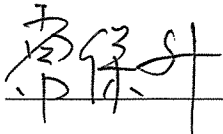


核正副本

交通银行股份有限公司非执行董事

签署:  \_\_\_\_\_

日期: 2025. 9. 26

## **BANK OF COMMUNICATIONS CO., LTD.**

### **Articles of Association**

(Considered and approved by the 2024 annual general meeting of Bank of Communications Co., Ltd. on 27 July 2025, and became effective on 25 September 2025 after approval by the National Financial Regulatory Administration)

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## **Chapter 1 General Provisions**

Article 1 To regulate the organization and acts of the BANK OF COMMUNICATIONS Co., Ltd. (hereinafter referred to as “BOCOM” or “the Bank”), to protect the lawful interests of the Bank, the shareholders, the employees and the creditors, these Articles of Association are made in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Commercial Banking Law of the People’s Republic of China (hereinafter referred to as the “Commercial Banking Law”), the Securities Law of the People’s Republic of China (hereinafter referred to as the “Securities Law”) and other relevant laws and regulations.

Article 2 According to Guo Fa (1986) No. 81, “Notice on Reconstitution of Bank of Communications issued by the State Council”, BOCOM was reconstituted upon the model of a nation-wide shareholding commercial bank. The Bank was established by way of raising funds from targeted sources with the approval of Yin Fa (1987) No. 40, “Notice on Implementation of the State Council’s ‘Notice on Reconstitution of Bank of Communications’ issued by the People’s Bank of China” and was registered with the State Administrative Bureau for Industry and Commerce on 30 March 1987 and was granted a business licence.

The Bank has been regulated according to the Company Law and has proceeded with the registration. The Bank’s unified social credit code is 9131000010000595XD. Promoters of the Bank are: the Ministry of Finance of PRC, Shandong Electric Power Corporation, China FAW Group Corporation, China Great Wall Industries Corporation and China Aviation Industry Corporation I.

Article 3 The registered Chinese name of the Bank is: “交通銀行股份有限公司”. The English name is: BANK OF COMMUNICATIONS Co., Ltd., abbreviated to “BOCOM”.

Article 4 The domicile of the Bank is: No. 188, Yincheng Zhonglu, Shanghai, People’s Republic of China. Postal code: 200120.

Telephone No.: 021-58781234

Facsimile No.: 021-58798398

Website: [www.bankcomm.com](http://www.bankcomm.com)

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

Article 6 Shareholder liabilities to the Bank shall be limited to their respective subscription for shares in the Bank whereas the Bank’s liabilities shall be limited to the total amount of its assets.

Article 7 The Chairman of the Board of Directors shall be the legal representative of the Bank. Where the Chairman of the Board of Directors resigns, the Chairman of the Board of Directors is deemed to have concurrently resigned as the legal representative.

Article 8 The Bank established a corporate governance structure comprising the shareholders’ meeting, the Board of Directors and Senior Managements, with clearly defined authorities and responsibilities, balanced equilibrium and coordinated and independent operation.

Article 9 According to the regulations of the Constitution of the Communist Party of the People's Republic of China and the Company Law, the Bank shall establish organizations of the Communist Party of the People's Republic of China (hereinafter referred to as the "Party"). The Party Committee shall perform the leading and political functions, control the direction, manage the situation and facilitate the implementation. The Bank shall establish working agency of the Party, equip sufficient staff to deal with the Party affairs and provide sufficient funds to operate the Party organization.

Article 10 These Articles of Association may be amended pursuant to approval by shareholders' meeting and shall come into force upon approval by the banking regulatory authority of the State Council. From the effective date of these Articles of Association, the original Articles of Association of BOCOM shall be replaced by these Articles of Association.

From the effective date of these Articles of Association, these 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.

These Articles of Association shall be binding on the Bank, its shareholders, Directors, President and other Senior Executives. All persons mentioned above shall have the rights to refer to these Articles of Association for claims regarding affairs related to the Bank.

In accordance with these Articles of Association, shareholders may institute legal proceedings against the Bank; the Bank may institute legal proceedings against its shareholders, directors, president, and other senior management; shareholders may institute legal proceedings against other shareholders; shareholders may also institute legal proceedings against Directors, President and other Senior Executives of the Bank.

The legal proceedings referred to in the preceding paragraph shall include legal proceedings instituted in courts or the application to arbitration institutions for arbitration.

The "Senior Executives" mentioned in these Articles of Association refers to all members of the Senior Management including the President, Executive Vice-presidents, Chief Financial Officer, Chief Risk Officer, Chief Information Officer, Chief Compliance Officer, Chief Business Officer and Board Secretary.

Article 11 The Bank may, in accordance with statutory rules, invest in other limited liability companies and joint stock limited companies and its liabilities therefore shall be limited to the amount of the capital subscribed or subscription for shares.

## **Chapter 2 Business Objectives and Scope of Business**

Article 12 The business objectives of the Bank are: committed to serving the real economy, preventing and controlling financial risks, and deepening financial reform; to operate various kinds of banking businesses in accordance with the relevant laws; to adopt safety, liquidity and profitability as principles of its operation and to operate as an independent commercial entity, fully accountable for all business risks and fully responsible for its funding and to exercise self-constrain; to provide the society with efficient and quality financial services to contribute to the prosperity of State Economy; to maximize the value of shareholders.

The Bank establishes the vision of high-quality development, promotes a corporate culture of honesty and trustworthiness, pioneering and innovation, establishes a stable and compliant business philosophy, and abides by a fair, safe and sound industry competition order.

The Bank implements the development concepts of innovation, coordination, greenness, openness and sharing, pays attention to environmental protection, actively fulfils social responsibilities, maintains a good social reputation and harmonious social relations.

Article 13 With the approval of the respective regulatory bodies or authorities and the company registration authority, the business of the Bank and its branches shall include:

- (1) taking deposits from the public;
- (2) making short-term, medium-term and long-term loan;
- (3) doing domestic and overseas clearing;
- (4) doing bill acceptance and discounting;
- (5) issuing financial debentures;
- (6) acting as an agent, issuing, honouring and underwriting government bonds;
- (7) selling and purchasing 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 business;
- (11) providing letters of credit and guarantee;
- (12) acting as an agent on payment and collection as well as insurance business;
- (13) providing safety deposit box services;
- (14) providing other businesses approved by the respective regulatory bodies or authorities.

With the approval of the People's Bank of China, the Bank may provide service on settlement and sale of foreign exchange.

The business activities of the Bank shall be supervised and governed by the banking regulatory authority of the State Council. Other related business shall be supervised and governed by other regulatory departments or authorities concerned in accordance with the laws.

Article 14 The Bank is legally organized as headquarters with branches. Its branches are not separate legal entities and shall develop business as authorized by the headquarters in accordance with relevant laws. The headquarters shall provide unified management on the appointment and dismissal of principal personnel, business policies, business plans and basic regulatory systems to the entire Bank.

According to business development requirements, the Bank may set up branches and subsidiaries domestically and overseas with the approval of the banking regulatory authority of the State Council. Those overseas branch organizations and subsidiaries may provide all banking services and other financial services as approved by relevant local supervisory authorities and permitted by the local laws thereof.

### **Chapter 3 Shares and Registered Capital**

Article 15 The shares issued by the Bank shall have par value expressed in Renminbi and of Renminbi one yuan per share.

Article 16 The Bank shall have ordinary shares at all times; according to its needs and upon registration or going through the relevant formalities with the securities regulatory office under the State Council or such other agencies as authorized by the State Council, the Bank may create preference shares or other shares in line with laws and regulations.

In these Articles of Association, preference shares refer to the other classes of shares governed separately under the Company Law as compared to the ordinary shares governed by the general provisions. Preference shareholders shall participate in the distribution of profits and residual assets of the Bank in priority to ordinary shareholders, but their rights in respect of participating in decision making and management of the Bank (such as voting rights) are restricted.

Unless otherwise specified, references in Chapters 3 to 20 and Chapter 22 of these Articles of Association to share(s) and share certificate(s) shall refer to ordinary share(s) and ordinary share certificate(s) and shareholders shall refer to ordinary shareholders. Special matters relating to preference shares are set out separately in Chapter 21 of these Articles of Association.

Article 17 The shares of the Bank shall be issued in accordance with the principles of fairness, impartiality, and the same rights to each share of the same class.

In respect of the same class shares issued at the same time, the issuance conditions and price for each share shall be equal. In respect of the shares subscribed by any subscriber, the same price shall be paid for each share.

Article 18 Subject to approval by the banking regulatory authority of the State Council, and registration or going through the applicable formalities with the securities regulatory authority of the State Council or other agencies authorized by the State Council, the Bank may issue shares to domestic investors and overseas investors, thus becoming a company that has issued shares listed within and outside PRC.

Overseas investors referred to in the preceding paragraph shall mean investors in foreign countries, Hong Kong, Macau and Taiwan who subscribe for shares issued by the Bank; domestic investors shall mean investors within the PRC other than Hong Kong, Macau and Taiwan, who subscribe for shares issued by the Bank.

Article 19 The shares issued by the Bank and listed on the Shanghai Stock Exchange shall be called A shares. Shares issued by the Bank and listed on the Stock Exchange of Hong Kong Limited (hereinafter referred to as “Hong Kong Stock Exchange”) shall be called H Shares.

Qualified investors can purchase the Bank’s shares through the Stock Connect Scheme between the domestic stock market and overseas stock markets such as Hong Kong.

The A shares of the Bank shall be held in central custody at the Shanghai branch of China Securities Depository and Clearing Corporation Limited. The H Shares of the Bank shall be held in custody mainly at the authorized depository companies under the Hong Kong Securities Clearing Company Limited and may also be held by the shareholders under individual names.

