrative regulations, rules and this Articles of Association when performing their duties.

## **Section 2 External Supervisors**

**Article 219** External Supervisor of the Bank means the Supervisor who does not hold any other positions in the Bank except for Supervisor, and has no relationship with the Bank and its shareholders or de facto controller that may impact on his independent and objective judgment.

The qualifications, nomination, election, removal and resignation procedures of external Supervisors in the Bank may refer to those of independent Directors in this Articles of Association.

The term of office of external Supervisors shall conform to the requirements of relevant regulatory authorities.

**Article 220** The external Supervisors shall work at the Bank for no less than 15 days per year. External Supervisors may entrust other external Supervisors to attend the meeting of the Board of Supervisors as proxy; however, the external Supervisors shall attend in person no less than two-thirds of the onsite meetings of the Board of Supervisors convened during a year.

If an external Supervisor fails to attend in person two-thirds of the meetings of the Board of Supervisors convened during a year, the Board of Supervisors shall propose to the shareholders general meeting to remove such external Supervisor.

**Article 221** External Supervisors enjoy the rights of Supervisors, supervise the Board of Directors and the senior management, and conducts activities within the authority of the Board of Supervisors in accordance with the resolutions of the Board of Supervisors.

**Article 222** External Supervisor shall be deemed as committing a serious failure in performing his duties under any of the following circumstances:

- (1) disclosure of the Bank's commercial secrets and harming the Bank's legitimate interests;
- (2) accepting improper interests during the performance of his duties;
- (3) taking advantage of the position of external Supervisor to seek for private interests;
- (4) failure to identify problems which should have been identified during supervision and examination or failure to report the problems identified, thereby causing material losses to the Bank;
- (5) other serious misconducts identified by the banking regulatory authority of the State Council.

**Article 223** The external Supervisory evaluation report to be considered by the shareholders general meeting shall at least include information on the number of meetings of the Board of Supervisors attended by external Supervisors, the Board of Supervisors' guidance and supervision of internal audit work organized or participated in by the external Supervisors, performance of the Supervisors' supervisory duties.

**Article 224** The Bank shall pay remuneration and allowances to the external Supervisors. Payment standard shall be formulated by the Nomination Committee of the Board of Supervisors with reference to that for independent Directors. The payment standard shall be submitted to the shareholders general meeting for approval after being approved by the Board of Supervisors.

### **Section 3 The Board of Supervisors**

**Article 225** The Bank shall have a Board of Supervisors. The Board of Supervisors shall be the supervisory authority of the Bank, and be accountable to the shareholders general meeting.



**Article 226** The Board of Supervisors of the Bank shall consist of no less than 5 but no more than 9 Supervisors, including one shareholder representative Supervisor, two to four external Supervisors and two to four employee representative Supervisors. The number of Board of Supervisors shall be determined by the shareholders general meeting.

The Board of Supervisors shall have one chief Supervisor and may include one vice chief Supervisor. Both of them shall be served by full-time personnel with expertise and working experience in at least one of financial matters, audit, finance and law.

The chief Supervisor and vice chief Supervisor of the Board of Supervisors shall be appointed or removed through voting by no less than two-thirds of all Supervisors.

**Article 227** The Board of Supervisors shall establish the office of the Board of Supervisors as the executive body of the Board of Supervisors. The office of the Board of Supervisors shall be in charge of the day-to-day work of the Board of Supervisors and its special committees, including implementing the specific supervision, preparation for the meetings of the Board of Supervisors and its special committees, preparation of documents and minutes of such meetings, etc.

**Article 228** The Board of Supervisors shall exercise the following powers:

- (1) to propose an extraordinary shareholders general meeting, convene and preside over the shareholders general meeting if the Board of Directors fails to fulfill its duty to convene and preside over the shareholders general meeting;
- (2) to submit proposals to the shareholders general meeting;
- (3) to supervise the Board of Directors' work to establish a sound operating philosophy, value norms and the development strategy commensurate with the conditions of the Bank;
- (4) to supervise and assess the performance of duties by the Board of Directors, the senior management and their members and, when any Director or senior management member acts against the interests of the Bank, require the Director or senior management member to take corrective action, propose to dismiss the Director or senior management member who violates laws, administrative regulations, this Articles of Association or resolutions of the shareholders general meeting or file a lawsuit in accordance with the law regarding the same;
- (5) to supervise the selection and engagement procedures of Directors;
- (6) to supervise the implementation of the Bank's remuneration policy and the scientificity and rationality of the remuneration plan for senior management;
- (7) to conduct supervisory review of business decisions, financial activities, risk management and internal control of the Bank and urge necessary rectification actions to be taken;

- (8) to review and give written opinion on periodic reports of the Bank prepared by the Board of Directors; to verify the financial information such as financial reports, business reports and profit distribution plan, etc. that the Board of Directors intends to submit to the shareholders general meeting and, if in doubt, is able to appoint, in the name of the Bank, a certified public accountant or practicing auditor to assist in re-reviewing such information;
- (9) to investigate any abnormalities it discovers in business operations of the Bank; where necessary, to engage an accounting firm, law firm and other professional agencies at the cost of the Bank to assist in its work;
- (10) other powers conferred by the shareholders general meeting as well as by applicable laws, administrative regulations and rules and this Articles of Association.