Article 20 As approved by the State Council or the vetting authority authorized by the State Council, the Bank shall issue a maximum of 74,262,726,645 ordinary shares.

Article 21 The total capitalisation of the Bank upon re-organisation in 1987 was RMB2 billion, divided into 20 million shares. As of 31 December 2024, 74,262,726,645 ordinary shares have been issued by the Bank, of which 35,011,862,630 shall be H shares, accounting for 47.15% of the total ordinary shares, and 39,250,864,015 A shares, accounting for 52.85% of the total ordinary shares.

The equity structure of the Bank’s ordinary shares as of 31 December 2021 is as follows: 17,732,424,445 shares held by promoter Ministry of Finance, PRC (in 2019, the Ministry of Finance transferred 1,970,269,383 shares it held in the Bank to the National Council of Social Security Fund in accordance with the relevant regulations of the State Council on transferring part of state-owned capital to supplement the social security fund); 663,941,711 shares by promoter China FAW Group Corporation through its wholly owned subsidiary FAW Equity Investment (Tianjin) Co., Ltd.; 25,408,497,858 shares by other A share shareholders and 30,457,862,631 by other H shares shareholders.

As of December 31, 2024, the total number of domestic preferred shares issued by the Bank was 450 million shares.



Article 22 Subject to registration of the plans of the Bank to issue A Shares and H Shares or going through the applicable formalities with the securities regulatory authority of the State Council or other agencies authorized by the State Council, the Board of Directors of the Bank may arrange for a separate issuance of such shares.

A Shares and H Shares within the total number of shares determined under the issuance plan shall be separately subscribed for at one time; if this cannot be achieved due to exceptional circumstances, the same may, subject to registration or going through formalities with the securities regulatory authority of the State Council or other agencies authorized by the State Council, be issued separately.

Article 23 The registered capital of the Bank shall be Renminbi 74,262,726,645 yuan.

Article 24 According to its operational and development requirements, the Bank may increase its capital in accordance with the relevant provisions of these Articles of Association.

The increase of the Bank's registered capital is subject to the approval by the banking regulatory authority of the State Council.

The Bank may increase its capital in the following ways:

- (1) offer of shares to unspecified persons;
- (2) offer of shares to unspecified persons;
- (3) issue of bonus shares to existing shareholders;
- (4) conversion of reserve to share capital;
- (5) issuance and sale of convertible corporate bonds;
- (6) formulation of staff share schemes in accordance with the laws and issuance of shares to staff or internal organizations that manage share ownership on behalf of staff;
- (7) other methods as permitted by the laws and administrative regulations.

With the approval and procedures as required by these Articles of Associations, the Bank shall increase the capital by way of issuing new shares in accordance with the procedures stipulated in the relevant laws and administrative regulations of the State.

Article 25 Unless otherwise provided by relevant laws and administrative regulations, the shares of the Bank shall be transferable in accordance with relevant laws and free from any liens. The transfer of shares of the Bank shall be made in accordance with the laws, administrative regulations and relevant listing rules.

Article 26 The transfer of shareholding and the registration of pledge of A shares of the Bank shall be conducted in accordance with the requirement of relevant laws, rules and regulations of the People's Republic of China and the requirements of the central securities depository organization.

The transfer and registration of pledge of H Shares shall be conducted in accordance with the laws of Hong Kong, the rules of the stock exchange and the requirement of other regulations.

Without the procedure of transfer or the registration of pledge, the transfer or the pledge of shares shall not be employed to work against the Bank and bona fide third party.

Article 27 The Bank shall not accept those shares issued by itself as pledges.

Shareholders who require the equity of the Bank be pledged as guarantee for themselves or others shall strictly comply with laws, regulations and the requirements by regulatory authorities, and shall serve a notice in advance to the Board of Directors.

Shareholders who have seats in the Board of Directors or directly, indirectly, or jointly hold or control two percent (2%) or more of the shares or voting rights of the Bank shall apply in advance to the Board of Directors for filing before pledging any shares of the Bank, indicating the basic information of the pledge, including the reasons for the pledge, the number of shares involved, the term of the pledge, the pledgee and the particulars of the pledge. Where the Board of Directors considers the pledge will cause a material adverse effect on the Bank's equity stability, corporate governance, risk and related party transaction control, etc., the filing shall not be accepted. When reviewing and discussing a pledge application, the directors appointed by the shareholders proposing such pledge shall abstain from voting.

After the shareholder provides security and completes the registration of the equity pledge, such shareholder shall provide the Bank with relevant information related to the pledged equity in a timely manner to satisfy the Bank's risk management and information disclosure needs.

If the individual outstanding loan balance of shareholders in the Bank exceeds the net asset value of the Bank's shares held by the shareholder audited in the preceding year, the shares of the Bank of such holders shall not be further pledged.

When the number of shares pledged by a shareholder of the Bank reaches or exceeds 50% of its shareholding in the Bank, the Bank will restrict such shareholder's voting right at the Bank's shareholders' meetings, and the directors nominated by such shareholder cannot exercise voting right at the meeting of the Board of Directors and will not be counted against the quorum of the meeting of the Board of Directors.

Article 28 Shareholders who hold 5% or more of the total amount of the capital or the total number of shares of the Bank shall seek the approval of the banking regulatory authority of the State Council when increasing or reducing their holdings.

Article 29 The directors and senior management of the Bank shall report to the Bank the condition and any change of the shares held by them (including preferred shares), and not transfer more than 25% of the total shares of the Bank of the same class held by each of them during each year of their term of office determined upon appointment. The shares held by the aforementioned persons shall not be transferred within one year from the date on which the Bank's shares held by them begin to be traded in the stock exchange. The aforementioned person shall not assign their shares of the Bank during one year from the date on which the shares of the Bank begin to be traded in the stock exchange and within half year after leaving the office, except for the demand of court order.

Article 30 If any Director or Senior Management of the Bank or A share holders holding 5% or more of the Bank's total A shares sells its 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 except for 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 and other circumstances as stipulated by the securities regulatory body of the State Council.

The shares or other equity securities held by directors, senior managers and individual shareholders as mentioned in the preceding paragraph shall include those held by their spouses, parents and children, or held through the accounts of others.

If the Board of Directors fails to implement the provisions of the first paragraph, the shareholders shall have the right to require the Board of Directors to implement the provisions within 30 days. If the Board of Directors fails to implement the provisions within the prescribed period, the shareholders shall, in the interests of the Bank, have the right to institute legal proceedings directly at a People's Court.

Where the Board of Directors fails to implement the provisions of the first paragraph of this Article, the Directors who are responsible for such default shall assume joint liability.

#### **Chapter 4 Capital Reduction and Repurchase of Shares**

Article 31 According to these Articles of Association, the Bank may reduce its registered capital and shall do so in accordance with the Company Law of PRC, the Commercial Banking Law of PRC, other relevant regulations and these Articles of Association.

Article 32 When the Bank reduces its registered capital, it shall prepare a balance sheet and an inventory of assets.

The Bank shall notify its creditors within 10 days from the date on which the resolution for the reduction of the shareholders' meeting on registered capital has been passed and shall publish a notice to that effect in a newspaper or the National Enterprise Credit Information Publicity System within 30 days thereof. The creditors who have received such notice shall, within 30 days thereafter, and those creditors who have not received such notice shall, within 45 days from the date of the announcement, be entitled to require the Bank to repay the debt or to provide appropriate alternative guarantees for the debt.

The registered capital of the Bank after the reduction of capital shall not fall below the minimum amount required by relevant laws.

Article 33 According to the procedures provided in these Articles of Association, the Bank may repurchase its issued shares in the following circumstances upon obtaining the approval of relevant regulatory authorities of the State and provided that such repurchase will not contravene any laws, administrative regulations or listing rules:

- (1) reduction of registered capital of the Bank;
- (2) merger with other companies which hold shares of the Bank;
- (3) such shares are used for employee share ownership plan or as equity incentives;
- (4) such shares are repurchased by the Bank upon request of any shareholder opposing a resolution regarding a merger or division at a meeting;
- (5) shares are used to convert convertible bonds issued by the Bank;
- (6) required for maintaining corporate value and shareholders' equity of the Bank;
- (7) other circumstances permitted by laws and administrative regulations.

The Bank shall not buy or sell any share in the Bank under any circumstance other than those set out above.

Purchase of the shares of the Bank for the sake of the circumstances provided in (1) and (2) of the first paragraph of this Article shall be permitted by resolution at the Meeting; if the Bank acquires its own shares under the circumstances specified in (3), (5) and (6) of the first paragraph of this Article, it may, in accordance with the provisions of the Articles of Association or the authorization of the meeting, obtain approval from a meeting of the Board of Directors attended by two-thirds or more of the directors of the Bank.

Shares repurchased by the Bank in accordance with the provision in (1) of the first paragraph of this Article shall be cancelled within 10 days from the date of repurchase, and shares repurchased by the Bank in accordance with the provision in (2) and (4) of the first paragraph of this Article shall be transferred or cancelled within 6 months, and shares repurchased by the Bank in accordance with the provision in Article (3), (5) and (6) of the first paragraph of this Article shall not result in the Bank holding more than ten percent of issued shares of the Bank and shall be transferred and cancelled within the specified time limit.

Where the laws and regulations, or the rules of the securities regulator in the place where the Bank's shares are listed otherwise provide for share repurchase and cancellation, such provisions shall prevail.

Article 34 With the approval of the concerned supervisory authorities of the State, the Bank may repurchase its shares in any one of the following manners:

- (1) by making a repurchase offer to all shareholders in equal proportion to their shareholdings;
- (2) by repurchasing the shares through open trading on a stock exchange;
- (3) by repurchasing the shares by way of agreement other than through a stock exchange;
- (4) by other manners permitted by laws, administrative regulations and the supervision department.