**Article 229** The Board of Supervisors shall formulate the rules of procedure of the Board of Supervisors to ensure its efficiency and scientific decision-making. The rules of procedure of the Board of Supervisors shall be implemented after being approved by the shareholders general meeting.

**Article 230** The results of the audits by the internal audit department of the Bank on the internal operational departments and branches of the Bank shall be delivered to the Board of Supervisors in a timely and complete manner. If the Board of Supervisors has any doubts in relation to the audit results submitted by the internal audit departments, the Board of Supervisors is entitled to require the Board of Directors, senior management or the internal audit department of the Bank to make explanation.

The profit distribution plan proposed by the Board of Directors shall be submitted to the Board of Supervisors in advance. The Board of Supervisors shall express its opinions on the compliance and rationality of profit distribution plan.

**Article 231** The Board of Supervisors is entitled to consult relevant personnel and institutions of the Bank for information when discharging duties, and the relevant personnel and institutions shall be cooperative.

The Board of Supervisors may engage professional advisers such as lawyers and certified public accountants to provide services and professional opinions, and the reasonable expenses so incurred shall be borne by the Bank.

**Article 232** The Board of Supervisors enjoys the right to know, the right to make proposals and the right to report conferred by laws and regulations. The Bank shall adopt measures to safeguard Supervisors' right to know and provide relevant information and material to the Board of Supervisors in a timely manner and in accordance with applicable rules and provide necessary assistance to Supervisors in properly performing duties, which shall be protected from interference and hindrance by any person. The Board of Supervisors may make proposals to the Board of Directors and senior management and may report to the shareholders general meeting where necessary.

**Article 233** The chief Supervisor of the Board of Supervisors shall exercise the following powers:

- (1) to convene and preside over meetings of the Board of Supervisors;
- (2) to organize the implementation of responsibilities of the Board of Supervisors;
- (3) to review, decide on and sign the reports and resolutions of the Board of Supervisors as well as other important documents;
- (4) to report the work of the Board of Directors to the shareholders general meeting on behalf of the Board of Supervisors;
- (5) other responsibilities and powers as stipulated by laws, administrative regulations and rules or this Articles of Association.

**Article 234** The Board of Supervisors shall deliberate matters through the meeting of the Board of Supervisors. The meetings of the Board of Supervisors include regular meetings and interim meetings.

**Article 235** The Board of Supervisors shall convene at least 4 regular meetings each year. The Board of Supervisor shall notify all Supervisors in writing 10 days prior to the meeting.

**Article 236** The chief Supervisor of the Board of Supervisors shall convene and preside over an interim meeting of the Board of Supervisors within 10 days upon receipt of the relevant proposal under any of the following circumstances:

- (1) the chief Supervisor of the Board of Supervisors deems necessary;
- (2) more than one third of the Supervisors jointly propose such a meeting;
- (3) all external Supervisors propose such a meeting.

**Article 237** The notice of the meeting of the Board of Supervisors in writing shall include information on the venue, time and duration of the meeting, causes and subject matters, as well as the date of the notice.

**Article 238** The meeting of the Board of Supervisors shall be convened and presided over by the chief Supervisor of the Board of Supervisors. When the chief Supervisor is unable to perform his duties or fails to discharge his duties, the vice chief Supervisor shall convene and preside over the meeting of the Board of Supervisors. When the vice chief Supervisor is unable to perform his duties or fails to discharge his duties, a Supervisor elected by a majority of the Supervisors shall convene and preside over the meeting.

**Article 239** The meeting of the Board of Supervisors shall be held only if a majority of the Supervisors attend at the meeting.

**Article 240** All members of the Board of Supervisors shall have the right to speak at the meeting; and the Board of Supervisors shall discuss proposals proposed by any Supervisor.

When deliberating relevant proposals and reports, the Board of Supervisors may require the Directors, President and other senior management as well as internal and external auditors of the Bank to attend the meeting of the Board of Supervisors as non-voting delegates to give necessary explanations on relevant matters and to answer the issues the Board of Directors concerns.

**Article 241** Voting at an onsite meeting of the Board of Supervisors (including video conference and teleconference) shall be made by show of hands or by poll. If a Supervisor 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 Supervisors shall be deemed to be present at the meeting in person. The meeting of the Board of Supervisors can pass resolution by way of voting through written circulation provided that the Supervisors are guaranteed to fully express their opinions and such resolution shall be signed by the participating Supervisors. Voting through written circulation shall have a voting time limit, and Supervisors who fail to vote within such voting time limit shall be deemed as abstaining from voting.

**Article 242** Resolutions of the Board of Supervisors shall be passed with the approval of more than two-thirds of all Supervisors.