Where the Bank acquires its own shares under the circumstances specified in (3), (5) and (6) of the first paragraph of Article 33, it shall do so through a public centralized transaction.

Article 35 The repurchase of shares by the Bank by way of agreement other than through a stock exchange shall require the prior approval of the shareholders' meeting in accordance with the provisions of these Articles of Association. Upon prior approval granted in the same manner by the shareholders' meeting, the Bank may discharge or amend any agreement entered into in the aforesaid manner or waive any rights granted under such agreement.

The agreement for repurchase of shares referred to in the preceding paragraph shall include, but not limited to, the agreements relating to the assumption of obligations to repurchase shares and the acquisition of rights to repurchase shares.

The Bank shall not assign an agreement for the repurchase of its shares or any of the rights provided therein.

Article 36 After the repurchase of shares in accordance with the laws, the Bank shall, within the period stipulated in laws, administrative regulations and listing rules, cancel or transfer that part of the shares and shall apply to the national market supervisory and administrative authority for the registration of the alteration of its registered capital. The registered capital of the Bank shall be reduced by the amount of the total face value of the shares so cancelled.

Article 37 Unless the Bank is in liquidation, the repurchase of issued shares by the Bank shall be subject to the following provisions:

- (1) for those shares repurchased at par value, payment may be made out of the surplus of the distributable profits as shown on the accounts of the Bank or from the proceeds of the issuance of new shares which are issued for the purpose of repurchasing the old shares;

- (2) for those shares repurchased at a value exceeding the par value, payment up to the par value thereof shall be made out of the surplus of distributable profits as shown on the accounts of the Bank or from the proceeds of the 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 shall be dealt with in the following manners:
  - (a) for those repurchased shares which were issued at par value, it shall be paid out of the surplus of the distributable profits as shown on the accounts of the Bank;
  - (b) for those repurchased shares which were issued in excess of the par value, it shall be paid out of the surplus of the distributable profits as shown on the accounts of the Bank or from the proceeds of the issuance of new shares which are issued for the purpose of repurchasing old shares; provided that the amount paid out of the proceeds of 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 reserve (including the amount of premium from the issuance of 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 agreement for repurchase of its shares;
  - (c) discharging any of its obligations under any repurchase agreement.
- (4) After the reduction of the total nominal value of the shares which have been so cancelled from the registered capital of the Bank pursuant to the 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 capital reserve of the Bank.

Where the laws and regulations, or the rules of the securities regulator in the place where the Bank's shares are listed otherwise provide for financial treatment relating to the share repurchase above, such provisions shall prevail.

## **Chapter 5 Financial Assistance for the Purchase of the Bank's Shares**

Article 38 The Bank or its subsidiaries shall not, at any time or in any manner, provide any financial assistance to any person who acquires or intends to acquire the shares of the Bank.

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 its subsidiaries shall not, at any time or in any manner, provide financial assistance to reduce or discharge a person who assumes such obligations as aforesaid from such obligations.

Where a violation of the provisions of the preceding paragraph causes any loss to the Bank, the liable directors and senior executives shall pay damages.

This Article shall not apply to circumstances as described in Article 40 of this Chapter.

Article 39 The financial assistance referred to in this Chapter shall include, but not be limited to, the following forms:

- (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 itself), discharge or waiver of rights;
- (3) provisions of loans or entering into contracts in which the Bank has to perform obligations prior to the performance of obligations by the other party, changes to loans or to the contracting parties and the assignment of such loans or contracts;
- (4) any other forms of financial assistance given by the Bank when the Bank is unable to pay its debts or 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 obligations referred to in this Chapter shall include the obligations assumed by the obligor by changing its financial position 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 40 The following acts are not deemed as prohibited by the provisions of Article 38 of these Articles of Association:

- (1) distribution of dividends by the Bank by way of distributing its assets in accordance with relevant laws;
- (2) distribution of dividends by way of bonus shares;
- (3) reduction of registered capital, repurchase of shares of the Bank or adjustment of shareholding structure in accordance with these Articles of Association;

- (4) provision of funds by the Bank for the staff share schemes;
- (5) The Bank may, in the interest of the Bank, provide financial assistance for others to acquire shares of the Bank by a resolution of the Board of Directors, but the cumulative total of financial assistance may not exceed 10% of the total issued share capital. Where laws, regulations, rules and normative documents, as well as the provisions of these Articles of Association provide otherwise, such provision applies. Resolutions made by the Board of Directors shall be adopted by two-thirds or more of all the directors.

## **Chapter 6 Share Certificates and Register of Shareholders**

Article 41 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 of PRC and other particulars which are required to be included by the stock exchanges on which the shares of the Bank are listed.

The H shares issued by the Bank may adopt other forms of derivatives of depository receipts or share certificates outside PRC according to the laws and the practice of registration and deposit of securities of the place of listing.

Article 42 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 shall require the President or other Senior Managers of the Bank to sign thereon, such President or other Senior Managers so required shall also sign on such certificates. The signatures of the Chairman of the Board of Directors, the President or other relevant Senior Managers on the share certificates may also be made in a printed form.

The share certificates shall be made effective after the seal of the Bank have been affixed thereto or the seal has been affixed thereto in a printed form. The affixing of the Bank seal upon the share certificate shall be authorized by the Board of Directors.

In case of paperless issuance and trading of the Bank's shares, the applicable regulations of the securities regulatory authority in the place where the Bank's shares are listed shall prevail.

Article 43 The Bank shall have a register of shareholders to register the following particulars:

- (1) the name (description) or address (domicile);
- (2) the class and number of shares held by each shareholder;
- (3) the serial number of the shares held by each shareholder;
- (4) the date when each shareholder is registered as a shareholder;

Unless there is proof to the contrary, the register of shareholders shall be the conclusive evidence of the holding of the shares of the Bank by a shareholder.

In case of paperless issuance and trading of the Bank's shares, the applicable regulations of the securities regulatory authority in the place where the Bank's shares are listed shall prevail.



Article 44 The Bank may keep the register of shareholders of H shares outside the Mainland in accordance with the understanding and agreements reached between the securities regulatory authority of the State Council and overseas securities regulatory authorities, and appoint an overseas agent to administer the same.

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

In the event of inconsistency between the original and the copy of the register of shareholders of H shares, the original register shall prevail.

The original copy of the register of shareholders of H Shares of the Bank shall be kept in Hong Kong.

Article 45 The Bank shall keep 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, being a register of all the shareholders other than those who are required to be registered under (2) and (3) of this Article;
- (2) the register of shareholders of the Bank which shall be kept in the place of the overseas stock exchange where the shares are listed, being a register of the shareholders of H shares;
- (3) the register of shareholders which is kept at other place(s) as the Board of Directors deems necessary for the listing of the shares (including preference shares) of the Bank.

Article 46 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 or rectification of each part of the register of shareholders shall be carried out in accordance with the relevant laws of the place where such part of the register of shareholders is kept.

Article 47 Prior to a shareholders' meeting or prior to the record date on which the Bank decides the basis of distribution of dividends, entries be made to the register of shareholders to record any changes resulting from any shares transfer shall comply with laws and regulations and the requirements of the securities regulator in the place where the Bank's shares are listed.

Article 48 In the event that the Bank convenes a shareholders' meeting, distributes dividends, enters into liquidation or carries out other activities for which it is necessary to ascertain the identity of shareholders, the Board of Directors or the convenor of the shareholders' meeting shall fix a shareholding record date and those shareholders who remain on the register after market close on such day shall be the shareholders entitled to the relevant rights and interests.

Article 49 Any person who disputes the register of shareholders and requests to have his name (or description) registered thereon, or requests to have his name (or description) removed therefrom may apply to the court of competent jurisdiction to rectify the register of shareholders.

Article 50 If any shareholder whose name has been registered in the register of shareholders or any person who requires having his name (or description) entered into the register of shareholders has lost his share certificate(s) (“original share certificate(s)”), he may apply to the Bank for the issuance of (a) replacement certificate(s) in respect of such shares (“relevant shares”).

The application for the issuance of replacement certificates by holders of A Shares who lost their share certificates shall be made in accordance with the relevant provision of the Company Law.

The application for the issuance of replacement certificates by holders of H Shares who have lost their share certificates shall be made in accordance with the Laws of Hong Kong, the rules of the stock exchange, the operating rules of the share registration agency entrusted by the Bank or and other relevant provisions.

Article 51 Upon the issuance by the Bank of (a) replacement share certificate(s) pursuant to the provisions of this Chapter, the name (description) of a bona fide purchaser who acquired the new share certificate(s) as aforesaid or a shareholder who is subsequently registered as the owner of such shares (if being a bona fide purchaser) shall not be removed from the register of shareholders.

Article 52 The Bank shall have no liability for any loss sustained by any person 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 7 Rights and Obligations of Shareholders**

Article 53 A shareholder of the Bank is a holder of share(s) of the Bank in accordance with the relevant laws and whose name (description) is entered in the register of shareholders.

A shareholder shall have rights and obligations in accordance with Company Law and other laws and regulations, regulatory rules and these Articles of Association and the class and the number of shares held by him; the shareholders of the same class of shares shall have the same rights and shall bear the same obligations.

“Major shareholder” mentioned in the Articles of Association refers to the shareholder that holds or controls five percent (5%) or more of the shares or voting rights of the Bank or who hold less than five percent (5%) of total capital or shares of the Bank but has a significant impact upon the management and operation of the Bank.

The “significant impact” in the preceding paragraph includes, but is not limited to, dispatching directors or senior managers to the Bank, influencing 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.

Article 54 A holder of ordinary shares of the Bank shall enjoy the following rights:

- (1) to receive dividends and other forms of profit distribution in accordance with the number of shares he holds;
- (2) to request to summon, convene, preside over, attend and to speak and vote at shareholders' meeting in person or by proxy in accordance with the laws;
- (3) to supervise the business operation and activities of the Bank, and to make proposals or inquiries in relation thereto;
- (4) to transfer, confer or pledge shares in accordance with the laws, the administrative regulations and the provisions of these Articles of Association;
- (5) to receive information in accordance with the provisions of these Articles of Association, including inspect and copy:
  1. these Articles of Association;
  2. the register of shareholders;
  3. the share capital of the Bank;
  4. a report on the total face 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 financial year;
  5. minutes of shareholders' meetings, resolutions of the board of directors' meetings;
  6. financial accounting reports.

Notwithstanding the above, the request for inspection and making copies will be rejected by the Bank if the document concerned contains price sensitive information or trade secrets. The Bank reserves the right to charge reasonable fees.

- (6) to participate in the distribution of the remaining assets in accordance with his shareholding upon the dissolution or liquidation of the Bank;
- (7) shareholders requesting the Bank to purchase their shares due to their disagreement with the merger or division resolution made at the Meeting;
- (8) other rights conferred by these Articles of Association, and the relevant laws and regulations.

Article 55 When making a request for inspection of the information set out in the preceding Article or a request for information, a shareholder shall produce to the Bank a written document evidencing the class and number of shares he holds in the Bank. The Bank shall, after verifying the identity of the shareholder, provide him with the requested information.

A shareholder who has individually or collectively held 3% or more of the shares of the Bank for more than 180 consecutive days may request access to the accounting books and accounting vouchers of the Bank, and the shareholder shall submit a written request to the Bank stating the purpose. If the Bank has reasonable basis to believe that the shareholder's access to the Bank's accounting books and accounting vouchers is for any improper purpose that may harm the lawful interests of the Bank, the Bank may decline provision of consultation and shall within 15 days of submission of the written request by the shareholder, provide a written reply to the shareholder with an explanation of the reason. If the Bank declines provision of inspection, the shareholder may institute an action in a People's Court.

Shareholders shall comply with the provisions of the Company Law, the Securities Law and other laws and administrative regulations when inspecting or copying relevant materials.

The provisions of the preceding two paragraph shall apply to shareholders requesting access to or copying of materials relating to the Bank's wholly-owned subsidiaries in accordance with the provisions of the Company Law.

Article 56 Where an investor and its related parties and persons acting in concert, either separately or jointly, intend to initially or accumulatively hold five percent (5%) or more of total capital or total issued shares of the Bank, an application shall be made through the Bank to the banking regulatory authority of the State Council for approval in advance.

Where an investor and its related parties and persons acting in concert hold, either separately or jointly, one percent (1%) or more but less than five percent (5%) of total capital or total issued shares of the Bank, a report shall be made through the Bank to the banking regulatory authority of the State Council within 10 working days upon the acquisition of the shares.

Article 57 A holder of ordinary share(s) of the Bank shall undertake the following obligations:

- (1) To observe laws and regulations, regulatory rules and these Articles of Association;
- (2) To pay the subscription price in accordance with the number of shares subscribed for and in the manner of subscription; to use self-owned funds from legal sources to invest in the Bank, and shall not use non-self-owned funds such as escrowed funds and debt funds to invest in shares, unless otherwise stipulated by laws;
- (3) Its shareholding in the Bank shall conform to the regulatory rules in terms of proportion and number of entities holding shares, and it shall not entrust its shares in the Bank to others or hold others' shares in the Bank on trust;
- (4) No withdrawal of their share capital shall be allowed unless otherwise is stipulated in the relevant laws and regulations;

- (5) Shareholders who should have obtained approval but have not obtained approval by or who have not reported to the banking regulatory authority of the State Council shall not exercise the rights to request, vote, nominate, propose, or dispose of at the meeting of shareholders;
- (6) Truthfully inform the Bank of its financial information, shareholding structure, source of capital for investment, controlling shareholder, actual controller, related parties, persons acting in concert, ultimate beneficiaries, investment in other financial institutions and other information in accordance with laws, regulations and regulatory rules;
- (7) If the controlling shareholder, actual controller, related parties, persons acting in concert, or ultimate beneficiary of a shareholder of the Bank have changed, the relevant shareholder shall promptly notify the Bank of the change in writing in accordance with laws, regulations and regulatory rules;
- (8) Where the shareholder is merged or divided, ordered to suspend business for rectification, have a receiver or administrator designated, or is revoked etc., or has entered into dissolution, liquidation, or bankruptcy procedures, or its legal representative, company name, business location, business scope, and other major matters have changed, it shall promptly notify the Bank in writing in accordance with the laws, regulations and regulatory rules;
- (9) If the shares of the Bank held by the shareholder are involved in litigation, arbitration, legal enforcement by judicial authorities, etc., or pledged or released from pledge, it shall promptly notify the Bank in writing in accordance with laws, regulations and regulatory rules;
- (10) Shareholders who transfer or pledge the shares of the Bank they hold, or conduct connected transactions with the Bank, shall abide by laws, regulations and regulatory rules, and shall not harm the interests of other shareholders and the Bank;
- (11) Shareholders, their controlling shareholders and actual controllers shall not abuse shareholder's rights or take advantage of their affiliation with the shareholder to damage the legitimate rights and interests of the Bank, other shareholders and stakeholders, and shall not interfere with the decision-making and management power of the board of directors and senior management under the Articles of Association, and shall not directly interfere with the Bank's operation and management bypassing the Board of Directors and senior management;
- (12) Not to abuse the Bank's independent status as a legal person and the limited liability of shareholders to damage the interests of the Bank's creditors;
- (13) In the event of a risk incident or major violation of laws or rules in the Bank, the shareholder shall cooperate with the regulatory authority to carry out investigation and risk disposal;

- (14) For shareholders who have made false statements, abused shareholder rights or conducted other behaviors that harm the interests of the Bank, the regulatory authorities may restrict or prohibit the Bank from conducting connected transactions with them, limit their holdings of the Bank's equity, the equity pledge ratio, etc., and may restrict their rights to request meeting and to vote, nominate, propose, and dispose of at the meeting; major shareholders should make relevant commitments in accordance with relevant laws, regulations and regulatory requirements and fulfill them effectively. The Bank has the right to take corresponding restrictive measures against major shareholders who violate the commitment;
- (15) Other obligations provided by the relevant laws, administrative regulations, regulatory rules and these Articles of Association.

If a shareholder abuses his shareholder's rights and causes losses to the Bank or other shareholders, he shall be liable for compensation in accordance with the law. Shareholders who abuse the Bank's independent status as a legal person and the limited liability of shareholders to avoid debts and seriously damage the interests of the Bank's creditors shall be jointly and severally liable for the Bank's debts.

For the obligations of ordinary shareholders stipulated in this Article, where the shareholder is the financial department of the State Council, the investment institutions authorized by the State Council etc., the laws, regulations, department rules and normative documents stipulate otherwise, such provisions shall prevail.

For the obligations of ordinary shareholders stipulated in this Article, the financial department of the State Council, the investment institutions authorized by the State Council and other relevant shareholders shall not be subject to the obligations not applicable thereto.

Article 58 Shareholders, especially major shareholders shall own fiduciary duties to the Bank in accordance with the law, shall exercise their rights as shareholders in strict compliance with laws, regulations and the Articles of Association, and shall not seek any improper benefits or impair the interests of the Bank or lawful rights and interests of other stakeholders.

Save for the obligations required under relevant laws and administrative regulations or the listing rules of a stock exchange on which the shares of the Bank are listed, in exercising its rights as a shareholder, a controlling shareholder shall not exercise his voting rights to make decisions which would prejudice the interests of all or some of the shareholders in respect of the following matters:

- (1) to exempt the Directors from their obligations to act in good faith and in the best interests of the Bank;
- (2) to authorize the Directors (in the interests of himself or themselves or other persons) to deprive the Bank in any manner of its assets, including but not limited to any opportunities beneficial to the Bank;
- (3) to authorize the Directors (in the interests of himself or themselves or other persons) to deprive the personal rights of other shareholders, including but not limited to any entitlement to distribution or voting rights but excluding reorganization of the Bank approved by the shareholders' meeting pursuant to these Articles of Association.

Article 59 “Controlling shareholder” in the preceding Article refers to the shareholder who holds shares accounting for more than 50% of the total share capital of the Bank; or the shareholder who holds less than 50% of the shares but the voting rights attached to his/her shares are sufficient to have a significant impact on the resolutions of the meeting.

Article 60 Shareholders, especially major shareholders, shall support the Board of Directors in developing rational capital plans to ensure that the capital of the Bank continuously satisfies the regulatory requirements.

When the Bank experiences difficulty in liquidity, shareholders who hold loans at the Bank shall immediately repay the loan due or repay in advance the loan undue.

The regulations on the payment risks of commercial banks of the banking regulatory authority of the State Council shall be applicable to the standards to define the difficulty in liquidity referred in this Article.

Article 61 Shareholders, especially major shareholders, who owe overdue facility to the Bank shall not exercise the voting rights during the facility overdue period and shall not be counted in the quorum of the shareholders’ meeting, and the directors nominated by such shareholders shall not exercise their voting rights at the meeting of the Board of Directors and shall not be counted in the quorum of the Board of Directors’ meeting. 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 be used in priority for the repayment of the Bank’s outstanding loans. The Bank shall record the aforesaid case in the minutes of the shareholders’ meeting and the Board of Directors’ meeting.

The Bank shall not offer better terms for credit to the shareholders than those of other non-related persons on the same type of transactions. The credit balance of the Bank to the same shareholder shall not exceed 10% of the surplus of the capital of the Bank. The total credit balance of the Bank to the corporate clients where the same shareholder is in shall not exceed 15% of the surplus of the capital of the Bank.