**Article 243** Minutes shall be made for the meetings of the Board of Supervisors and be signed by the Supervisors attending the meeting or their proxies and the recorder. Supervisors are entitled to request the recording of their reservations in the meeting minutes or the explanations in relation to their speeches at the meeting. Minutes of the meetings of the Board of Supervisors shall be kept permanently.

Decisions, resolutions and the minutes of meetings of the Board of Supervisors shall be promptly submitted to the banking regulatory authority of the State Council.

## **CHAPTER 12. Qualifications, Obligations and Incentive Mechanism of Directors, Supervisors, President and Other Senior Management Personnel**

**Article 244** The qualifications of Directors, Supervisors, 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 245** A person with one of the following circumstances shall not serve as Director, Supervisor, 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;
- (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 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 as a result of the violation of the laws and who is personally liable, where less than three years have elapsed since the date of revocation of the business license of such company or enterprise.
- (5) the person has a relatively large amount of personal indebtedness which is overdue and outstanding;
- (6) the person having a case against him/her open for investigation for his/her violation of criminal law;
- (7) the person who, in accordance with laws and regulations, cannot be a company leader;
- (8) a non-natural person;
- (9) the person who was ruled by the securities regulatory authority of the State Council as having violated securities laws and regulations where fraud or dishonesty is involved and less than five years have elapsed since the date of such ruling;
- (10) 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;
- (11) other circumstances as stipulated by laws, administrative regulations or rules.

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

Election, appointment or engagement of Directors, Supervisors 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, Supervisor or senior management personnel, the Director, Supervisor or senior management personnel shall be dismissed from his/her position by the Bank.

**Article 246** The validity towards a third party of a conduct of Directors, President and other senior management personnel of the Bank acting on behalf of the Bank with a bona fide shall not be affected by the irregularities in the appointment, election or qualification of such person.

**Article 247** In addition to the obligations required by laws, administrative regulation or requirements of securities supervision and regulation of the place where the shares of the Bank are listed, Directors, Supervisors, President and other senior management personnel shall owe a duty to each shareholder in respect of the following obligations when discharging the duties and powers entrusted to them by the Bank:

- (1) not to cause the Bank to exceed the business scope specified in its business license;
- (2) to act faithfully in the best interest of the Bank;
- (3) not to deprive the Bank of its assets in any manner, including but not limited to usurp the opportunities favorable to the Bank;
- (4) not to deprive the personal interests of the shareholders, including but not limited to the right to distribution and voting rights, save and except pursuant to a restructuring plan of the Bank submitted to shareholders for approval in shareholders general meetings in accordance with this Articles of Association.

**Article 248** In exercising their rights or discharging their duties, Directors, Supervisors, President and other senior management personnel of the Bank shall exercise the reasonable care, diligence and skill of a reasonable and prudent person acting under similar circumstances.

**Article 249** In discharging their duties, Directors, Supervisors, President and other senior management personnel of the Bank, shall observe the fiduciary principle and shall not place themselves in a position where their personal interests may conflict with the duties they assumed. Such principle shall include but is not limited to the undertaking of the following obligations:

- (1) to act faithfully in the best interest of the Bank;
- (2) to exercise powers within, and not exceed the scope of, their authority;

- (3) to exercise the discretionary power vested in them personally and without being manipulated by other person, and unless permitted by the laws or administrative regulations or the informed consent of the shareholders general meeting, not to delegate such discretionary power to any other person;
- (4) to treat the shareholders of the same class equally and to treat the shareholders of different classes fairly;
- (5) unless otherwise provided herein or with the informed consent of the shareholders general meeting, not to enter into contracts, transactions or arrangements with the Bank;
- (6) without the informed consent of shareholders general meeting, not to use the property of the Bank in any manner for their own benefits;
- (7) not to exploit their positions to accept bribes or other unlawful income nor to misappropriate the Bank of its property in any manner, including but not limited to usurp the opportunities beneficial to the Bank;
- (8) without the informed consent of shareholders general meeting, not to accept any commission in connection with the transactions of the Bank;
- (9) to abide by this Articles of Association, to perform their duties faithfully, to protect the interests of the Bank, and not to pursue personal benefits by exploiting their positions and authorities in the Bank;
- (10) without the informed consent of shareholders general meeting, not to compete in any way with the Bank;
- (11) not to embezzle the funds of the Bank or to lend the funds of the Bank to others in breach of rules; not to deposit the assets of the Bank in the accounts opened under their own names or the names of other persons; not to use the assets of the Bank as guarantee for the liabilities of the shareholders of the Bank or any other persons in breach of rules;
- (12) without the informed consent of shareholders general meeting, not to disclose any confidential information of the Bank acquired during their terms of office, nor to make use of such information except for the benefit of the Bank, provided that such information may be disclosed to a court or other competent governmental authorities under the following circumstances:
  - (a) disclosure is required by the laws;
  - (b) disclosure is required in the public interest;
  - (c) disclosure is required in the interest of such Director, Supervisor, President and other senior management personnel.

**Article 250** The Director, Supervisor, President and other senior management personnel of the Bank shall not cause any of the following persons or organizations (“related persons”) to do such acts that such Director, Supervisor, President and other senior management personnel are prohibited from doing:

- (1) the spouses or minor children of the Directors, Supervisors, President and other senior management personnel of the Bank;
- (2) a trustee of the Directors, Supervisors, President and other senior management personnel of the Bank or of the persons mentioned in (1) of this article;
- (3) a partner of the Directors, Supervisors, President and other senior management personnel of the Bank or of the persons mentioned in (1) and (2) of this article;
- (4) companies actually and solely controlled by the Directors, Supervisors, President and other senior management personnel of the Bank or companies actually and jointly controlled by the persons referred to in (1), (2) and (3) of this article or by other Directors, Supervisors, President and other members of senior management of the Bank;
- (5) Directors, Supervisors, managers and other members of senior management of the controlled companies referred to in (4) of this article.

**Article 251** The fiduciary duties of the Directors, Supervisors, President and other members of the senior management of the Bank shall not be terminated after the expiration of their term of office; their obligations to keep in confidentiality the commercial secrets of the Bank shall be valid after the expiration of their term of office. Duration of the other duties of the Directors, Supervisors, President and other members of the senior management of the Bank shall be determined on a fair basis depending on the length of the time between the occurrence of relevant events and their departures from office, and the circumstances and the conditions under which their relations with the Bank are terminated.

**Article 252** Directors, Supervisors, and members of senior management of the Bank violating laws, administrative regulations, rules and this Articles of Association and therefore causing losses to the Bank and the shareholders shall be liable for compensation therefore.

**Article 253** The liabilities of the Directors, Supervisors, President and other members of senior management of the Bank for violating certain specific obligation may be waived by the informed consent of the shareholders general meeting except for the circumstances prescribed in Article 72 of this Articles of Association.

**Article 254** In the event that Directors, Supervisors, President and other members of senior management of the Bank, have material interests, directly or indirectly, in the contracts, transactions, arrangement that have been concluded or are proposed to be concluded (except for the service contracts concluded between the Bank and the Directors, Supervisors, President and other members of



senior management of the Bank), they shall disclose to the Board of Directors the nature and extent of their interests as early as possible, regardless of whether or not the relevant matters are subject to the approval by the Board of Directors in normal circumstances.

Unless the Directors, Supervisors, President and other members of senior management of the Bank interested has disclosed such interest to the Board of Directors as required in this Article and the Board of Directors has approved the same in meeting in which such person has not been counted in the quorum and has refrained from voting, the Bank shall have the right to revoke such contracts, transactions or arrangements except as against a bona fide party without notice of the breach of the duty by the Directors, Supervisors, President and other members of senior management concerned.

If any related person of the Directors, Supervisors, President and other members of senior management of the Bank has interest in certain contracts, transactions or arrangements, such Directors, Supervisors, president and other members of senior management shall also be deemed to have interest in the same.

**Article 255** If, before the Bank first considers the entering into of the relevant contract, transaction or arrangement, the Directors, Supervisors, President and other members of senior management of the Bank give written notice to the Board of Directors, stating that by reasons of the facts contained in the notice they have interests in such contract, transaction or arrangement to be entered into by the

Bank subsequently, such Directors, Supervisors, President and other members of senior management shall be deemed to have made such disclosure as stipulated in the preceding article of this chapter to the extent as stated in the notice.

**Article 256** The Bank shall not, in any manner, pay taxes on behalf of any Directors, Supervisors, President and other members of senior management of the Bank.

**Article 257** Save for under the following circumstances, the Bank shall not directly or indirectly provide loans or loan guarantee to the Directors, Supervisors, President and other members of senior management of the Bank; and the Bank shall neither provide loans or loan guarantee to the related persons of the aforesaid persons:

- (1) the Bank provides loans or loan guarantee to the subsidiary bank of the Bank (subsidiary companies);
- (2) the Bank, in accordance with the service contract approved by shareholders general meeting, provides guaranteed loan, loan guarantee or other funds to the Directors, Supervisors, President and other members of senior management of the Bank for them to pay fees and expenses incurred for the purpose of the Bank or for the performance of their duties;

- (3) the terms of the loan guarantee and guaranteed loan provided by the Bank to the Directors, Supervisors, President and other members of senior management and their related persons during the ordinary course of business of the Bank shall be no more favorable than those available to other borrowers of the same loans.

**Article 258** If the Bank provides loans in violation of the provisions of the preceding article, the recipient of the loan shall repay the same forthwith regardless of the terms of such loans.

**Article 259** Guarantees for loans provided by the Bank in violation of the provisions of Article 257 of this Articles of Association shall be unenforceable against the Bank except under the following circumstances:

- (1) at the time when the loans were made to the related persons of the Directors, Supervisors, President and other members of senior management of the Bank, the lender has no knowledge of the circumstance;
- (2) the collateral provided by the Bank has been legally sold by the lender to a bona fide purchaser.

**Article 260** The guarantee referred to in the preceding article of this chapter shall include the assumption of obligations or the provision of property by the guarantor to secure the performance of obligations by the obligor.