Article 62 The Bank shall not provide guarantee for financing for debts to shareholders that hold 5% or more of the Bank’s voting shares or their related units, except in case of shareholders providing counter-guarantee with certificates of deposit or treasury bonds.

## **Chapter 8 Party Organization (Party Committee)**

Article 63 The Bank shall establish the Committee of Communist Party of the Bank of Communications Co., Ltd. (hereinafter referred to as the “Party Committee”). The Party Committee shall consist of one secretary, two deputy secretaries and several other members. The chairman of the Board of Directors and the secretary of the Party Committee shall be the same person, and one deputy secretary shall be designated to assist the secretary in carrying out Party-building work. Eligible members of the Party Committee could be elected as members of the Board of Directors and the Senior Management through legal procedures, while eligible members of the Board of Directors and the Senior Management could be elected as members of the Party Committee subject to relevant rules and procedures. Adhering to the unity of strengthening the Party’s leadership and improving corporate governance, and achieving organic integration, integrated promotion, and coordinated actions. Meanwhile, the Bank shall establish a discipline inspection and supervisory organization as required by relevant regulations.

Article 64 The Party Committee shall, in accordance with the Constitution of the Communist Party of the People's Republic of China and other rules and regulations of the Party, perform the following duties:

- i. In-depth study and implementation of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, strengthen the Party's political construction in the Bank, adhere to and implement the fundamental system, basic systems and important systems of Socialism with Chinese Characteristics, ensure and supervise the Bank's implementation of policies and guidelines of the Party and the State, and implement major strategic decisions of the Central Committee of the Party and the State Council, as well as the important work arrangements from higher-level Party organizations;
- ii. Strengthen management and control of personnel selection and appointment procedures, effectively reinforcing the building of leadership team, cadre team and talent team of the Bank, responsible for standards, procedures, inspections, recommendations and supervisions, combine the principle of the Party's supervision of officials together with the rights of the Board of Directors to select management as well as the rights of management to select and appoint personnel;
- iii. Research and discuss issues relating to the reform, development and stability of the Bank, major operational and management matters and other major issues concerning employee interests, and put forth comments and suggestions. Support the shareholders' meeting, the Board of Directors and the Senior Management in performing their duties in accordance with laws and regulations and support employee representative conferences in carrying out its work;
- iv. Assume the primary responsibility to run the Party comprehensively with strict discipline, lead the Bank's ideological and political work, the United Front work, the cultural and ethical progress, corporate culture cultivation as well as the work of groups such as the Labor Union of the Bank and the Communist Youth League, lead the construction of the Party's working style and its clean and honest administration, and support the Party discipline inspection and supervisory organization in earnestly performing its supervisory responsibilities;
- v. Strengthen the building of the Bank's grassroots Party organizations and of its contingent of Party members, give full play to the role of Party branches as strongholds and to the role of Party members as pioneers and fine examples, and unite and lead officials and employees bank-wide to devote themselves into the reform and development of the Bank;
- vi. Other material matters that fall within the duty of the Party Committee.

The Party Committee's research and discussion as preliminary procedure shall be performed before making decisions on major business and management matters at the meeting of shareholders, Board of Directors or senior management pursuant to the relevant powers and the prescribed procedures.



## **Chapter 9 Shareholders' Meetings**

Article 65 The Shareholders' meeting of the Bank shall be composed of all shareholders. The shareholders' meeting is the governing body of the Bank and shall exercise the following powers in accordance with laws, regulations, regulatory rules and these Articles of Association:

- (1) to elect, replace and remove the relevant Directors and to determine the remuneration of the relevant Directors;
- (2) to examine and to approve the report of the Board of Directors;
- (3) to examine and to approve the annual financial budgets and final accounts of the Bank;
- (4) to examine and to approve the plans for profit distribution and making up of losses of the Bank;
- (5) to arrive at the resolution on the increase or reduction in the registered capital of the Bank;
- (6) to arrive at the resolution on the issuance of debentures or other securities by and the listing plan of the Bank; the Shareholders' Meeting may authorise the Board of Directors to make resolutions on the issuance of bonds;
- (7) to arrive at the resolution on matters like merger, division, dissolution, liquidation or change in the form of the Bank;
- (8) to amend these Articles of Association and to review and adopt procedural rules of shareholders' meeting, procedural rules of the Board of Directors;
- (9) to arrive at the resolution on the appointment or dismissal of appointment of the accounting firm that conducts periodic statutory audit of the financial accounting reports of the Bank;
- (10) to examine any motion put forward by shareholders representing 1% or more of the Bank's total voting shares;
- (11) to examine and approve the matters of the establishment of a major legal entity by the Bank, equity investment, investment on bonds, asset purchasing, asset disposal, asset write off, mortgage of assets and the provision of other guarantees unrelated to commercial banking business, external donations, etc.;
- (12) to examine and approve the matter in relation to altering the purpose of raised capital;
- (13) to consider share incentive schemes and employee share ownership plan;
- (14) to determine the issuance of preference shares; to determine or authorize the Board of Directors to determine matters relating to preference shares issued by the Bank, including but not limited to redemption, conversion and dividends distribution;
- (15) to resolve on acquisition by the Bank of its own shares in accordance with the laws;

- (16) to arrive at resolution on other matters in the shareholders' meeting in accordance with the requirement of the pertinent laws and regulations, regulatory rules or these Articles of Association.

The matters within the scope of shareholders' meeting shall be examined and determined by shareholders' meeting. In necessary, reasonable and legal and compliant cases, these matters can be determined by the Board of Directors according to the authorization of shareholders' meeting. The contents of authorization shall be specific and concrete. For the matters of authorization belonging to that shall be approved by ordinary resolution of shareholders' meeting stipulated in this Chapter, majority of voting power of shareholders (including shareholder's agents) are required; if the matters of authorization belonging to that shall be approved by special resolution of shareholders' meeting stipulated in this Chapter, two-thirds or more of voting power of shareholders (including shareholder's agents) are required.

Article 66 Only when the Bank is in special situation such as a crisis, without prior approval by the shareholders' meeting in the form of a special resolution, the Bank shall not enter into any contract with persons other than the Directors, President or other Senior Managers whereby the management of all or substantial parts of the business of the Bank shall be vested in such contracting person(s).

Article 67 Shareholders' Meetings shall be divided into annual meetings and extraordinary meetings and shall be convened by the Board of Directors.

Annual meetings shall be convened once every year and shall be held within six months after the end of the preceding accounting year. The Board of Directors shall immediately report any deferral of the annual meeting arising from special circumstances and state the reasons for such to the banking regulatory authority of the State Council.

Article 68 Upon the occurrence of any of the following events, the Board of Directors shall convene an extraordinary meeting within two months thereof:

- (1) the number of Directors falls below the number required by the Company Law or two-thirds of the number required by these Articles of Association;
- (2) the aggregate uncovered loss amount to one-third of the total share capital of the Bank;
- (3) shareholders alone or in aggregate holding an aggregate of 10% or more of the shares of the Bank which carry the rights to vote request in writing the convening of an extraordinary meeting;
- (4) whenever the Board of Directors considers necessary or the Audit Committee of the Board of Directors (hereinafter referred to as "Audit Committee") proposes to convene the same;
- (5) more than half (at least two) of the Independent Directors propose to convene the same;
- (6) Other situations stipulated in the laws, administrative regulations, department regulations, or this document.

Article 69 A shareholders' meeting shall be convened by a written notice served on the shareholders registered as such in the register of shareholders prior to the meeting specifying the matters to be considered and the time and place of the meeting.

When the Bank is to convene an annual meeting, written notice of the meeting shall be given 20 days before the date of the meeting, and when the Bank is to convene an extraordinary meeting, written notice of the meeting shall be given 15 days before the date of the meeting. If the securities regulatory authority in the place where the Bank's shares are listed has a longer time limit for the notice period of the meeting of shareholders, such stipulation shall prevail.

Article 70 A notice of shareholders' meeting shall satisfy the following requirements:

- (1) it shall be in writing;
- (2) it shall record the registered date for entitlement of shareholders entitled to attend the shareholders' meeting;
- (3) it shall specify the place, the date and the time of the meeting;
- (4) it shall state the matters to be considered;
- (5) it shall provide the shareholders with all such information and explanations as are necessary for full understanding of the matters to be discussed and making of an informed decision by the shareholders on the matters to be considered, which shall include the provision of concrete terms and contracts (if any) of the proposed transaction together with a detailed explanation of the causes and consequences thereof in the event the Bank proposes a reorganization, including without limitation, merger, repurchase of its shares, restructuring of share capital or other manners of reorganization;
- (6) if any of the Directors, President or other Senior Managers has a material interests in matters to be considered, he shall disclose the nature and the extent of such interest; if the matters to be considered have an effect on such Directors, the President or other Senior Managers in the capacity of a shareholder which differs from other shareholders of the same class, such differences shall be specified;
- (7) it shall contain the full text of any special resolution proposed to be passed at the meeting;
- (8) it shall expressly specify in writing that all ordinary shareholders (including preferred shares with voting rights restored) and shareholders holding special voting shares, etc. are entitled to attend the shareholders' meeting. The shareholders entitled to attend and vote at the meeting shall have the right to appoint one or more than one proxy to attend the meeting on his behalf and to vote thereat and the proxy or proxies need not be a shareholder;
- (9) it shall specify the time and place for the delivery of the relevant instrument for appointing proxy;
- (10) it shall record the name and the telephone number of the standing corresponding person of the meeting.
- (11) where the meeting is to be held in the form of network or in other forms, it shall specify the voting time and procedure for network or other forms in the notice of the meeting.

Article 71 Notice of a shareholders' meeting shall be given to the shareholders (whether or not such shares carry the right to vote at the shareholders' meeting) by announcement or in other manners prescribed in Article 242 of these Articles of Association.

The announcement referred to in the preceding paragraph shall be published on the website of the stock exchange where the Bank's shares are listed and in the media satisfying the conditions set by the securities regulatory authority of the State Council. Once the announcement has been made, all holders of A shares shall be deemed to have received the relevant notice of the shareholders' meeting.

After the notice of meeting of the shareholders' meeting is issued, unless there are legitimate reasons, the meeting shall not be delayed or cancelled and the motion described in that notice shall not be cancelled. Once the delay or cancellation of the meeting or cancellation of motion is unavoidable, the convener shall declare the reason at least 2 business days before the original date of meeting. Where the meeting is postponed, the new date of meeting shall also be disclosed. If the shareholders' meeting needs to be rescheduled because of force majeure or other justifiable reasons, the registered date for entitlement shall not be changed accordingly.

Article 72 An individual shareholder who attends the meeting in person shall present his ID cards or other valid personal identity document; a proxy who attends the meeting on behalf of others shall present his valid personal identity document and a written power of attorney.

A legal person shareholder shall attend the meeting through its legal representative or the proxy assigned by the legal representative. A legal representative who attends the meeting shall present his personal identity documents, valid proof of his status as the legal representative. A proxy who attends the meeting shall present his personal identity document, a proxy in writing issued by the legal representative of the legal person shareholder in accordance with relevant laws.

Article 73 Any shareholder who is entitled to attend and vote at a shareholders' meeting shall have the right to appoint one or more persons (whether being a shareholder or not) as his proxies to attend and vote at such meeting on his behalf. Such proxy or proxies may exercise the following rights pursuant to the appointment made by the appointing shareholder:

- (1) the right of such shareholder to speak at the shareholders' meeting;
- (2) to act on his own or join with other persons to demand for a poll;
- (3) to exercise the right to vote by a show of hands or by poll; however, if more than one proxy is appointed by a shareholder, such proxies shall only exercise the right to vote on a poll.

If such shareholder is the approved clearing agencies (or its agent) defined in the laws of the place where the shares of the Bank are listed, he shall authorize any one person or more whom he deems appropriate to be his representative in any shareholders' meeting or any types of shareholders' meeting. If one or more person(s) are authorized, the authorization letter shall state the number and class of shares each person represents. Persons authorized as such shall exercise rights as an individual shareholder of the Bank for the approved clearing agencies (or its agent) he represents.

Article 74 A shareholder shall appoint his proxy in writing. An instrument appointing a proxy shall be signed by the appointer or an attorney authorized by him in writing; if the appointer is a legal entity, the same shall be affixed with the seal of such legal entity, or signed by its Directors or a duly authorized person or representative.

The proxy for voting shall cover the following:

- (1) the name of the proxy;
- (2) whether the proxy can exercise the voting right;
- (3) for those who can exercise voting right, instructions on voting in favour of, against or of abstention for each matter on the agenda of the shareholders' meeting;
- (4) whether the proxy can exercise the voting right on extraordinary motion which may be included on the agenda of the shareholders' meeting. If the proxy can exercise the voting right, the precise instructions on how to exercise such voting right shall be included;
- (5) the date of the instrument for appointing proxy issued and signed and the period of validity;
- (6) the signature and seal of the one who appoints. If the one who appoints is a body corporate, the seal of the body corporate shall be affixed.

If there are no obvious instructions on the aforesaid (2), (3) and (4) in the instrument for appointing proxy, the proxy shall be deemed to be authorized to vote by his own will.

Article 75 An instrument appointing a proxy shall be deposited at least 24 hours prior to the commencement of the relevant meeting at which the proxy is appointed to vote or 24 hours before the time appointed for voting at the domicile of the Bank or such other place as the notice of meeting may specify.

If the instrument appointing a proxy is signed by a person authorized by the appointer, the powers of attorney or other instruments of authorization shall be notarised. The powers of attorney or other instruments of authorization so notarised together with the proxy form shall be deposited at the domicile of the Bank or such other place as the notice of meeting may specify at the same time as the instrument appointing the proxy is so deposited.

In the event that the appointer is a legal person, such shareholder shall be represented at the shareholders' meeting of the Bank by its legal representative or the person authorized by its Board of Directors or other governing body of such appointer.

Article 76 The instrument delivered to a shareholder by the Board of Directors of the Bank for appointing a proxy shall be in such form so as to enable the shareholders to instruct freely at his choice the proxy to vote in favour of, against or abstain from voting on any resolution and to give instruction on each item of the business put to vote at the meeting. Such instrument of proxy shall specify that if no instruction is given by the shareholder, the proxy may vote in the way as he thinks fit.

Article 77 Notwithstanding the death or incapacity of the appointer, or the revocation of the appointment or revocation of the authority under which the appointing instrument is signed, or the relevant shares have been transferred, a vote by such proxy pursuant to the instrument of appointment shall still be valid provided that no notice in writing in respect of the events mentioned above has been received by the Bank prior to the commencement of the relevant meeting.

Article 78 The shareholders' meeting of the Bank shall be held at the Bank's legal address or other location as deemed appropriate by the Board of Directors. A venue shall be set aside for the convening of physical shareholders' meeting.

The Bank may provide assistance to shareholders particularly small and medium shareholders in their participation of shareholders' meeting by all necessary means and by providing on line voting, video conference, online meeting and other modern information technology provided the legality and validity of the shareholders' meeting can be assured. Shareholders attending a meeting by above means shall be deemed to be present at the meeting.

Insofar as a particular resolution is concerned, a shareholder shall only cast its vote in one of the following ways: physically, on line or by other method as stipulated. In the event of multiple votes being cast by the same shareholder on the same resolution, the vote that was cast in the first instance shall prevail.

Article 79 The convener and the attorney engaged by the Bank will jointly validate the legitimacy of shareholders' qualification based upon the register of shareholders provided by the securities registration and clearing institution, and register the names of shareholders and the number of voting shares in their possession. The registration for the meeting shall be terminated prior to the chairman of the meeting declaring the number of shareholders and their proxies who attend the meeting and the total number of the voting shares in their possession.

Article 80 If the Shareholders' meeting requires a director or senior executives to attend the meeting, the director or senior executives shall do so and shall answer the shareholders' inquiries.

At the annual shareholders' meeting, the Board of Directors shall report to the shareholders' meeting on its work of the previous year, and each independent director shall also make a report on his/her duties.

Article 81 No amendment shall be proposed to a motion when it is being considered at a shareholders' meeting. Otherwise, the relevant amendment shall be regarded as a new motion and shall not be put forward for voting at that shareholders' meeting.

Article 82 The chairman of meeting shall, prior to voting, announce the number of shareholders and proxies attending the meeting in person as well as the total number of their voting shares which shall be the number of shareholders and proxies attending the meeting in person and the total number of their voting shares as indicated in the meeting's registration record.

Article 83 The convener shall ensure that a shareholders' meeting is held continuously until final resolutions have been reached. In the event that the shareholders' meeting is adjourned or the shareholders fail to reach resolution due to force majeure or other special reasons, necessary measures shall be taken to resume the meeting as soon as possible or the meeting shall be terminated directly and an announcement of such termination shall be made promptly. At the same time, the convenor shall report to the branch of the securities regulatory authority of the State Council in the locality of the Bank, and to the stock exchange in accordance with the relevant regulations of the stock exchange at the place where the Bank is listed.

Article 84 Resolutions of shareholders' meeting shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution of a shareholders' meeting shall be passed by more than half of the votes cast by the shareholders present in person or by proxy at the shareholders' meeting.

A special resolution of a shareholders' meeting shall be passed by two thirds or more of the votes cast by the shareholders present in person or by proxy at the shareholders' meeting.

Article 85 A shareholder (including his proxy) may exercise voting rights at the shareholders' meeting according to the number of shares which carry the right to vote held by him and each share shall have one vote, but excluding shareholders of class shares. Nevertheless, the Bank's shares held by the Bank neither have the right to vote nor will be counted into the total number of the voting shares attending the shareholders' meeting.

The votes cast by minority investors shall be separately counted when material matters affecting the interests of minority investors are being considered at the shareholders' meeting. The results of such separate vote counting shall be disclosed publicly in a timely manner.

The Board of Directors, independent Directors, shareholders holding 1% or more of voting shares or investor protection institutions established in accordance with laws, administrative regulations or the rules of the securities regulatory authority of the State Council may publicly canvass the shareholders for votes. Where shareholders are canvassed for votes, information such as the specific voting intention shall be fully disclosed to the shareholders. It is prohibited to canvass shareholders for votes with compensation in a covertly or overtly manner. Except for the statutory requirements, the Bank shall not impose restrictions on the minimum shareholding percentage for canvassing shareholders' for votes.

Article 86 The nominations of directors shall be submitted to the meeting of shareholders for voting in the form of proposals.

Article 87 A shareholder may abstain from voting on certain matters on resolution in accordance with the Listing Rules of the Stock Exchange of Hong Kong Limited, however, if such listing rules limit any shareholders to vote in favour of or against on certain matters on resolution, such shareholder or his proxy shall violate such requirement on the restricted voting, and then such abstention shall not be included in the number of valid votes.

Article 88 When related-party transactions are examined in the shareholders' meeting, connected shareholders shall not participate in the voting while the number of voting shares he represents shall not be included in the total number of valid votes. The announcement of the resolution in the shareholders' meeting shall disclose fully the condition of voting of the non-related shareholders.

Article 89 Voting at a meeting shall be conducted by poll, unless otherwise provided by laws and regulations or by the securities regulatory authorities of the place where the Bank's shares are listed.

Article 90 On a poll taken at a meeting, shareholders (including their proxies) who are entitled to two or more votes are not required to cast all their votes in favour of or against a resolution.