**Article 261** Apart from the various rights and remedies provided by laws and administrative regulations, the Bank is entitled to take the following measures in the event that the Directors, Supervisors, President and other members of senior management of the Bank violate their obligations towards the Bank:

- (1) to demand the relevant Directors, Supervisors, President and other members of senior management of the Bank to compensate the Bank for the losses incurred as a result of the dereliction of duties on their parts;
- (2) to revoke any contract or transaction concluded or reached between the Bank and the relevant Directors, Supervisors, President and other members of senior management of the Bank, and any contract or transaction concluded or reached between the Bank and a third party (if such third party knows or should have known that the Directors, Supervisors, President and other members of senior management representing the Bank are in violation of their obligations towards the Bank);
- (3) to demand the relevant Directors, Supervisors, President and other members of senior management to surrender the gains received by them from the violation of their obligations;
- (4) to recover from the relevant Directors, Supervisors, President and other members of senior management the monies which should have been received by the Bank, including but not limited to commissions;

- (5) to demand relevant Directors, Supervisors, President and other members of senior management to return the interest earned or may be earned from the monies which should have been turned over to the Bank.

**Article 262** The Bank implements fair and open standards and procedures of performance appraisal for the Directors, Supervisors, President and other members of senior management and sets 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 263** 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 general meeting after being approved by the Board of Directors; the remuneration and incentive plan for the Supervisors shall be formulated by the Nomination Committee under the Board of Supervisors and shall be submitted to the shareholders general meeting after being approved by the Board of Supervisors.

**Article 264** The Bank shall enter into written contracts with Directors and Supervisors of the Bank in relation to their remuneration with the prior approval of the shareholders general meeting. The remuneration matters aforesaid shall include:

- (1) the remuneration for acting as a Director, Supervisor or a member of senior management of the Bank;
- (2) the remuneration for acting as a Director, Supervisor or a member of senior management of the subsidiary bank (subsidiary companies) of the Bank;
- (3) the remuneration for the provision of other services in the management of the Bank and the subsidiary bank (subsidiary companies) of the Bank;
- (4) the payment for compensation for loss of office or retirement of such Directors or Supervisors. Such compensation shall meet the principle of fairness without impairing the legitimate interests of the Bank or transferring interests.

Except pursuant to the contracts as aforesaid, no law suit shall be instituted by the Director and Supervisor in respect of the benefits should be received by them in respect of the aforesaid matters.

**Article 265** There shall be a provision in the contract in relation to remuneration between the Bank and the Director and Supervisor of the Bank that the Director and Supervisor of the Bank shall be entitled to the compensation or other payments as a result of loss of office or retirement when the

Bank is to be taken over, provided that a prior approval of such provision has been obtained at a shareholders general meeting. A takeover of the Bank referred to above shall mean one of the following circumstances:

- (1) anyone has made a takeover offer to all the shareholders;
- (2) anyone has made a takeover offer to enable the offeror to become the controlling shareholder. The term “controlling shareholder” shall have the same meaning as prescribed in Article 75 of this Articles of Association.

In the event that the relevant Directors or Supervisors do not comply with the provisions of this article, any monies received by them shall belong to the persons who sell their shares as a result of the offer made, and the expenses incurred as a result of pro rata distribution of such monies shall be borne by such Directors or Supervisors and such expenses shall not be deducted from such monies.

**Article 266** 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 general meeting shall be submitted to and approved by the shareholders general 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.

**Article 267** No Director, Supervisor or members of the senior management shall take part in the decision-making process for his/her own performance appraisal and remuneration.

### **CHAPTER 13. Financial Accounting System and Profit Distribution**

**Article 268** 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 269** 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 270** 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 CSRC and stock exchanges.

**Article 271** 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 rules at every annual shareholders general meeting.

**Article 272** The financial reports of the Bank shall be available in the Bank for inspection by the shareholders 20 days prior to the annual shareholders general meeting.

The Bank shall send the aforesaid reports or report of the Board of Directors together with the 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 general 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 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 expiry of the relevant applicable period.

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 273** The financial statements of the Bank shall be prepared not only in accordance with PRC accounting standards and laws and regulations, but also in accordance with international accounting standards or the accounting standards of the place outside PRC where the shares of the Bank are listed, if necessary. If there is any material difference between the two financial statements prepared in accordance with the two accounting standards, such difference shall be expressly stated in

the notes of the financial statements. For the purpose of the Bank's distribution of after-tax profits in a given fiscal year, the after-tax profits of the parent company as shown on the financial statements prepared in accordance with PRC accounting standards shall be adopted.

**Article 274** Interim results or financial information published or disclosed by the Bank shall be prepared in accordance with PRC accounting standards, laws and regulations as well as international accounting standards or the accounting standards of the place outside PRC where the shares of the Bank are listed. Provided that there is no agreement or undertaking under which the Bank shall provide any shareholders the financial report prepared in accordance with the international accounting standards or the accounting standards of the place outside PRC where the shares of the Bank are listed, and the applicable provisions of the securities regulatory authority of the place where the shares of the Bank are listed permits the Bank to prepare and disclose the financial report only in accordance with the PRC accounting standards, the Bank shall follow such provisions.