Article 91 The following matters shall be passed by ordinary resolution at a shareholders' meeting:

- (1) the work reports of the Board of Directors;
- (2) plans for profit distribution and for making up of losses prepared by the Board of Directors;
- (3) election, replacement and dismissal of relevant directors, and decisions on remunerations of directors;
- (4) annual budget, statement of final accounts, balance sheet, profit and loss statement and other financial statements of the Bank;
- (5) review and approval of any change to use of proceeds raised;
- (6) appointment or removal of accounting firm that conducts periodic statutory audit of the financial reports of the Bank;
- (7) other matters except those required by the laws, regulations, regulatory rules or these Articles of Association to be passed by special resolution at a shareholders' meeting.

Article 92 The following matters shall be passed by special resolution at the shareholders' meeting:

- (1) an increase or reduction of the share capital of the Bank, or issuance of any class of shares, warrants and other similar securities and decide or authorize the Board of Directors to decide the matters relating to the Bank's issued preference shares, including, but not limited to, making decision on repurchases or conversions of or distribution of dividend payments on such preference shares;
- (2) an issuance of corporate debentures by the Bank or listing of the Bank;
- (3) the merger, division, change in the form, dissolution and liquidation of the Bank;
- (4) amendments to these Articles of Association;
- (5) acquisition of the shares of the Bank;
- (6) reviewing and approving or authorizing the board of directors to approve the establishment of the legal entities, major mergers and acquisitions, and major investment projects, major asset disposal and major guarantees provided to others etc. by the Bank;



- (7) proposed equity incentive plan and Employee Share Ownership Plans;
- (8) removal of independent directors;
- (9) other matters which are resolved by ordinary resolutions in the shareholders' meeting to be of material effect to the Bank or stipulated in laws, regulations, regulatory rules and these Articles of Association to be passed by special resolutions.

Article 93 An independent Director shall have the right to propose to the Board of Directors to convene an extraordinary meeting. The board of directors shall make a written response with respect to agreement or disagreement with convening such an extraordinary meeting in accordance with the laws, administrative regulations and these Articles of Association within 10 days of receiving the request.

Where the board of directors agrees to convene an extraordinary meeting, it shall issue the notice of holding the meeting within 5 days after the resolution of the board of directors is made. Where the board of directors disagrees to convene the extraordinary meeting, it shall explain the reason concerned and issue the notice.

Article 94 Shareholders who request to convene an extraordinary meeting or a class shareholders' meeting shall follow the procedures set out below:

- (1) shareholders who individually or in aggregate hold 10% or more of the voting rights of all the shares having the right to vote in such a meeting may sign one or several written requisitions in the same form requesting the Board of Directors to convene an extraordinary meeting or a class shareholders' meeting, and the subject matter of the meeting shall be specified. The board of directors shall make a written response with respect to agreement or disagreement with holding that extraordinary meeting within 10 days after receiving the request according to the laws, administrative regulations and the regulations of this document. The calculation of the number of shares held as aforesaid shall be made as at the date of the written requisitions.
- (2) If the board of directors agrees to convene such an extraordinary meeting or a similar meeting, it shall issue the notice of convening such meeting within 5 days after the resolution of the board is made. The modification with respect to the original request shall be approved by the shareholders concerned.
- (3) If the board of directors does not agree to convene such an extraordinary meeting or a similar meeting, or does not make a response within 10 days after receiving the request, shareholders individually or in aggregate holding 10% or more of the shares of the Bank for more than 90 consecutive days are entitled to convene and preside over the meeting on their own in accordance with the relevant provisions of the Company Law and other laws, regulations and normative documents.

The Bank shall be liable to pay all reasonable compensation for the expenses incurred in convening and holding a meeting by the shareholders as a result of the failure of the Board of Directors to convene such meeting upon the aforesaid requisitions and such compensation shall be deducted from any payment payable to the Directors who are in default of their duties.

Article 95 The Audit Committee shall have the right to propose to the Board of Directors to convene an extraordinary meeting, and shall put forward its proposal to the Board of Directors in writing. The Board of Directors shall, in accordance with the laws, administrative regulations and these Articles of Association, give a written reply as to whether it agrees to hold the extraordinary meeting or not within 10 days of the receipt of the proposal.

If the Board of Directors agrees to convene the extraordinary meeting, it shall serve a notice of such meeting within 5 days after the resolution of the Board of Directors is made. In the event of the notice making any change to the original motion, the consent of Audit Committee shall be obtained.

If the board of directors does not agree to convene such an extraordinary meeting, or does not make a response within 10 days after receiving the written request, it shall be deemed as couldn't or doesn't execute the duty of convening such meeting and the Audit Committee has the right to convene and preside such meeting.

Article 96 If the Audit Committee or the shareholders decide to convene the meeting, they shall give a written notice to the board of directors and file with the stock exchange in accordance with the relevant rules prevailing in the place of listing. The proportion of shares in the possession of the convening shareholders shall be at least 10% before the resolution of shareholders' meeting is declared.

The Audit Committee or the convening shareholders shall submit the corresponding certificates to local stock exchange when issuing the notice of convening a shareholders' meeting and declaring the resolution of shareholders' meeting.

The Board of Directors and the Secretary of the Board shall be cooperative to the shareholders' meeting convened by Audit Committee and the shareholders in accordance with the requirements of these Articles of Association. The board of directors shall provide the register of shareholders recorded on the date of record. The convener shall not use the register of shareholders for any purpose other than the shareholders' meeting. The expenses required by the meeting will be paid by the Bank.

For the shareholders' meeting convened by the Audit Committee or by the shareholders themselves, the necessary expenses of which shall be borne by the Bank.

Article 97 A shareholders' meeting shall be presided over by the Chairman of the Board of Directors. If the Chairman of the Board of Directors is unable to perform or fails to perform his duties, the Vice-chairman (or in the case the Bank has two Vice-chairmen, the Vice-chairman jointly elected by more than half of all Directors) shall preside over the meeting; and if the Vice-chairman is unable to perform or fails to perform his duties, a Director jointly elected by more than half of all Directors shall preside over the meeting.

The Audit Committee convener shall preside over the Shareholders' meeting that is convened by the Audit Committee. If the Audit Committee convener is unable to or fails to perform his or her duties, a member of the Audit Committee jointly elected by more than half of the members of the Audit Committee shall preside over the meeting.

For a shareholders' meeting convened by the shareholders themselves, such meeting shall be presided over by a shareholder representative elected by the convening shareholders. If for any reason the shareholders fail to elect a chairman of the meeting, the shareholder presents in person or by proxy in the meeting and holding the largest number of shares which carry the right to vote shall be the chairman of the meeting.

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

Article 98 The overall motions shall be voted one by one at the shareholders' meeting, and different motions for the same matter shall be voted in accordance with the time sequence of them. The shareholders' meeting shall not shelve any motion or keep it from voting, except that that meeting is interrupted or incapable of making resolution due to the special reasons such as a force majeure.

Article 99 Before voting for the motions at the shareholders' meeting, two shareholders' representatives shall be elected to participate in the vote counting and supervision. The shareholders and their proxies shall not participate in counting and supervising the voting for matters in relation to them.

The attorney, shareholders' representative and representative shall count and supervise the voting for motions jointly and declare the result of voting at the shareholders' meeting. The result of voting shall be recorded in the minutes of meeting.

Other provisions upon scrutineer in the Company Law and the listing rules of the stock exchange shall be followed.

The shareholders of the Bank or their proxies vote through network or other modes have the right to check the result of their votes via the corresponding voting system.

Article 100 The termination time of the on-site shareholders' meeting shall not be earlier than that of the meeting in the form of network or in other forms. The chairman of the shareholders' meeting shall declare the voting situation and result of each motion and announce whether the motion is approved according to the voting result.

Before the voting result is declared formally, parties such as the Bank, the counter, the scrutineer, the shareholders, and the network service provider etc. involving in the on-site meeting, network-type voting and other-type voting shall keep the condition of voting secret.

Article 101 Shareholders who attend the meeting shall declare one of the following opinions to the motion for voting: agreement, objection or waiver, except that securities registration and clearing institutions, as the nominee holders of stocks under the Stock Connect Scheme between the Mainland and Hong Kong stock markets, may make declarations according to the intention of the actual holders.

If the vote is not filled in, incorrectly filled in, unidentifiably wrote, or not polled, the voter shall be deemed to waive the right to vote, and the voting result of the shares in his/her possession shall be deemed as "waiver".

Article 102 If the chairman of the meeting has any doubt as to the result of voting on any resolution, he may organise the votes count. If the chairman of the meeting does not make a count of such votes, any shareholder present in person or by proxy at the meeting who disputes the result announced by the chairman of the meeting shall be entitled to request a count of the votes immediately after the declaration of the result of the vote and the chairman of the meeting shall immediately such counting.

Article 103 In the event a count of the votes has been made at a shareholders' meeting, the result thereof shall be recorded in the minutes of the meeting.

The minutes of the meeting and the signature book of the shareholders attending the meeting, together with the instrument for appointing proxy shall be kept at the domicile of the Bank.

Article 104 The Bank shall appoint competent lawyers to attest the shareholders' meeting and to give advice to the following questions which shall be announced:

- (1) whether the procedure for the convening of such shareholders' meeting complies with the requirement of laws, regulations and with the Articles of Association;
- (2) the legitimacy of persons attending the meeting and the convener's qualification;
- (3) the legitimacy of the voting procedures and the voting results of the shareholders' meeting;
- (4) provision of legal advice on other issues upon the request of the Bank.