**Article 275** The Bank's fiscal year shall be the calendar year, which starts from January 1st and ends on December 31st.

**Article 276** The Bank shall have no book of account record other than those provided by the laws. The assets of the Bank shall not be deposited in any account opened and operated in the name of any individual.

**Article 277** 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 surplus 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 general meeting;
- (6) payment of dividends in terms of ordinary shares.

**Article 278** The Bank needs not allocate further amounts if the accumulated amount of the statutory surplus 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 the preceding paragraph.

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

After the Bank has made statutory surplus 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 general 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 general meeting, in contravention of the requirements provided in this Article, distributes profits to the holders of preference shares and holders of ordinary shares before making up for losses and making allocations to the statutory surplus reserve of the Bank, the shareholders shall refund all profits distributed in contravention of such requirements to the Bank.

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

**Article 279** Subject to the approval of the shareholders general 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. However, the capital reserve shall not be used to make up for losses of the Bank. When the statutory surplus 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 280** The capital reserve shall include the following items:

- (1) the premium obtained from the issue of shares in excess of the par value; and
- (2) other revenues required by the financial authorities of the State Council to be included in the capital reserve.

**Article 281** 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 general 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' general meeting. Prior to the deliberation of the shareholders' general meeting on specific proposals, the Bank shall communicate and exchange with public investors through various channels and fully listen to their opinions.

The Bank shall accomplish the profit distribution and share capital increase within two months after the profit distribution plan is approved at the shareholders general meeting.

If the Bank does not distribute cash dividend due to special circumstances, the profit distribution plan proposed to the shareholders general 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 general 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 282** 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 283** For joint holders of any shares, where the Bank pays the dividends, bonus or capital return payable to such joint holders to any one of such holders, such payment shall be deemed as having been duly made by the Bank to all joint holders of the relevant shares.

**Article 284** The Bank shall establish an internal audit system, set an independent internal audit department, and have sufficient full-time audit staff to conduct internal audit and supervision on the financial matters and economic activities of the Bank.

**Article 285** The basic internal audit system of the Bank and the duties of the internal audit staff of the Bank shall be implemented after being approved by the Party Committee of the Bank's head office and the Board of Directors. The internal audit department shall work under the direct leadership of the Party Committee of the Bank's head office and the Board of Directors, and shall be accountable to and report their work to them. The Bank shall establish a chief auditor system in accordance with relevant regulations. The chief auditor assists the Party Committee of the Bank's head office and the Board of Directors in managing the internal audit work.

## **CHAPTER 14. Appointment of Accounting Firm**

**Article 286** The Bank shall appoint an independent accounting firm that is qualified under relevant requirements of the State to audit the annual financial reports of the Bank and review the other financial reports of the Bank.

The term of engagement of the accounting firm appointed by the Bank shall start from the conclusion of the current annual shareholders general meeting and end at the conclusion of the next annual shareholders general meeting.

The first accounting firm of the Bank may be appointed by the founding general meeting before the first annual shareholders general meeting, and the term of engagement of the accounting firm so appointed shall end at the conclusion of the first annual shareholders general meeting.

If the founding general meeting fails to exercise the authority specified in the paragraph above, the Board of Directors shall exercise such authority.

**Article 287** The accounting firm engaged by the Bank shall have the following rights:

- (1) to inspect the Bank's financial statements, books and records, and have the right to require the Directors, President or other members of the senior management to provide relevant information and explanations;
- (2) to require the Bank to take reasonable measures to obtain from the subsidiary banks (subsidiary companies) of the Bank the information and explanations necessary for the accounting firm to perform its duties;
- (3) to attend the shareholders general meeting as non-voting delegates, to receive notice of shareholders general meeting or other information related to the shareholders general meeting, and to speak at shareholders general meeting on matters in relation to its being the accounting firm of the Bank.

**Article 288** If the office of the accounting firm becomes vacant, the Board of Directors shall appoint an accounting firm before convening a shareholders general meeting to fill such vacancy. Provided that there is another accounting firm in office for the Bank during the period of such vacancy, such accounting firm may continue to perform its duties.

**Article 289** Regardless of the terms and conditions in the contract between the accounting firm and the Bank, the shareholders general meetings may by ordinary resolution remove such accounting firm before the expiration of the term of engagement of such accounting firm. Such early removal shall not prejudice the rights to claim compensation for its removal by the accounting firm so removed.

**Article 290** The service fees of the accounting firm or mechanism for determining their service fees shall be approved by the shareholders general meeting. The service fees of the accounting firms appointed by the Board of Directors shall be determined by the Board of Directors.

**Article 291** The Bank's appointment, removal or non-extension of engagement of accounting firm shall be determined by the shareholders general meetings, and shall be filed with the securities regulatory authority of the State Council for record.

If the Bank removes or does not renew the engagement with an accounting firm, the Bank shall notify the accounting firm in advance, and the accounting firm shall be entitled to state its opinions at the shareholders general meetings.

If a resolution is proposed to the shareholders general meeting to engage a non-current accounting firm to fill any vacancy of the office of accounting firm, or to renew the engagement of an accounting firm engaged by the Board of Directors to fill the vacancy, or to remove an accounting firm before the expiration of its term of engagement, the following provisions shall be followed:

- (1) the relevant proposal for appointment or removal of accounting firm shall be sent to the accounting firm proposed to be appointed, who intends to vacate its office or who has vacated from its office in the relevant fiscal year before a notice of the meeting of shareholders general meeting is served on the shareholders.

Vacating office shall include leaving by removal, resignation and retirement.

- (2) if the accounting firm vacating its office makes a written representation and requires the Bank to notify the shareholders of the representation, the Bank shall take the following measures unless it is too late when the Bank receives the written representation:

- (a) in any notice of the resolution given to the shareholders, state the fact of the representation having been made;

- (b) send a copy of the representation to the shareholders as an attachment to the notice in the manner as prescribed in this Articles of Association.

- (3) if the Bank does not send the representation of the relevant accounting firm as specified in (2) above, such accounting firm may require that the representation be read out at the shareholders general meeting, and may make further statements.

- (4) an accounting firm vacating its office shall be entitled to attend the following meetings:

- (a) the shareholders general meetings at which its term of engagement would otherwise have expired;

- (b) the shareholders general meetings which is proposed to fill the vacancy caused by its removal;

- (c) the shareholders general meetings convened due to its resignation.

The accounting firm vacating its office shall be entitled to receive all notices or other information of the aforesaid meetings, and to speak at the aforesaid meetings in respect of matters in which it is involved as a former accounting firm of the Bank.

**Article 292** Where the accounting firm is to resign, it shall state in the shareholders general meeting whether or not there are irregularities in the Bank.

An accounting firm may resign by depositing a written notice of resignation at the registered address of the Bank. Such notice shall become effective on the date the notice is deposited at the registered address of the Bank or a later date as specified in the notice. Such notice shall include the following statements:

- (1) a statement to the extent that there are no circumstances connected with its resignation which it considers should be brought to the attention of the shareholders or creditors of the Bank; or
- (2) a statement of any other issues that should be accounted for.

When the Bank receives the written notice referred to in the aforesaid article, it shall within 14 days send a copy of the notice to the securities regulatory authority of the State Council. If the notice contains a statement referred to in (2) above, the Bank shall keep at the Bank a duplicate copy of the statement for inspection by the shareholders. The Bank shall also send a copy of the aforementioned statement to every shareholder of FLSs by prepaid post. The addresses of the recipients shall be the ones registered in the register of shareholders.

If the notice of resignation of an accounting firm contains a statement about any issues that should be accounted for, the accounting firm may require the Board of Directors to convene an extraordinary shareholders general meeting to hear its explanations of the issues in connection with its resignation.

## **CHAPTER 15. Disclosure of Information**

**Article 293** 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 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 294** The Bank shall make truthful, accurate, complete, timely and fair information disclosure by following applicable requirements.

## **CHAPTER 16. Labor and HR Administration**

**Article 295** 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 296** 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 297** Based on national laws and regulations as well as the Bank's needs of business management, the Bank shall implement the labor contract system for all employees and the engagement systems for management and specialized technical personnel, 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 298** The Bank shall implement the State's systems of labor protection and social security, and shall respect and protect the legal rights of the employees of the Bank.

**Article 299** The Bank shall establish internal rules on employee rewarding and punishment in accordance with laws, to reward employees with outstanding contributions and to punish or terminate the labor contracts with those employees who are in violation of the rules or the discipline.

**Article 300** 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 17. Merger, Division, Bankruptcy, Dissolution and Liquidation**

**Article 301** 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 302** The Bank's merger or division shall be proposed by the Board of Directors, and after the proposal is approved by the shareholders general meetings based on the procedure specified by this Articles of Association, relevant examination and approval formalities shall be processed according to the laws. The shareholders who object to the Bank's proposal of merger or division shall be entitled to require the Bank or the shareholders consenting to the Bank's proposal of merger or division to purchase their shares at arm's length prices. The contents of the Bank's resolution on merger or division shall be compiled into a special file for inspection of the shareholders.

The aforementioned file shall also be delivered to the shareholders of FLSs by mail.

**Article 303** 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 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.

After the 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 304** In the case of the Bank's division, its properties shall be divided accordingly.

In the case of division, the parties to the division shall execute an agreement on the division and compile a balance sheet and property list. The Bank shall notice its creditors within 10 days after the resolution on the division is adopted and publicly announce the resolution on newspapers 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 305** 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 306** Under any of the following circumstances, the Bank shall be dissolved according to the laws:

- (1) a resolution is passed at the shareholders general meeting to dissolve the Bank;
- (2) dissolution of the Bank is necessary due to a merger or division of the Bank;
- (3) the Bank is declared bankrupt according to the laws as it is unable to pay back its debts due;
- (4) the Bank's business license is revoked according to the laws, or the Bank is ordered to close down or is deregistered;
- (5) 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.

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

**Article 307** In the cases of the Bank's dissolution due to reasons specified in (1), (2) or (5) above, a liquidation committee shall be set up according to the laws within fifteen (15) days upon the approval by the banking regulatory authority of the State Council, and the shareholders general meeting shall by ordinary resolution determine the members of the liquidation committee.

In the case of the Bank's dissolution due to reasons specified in (3) above, a People's Court shall organize the banking regulatory authority of the State Council, the shareholders, relevant authorities and relevant professionals to form a liquidation committee according to the laws to proceed with the liquidation.

In the case of the Bank's dissolution due to reasons specified in (4) above, the banking regulatory authority of the State Council shall organize the shareholders, relevant authorities and relevant professionals to form a liquidation committee to proceed with the liquidation.

**Article 308** If the Board of Directors decides to liquidate the Bank (except for liquidation as a result of declaration of insolvency by the Bank), a statement shall be made in the notice of the shareholders general meeting convened for this purpose stating that the Board of Directors has conducted a complete investigation of the Bank's status and has considered it possible for the Bank to pay all of its debts within 12 months upon commencement of the liquidation.

After the resolution on liquidation is passed at the shareholders general meeting, the duties of the Bank's Board of Directors shall cease immediately.

The liquidation committee shall follow the instructions of the shareholders general meeting, and shall report to the shareholders general meeting on the income and expenditure of the liquidation committee as well as the development of the Bank's business and the liquidation at least once a year, and shall deliver the final report to the shareholders general meeting at the completion of the liquidation.

**Article 309** The liquidation committee shall notify the creditors within 10 days of its establishment, and shall make public announcement on newspapers within 60 days. The liquidation committee shall register the credits.

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 310** 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 dispose the properties of the Bank remaining after payment of its debts;
- (7) to represent the Bank in civil proceedings.

**Article 311** 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 general 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 new business activities.

**Article 312** 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 after being approved by the banking regulatory authority of the State Council.

Upon the Bank declared bankrupt as ruled by the People's Court, the liquidation committee shall hand over the liquidation affairs to the People's Court.

**Article 313** 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 general 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 and make public announcement on the termination of the Bank within 30 days upon confirmation by the banking regulatory authority of the State Council.



**Article 314** The members of the liquidation committee shall be fiduciary to their duties and shall perform their liquidation obligations according to the laws.

The members of the liquidation committee shall not abuse their authorities to accept bribes or other illegal incomes, nor shall they usurp upon the Bank's properties.

In the case of intentional misconducts or gross negligence causing losses to the Bank or its creditors, the members of the liquidation committee shall assume the responsibility of indemnification.

## **CHAPTER 18. Notices**

**Article 315** The notice as referred to in this Articles of Association shall be given in one or more of the following manners:

- (1) by personal delivery;
- (2) by post;
- (3) by public announcement and such an announcement shall be published on the newspapers;
- (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 316** Except otherwise required by the regulatory authorities or stipulated in this Articles of Association, in connection with corporate communications including notice, information or written statement dispatched by the Bank to the shareholders of FLSs, provided that the Bank has not received a response from foreign shareholders indicating shareholder's intention to receive corporate communications by courier or postage-prepaid mail within 28 days from the date the Bank's dispatches communication selection request form is issued, the Bank can deem such shareholders as having agreed that the Bank may send or supply corporate communications including notice, information or written statements to him/her by electronic means.

**Article 317** 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 318** 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 319** In the case the notice 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 is given via post, the date of delivery shall be the 48th hour after delivery to post office; in the case the notice is given through public announcement, the date of the first publication of the announcement shall be the date of delivery, which shall be published on a newspaper meeting the relevant requirements.

## **CHAPTER 19. Amendment to the Articles of Association**

**Article 320** The Bank may amend this Articles of Association in accordance with laws, administrative regulations and this Articles of Association.

**Article 321** 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 and administrative regulations after the Company Law, or other relevant laws, regulations and 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 general meetings adopts a resolution to amend this Articles of Association.

**Article 322** Amendments of this Articles of Association passed by resolutions of the shareholders general 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 323** The Board of Directors shall amend this Articles of Association based on the resolution of the shareholders general meetings on amendment to the Articles of Association and the examination and approval opinions from the banking regulatory authority of the State Council.

**Article 324** In the case the amendment to the Articles of Association involves matters required to be disclosed in accordance with laws, regulations and rules, relevant announcements shall be made according to these requirements.

## CHAPTER 20. Dispute Resolution Involving Shareholders of FLSs

**Article 325** 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, Supervisors and other 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, Supervisors, 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 21. Miscellaneous

**Article 326** 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 market regulation administration authorities shall prevail.

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 327** 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, Supervisors 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” or “onsite meeting of the Board of Supervisors” 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.

**Article 328** 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 329** “Total number of voting shares” mentioned in this Articles of Association only refer to ordinary shares and preference shares with restored voting right.

**Article 330** The Board of Directors shall be responsible to interpret this Articles of Association.