Article 105 The motion of the shareholders' meeting shall comply with the following conditions:

- (1) the content shall not contradict to the requirement of the laws, the regulations and these Articles of Association and shall fall within the business scope of the Bank and the powers of the shareholders' meeting;
- (2) clear motions and detailed matters to be resolved shall be prepared;

Article 106 When the Bank holds a shareholders' meeting, the Board of Directors, the Audit Committee and shareholders who individually or in aggregate hold 1% or more of the shares of the Bank have the right to submit the written motion to the Bank. The bank shall place the matters which are described in the motion and under the responsibility of the meeting into the agenda of that meeting.

Shareholders who individually or in aggregate hold 1% or more of the Bank's shares may submit the written provisional motion to the convener 10 days before the date of the shareholder's meeting. The provisional proposal shall have a clear topic and a specific resolution. The convener shall issue the supplementary notice of the shareholders' meeting within 2 days after receiving the motion to declare the content of the motion, and submit the provisional proposal to the Shareholder's meeting for consideration. However, such provisional proposal motion shall not apply if it violates laws, administrative regulations, or the provisions of these Articles of Association, or falls outside the scope of functions and powers of the Shareholder's meeting.

In addition to the situation aforementioned, the convener shall not amend the motion specified in the notice of meeting or increase new motions after issuing the notice of the meeting. Any motion not specified in the notice of the meeting or not in accordance with the provision in Article 105 of this document shall not be voted and determined at the shareholders' meeting.

Article 107 In addition to the situation provided in Article 106 Paragraph 2, regarding the motion raised by shareholders in advance, the Board of Directors or other conveners shall act in the best interests of the Bank and shareholders and examine such in accordance with the requirement of Article 105. If such motion are deemed not to be included in the agenda of the shareholders' meeting, the Board of Directors or other conveners shall forward an explanation in advance to the shareholder raising such motion.

Article 108 Shareholders' meeting shall have minutes of meeting which shall be controlled by the secretary of the board of directors and record the following:

- (1) time, location and agenda of the meetings, and name of the convener;
- (2) chairman of the meeting, and names of directors, bank president, and other senior management attending the meeting or attending the meeting as observers;
- (3) number of shareholders and their proxies attending the meeting, total number of voting shares in their possession, and proportion in the total shares of the Bank;
- (4) examination process, highlight of speaks, and voting result for each motion;
- (5) queries opinion or recommendation of shareholders and the corresponding responses or explanation;
- (6) names of attorney, vote counter and scrutineer;
- (7) other details deemed to be included in the minutes of meeting by the provisions in this document.

The convener shall guarantee that the contents in the minutes of meeting are true, correct and complete. Directors, secretary of the board of directors, convener or the proxy, and chairman of the meeting, who attend or present the meeting, shall sign their names on the minutes of the meeting. The minutes of meeting shall be stored permanently along with the signature book of the shareholders attending the meeting, the power of attorney for proxies and valid documentation of voting in the form of network or in other forms.

The Board of Directors shall submit file minutes and resolutions of the shareholders' meeting at the banking regulatory authority of the State Council in a timely manner.

Article 109 The resolution made at the shareholders' meeting shall be announced betimes. The number of shareholders and their proxies attending the meeting, the total number of voting shares in their possession, the proportion of their voting shares in the total voting shares of the Bank, the voting mode, the voting result of each motion, and the details of each approved resolution shall be specified in the announcement.

If the motion is not approved or the resolution made at the previous shareholders' meeting is amended at that meeting, the special prompt shall be provided in the announcement of the resolution of the shareholders' meeting.

Article 110 Where a resolution relating to the distribution of cash dividends, the issue of bonus shares or the increase in share capital by way of a conversion of the capital reserve has been passed by the shareholders' meeting, the Bank shall implement such resolution within 2 months of the conclusion of the shareholders' meeting.

Article 111 If the motion with respect to directors or election is approved at the shareholders' meeting, the qualification of a new director is subject to the approval by the banking regulatory authority of the State Council.

## **Chapter 10 Special Procedures for the Voting by Class Shareholders**

Article 112 Shareholders holding different classes of shares shall be classified as class shareholders. Class shareholders shall enjoy rights and undertake obligations according to the laws, the administrative regulations and these Articles of Association.

Apart from the shareholders of other classes of shares, the holders of H shares and holders of A Shares shall be deemed to be different classes of shareholders.

Article 113 If the Bank proposes to vary or revoke the rights of the class shareholders, the same can only be implemented after it has been passed by a special resolution at a shareholders' meeting and also by the class shareholders so affected at the shareholders' meeting respectively convened in accordance with Article 115 to Article 119 of these Articles of Association.

Article 114 The following situations shall be considered as a variation or abrogation of the rights of a certain class of shareholders:

- (1) the increase or reduction of the number of shares of that class of shares or the increase or reduction of the number of shares in another class which carry the same or more right to vote, right of distribution or other privileges;
- (2) the conversion of all or part of the shares of that class to another class, or the conversion of all or part of the shares of another class into the shares of that class or the granting of such right of conversion;
- (3) the cancellation or reduction of the rights of that class of shares to receive or accrue dividends declared;
- (4) the reduction or cancellation of the preferential rights of that class of shares to receive dividends or to receive distribution of assets upon the liquidation of the Bank;

- (5) the increase, cancellation or reduction of the share conversion rights, options rights, voting rights, rights of transfer, pre-emptive rights and rights to acquire the securities of the Bank of that class of shares;
- (6) cancellation or reduction of the rights of that class of shares to receive payment payable by the Bank in a particular currency;
- (7) creation of a new class of shares which enjoys the same or more voting rights, distribution rights or other privileges than those enjoyed by that class of shares;
- (8) restriction or increase the restriction on the transfer of ownership of that class of shares;
- (9) the granting of subscription rights or conversion rights in respect of that class or another class of shares;
- (10) the increase of the rights and privileges of another class of shares;
- (11) the reorganization of the Bank as a result of which different classes of shareholders assume obligations otherwise than in proportion;
- (12) the amendment or abrogation of the provisions in this Chapter.

Article 115 Whether or not the class shareholders so affected have voting rights at the shareholders' meeting, they shall have the right to vote at the meeting of class shareholders in respect of the matters mentioned in (2) to (8) and (11) to (12) of Article 114 of these Articles of Association provided that interested shareholders shall not have the right to vote at the meeting of the class shareholders.

An interested shareholder mentioned in the preceding paragraph refers to:

- (1) in the case where the Bank makes a repurchase offer to all shareholders in a proportionate manner in accordance with the provisions of Article 33 of these Articles of Association or repurchases its shares on a stock exchange through public dealing on a stock exchange, "interested shareholder" shall mean the controlling shareholder as defined in Article 59 of these Articles of Association;
- (2) in the case where the Bank repurchases its shares by way of agreement other than through a stock exchange in accordance with the provisions of Article 33 of these Articles of Association, "interested shareholder" shall mean the holder of the relevant shares;
- (3) in the reorganization of the Bank, "interested shareholder" shall mean a shareholder who undertakes obligations to a lesser extent than other shareholders of the same class, or a shareholder who enjoys benefits which are different from those enjoyed by other shareholders of the same class.

Article 116 A resolution of the meeting of class shareholders shall be passed in accordance with Article 115 by two-thirds or more of the voting rights of the class shareholders present and having the right to vote in the meeting.

Article 117 If the Bank convenes a meeting of class shareholders, it shall issue a written notice according to the notice period requirement of convening a meeting of shareholders which is stipulated in Article 69 of these Articles of Association to all shareholders of such class who are on the register of shareholders, specifying the business to be considered and the date and place of the meeting.

Where the laws or regulations, or the rules of securities regulatory authority and stock exchange of the place where the Bank's shares are listed provide for otherwise on the convening of a meeting of class shareholders, such provisions shall prevail.

Article 118 Notice of the meeting of class shareholders need only be served on the shareholders who are entitled to vote at such meeting.

The procedures of the meeting of class shareholders shall follow as much as possible the procedures of a shareholders' meeting and the provisions in these Articles of Association relating to the procedures of a shareholders' meeting shall apply to the meeting of class shareholders.

Article 119 The special voting procedures of class shareholders shall not apply in the following circumstances:

- (1) where, with the approval by a special resolution at a shareholders' meeting, the Bank issues, either individually or concurrently, A shares and overseas listed foreign held shares at an interval of twelve months, and the number of A shares and overseas listed foreign held shares proposed to be issued does not exceed 20% of the issued A shares and 20% of the issued overseas listed foreign held shares respectively; or
- (2) where the plan of the Bank to issue A shares and overseas listed foreign held shares at the time of incorporation is implemented within fifteen months from the date of approval by the securities regulatory authority of the State Council.

## **Chapter 11 Board of Directors**

### **Section 1 Directors**

Article 120 Directors of the Bank shall be natural persons. Directors shall be elected or replaced at the shareholders' meeting. The term of office shall be three years. Upon the expiration of the term, a Director shall be eligible for re-election and re-appointment.

The members of directors of the Bank are composed of Executive Directors, Non-executive Directors (including Independent Directors), and Staff Director(s). Executive directors refer to directors who, in addition to serving as directors, also undertake the duties of senior management; non-executive directors refer to directors who do not hold other positions in the Bank other than directors and do not assume the duties of senior management.

Directors need not hold any shares of the Bank.

The term of office of a director shall be counted from the date of accession to the expiration of the term. If a new director is not elected in time when the term of office of the original director is expired, the original director shall fulfill the director's duty in accordance with the laws, administrative regulations, department rules and the regulations in this document before the new director takes the post.



Article 121 The list of persons proposed for election as directors shall be submitted as a motion for the considering of shareholders' meeting.

The nomination and election procedure for non-employee directors shall be as below:

- (1) Subject to the number of board members stipulated in the Articles of Association and according to the number of directors to be elected, shareholders who individually or jointly hold one percent or more of the total voting shares of the Bank and the Personnel and Remuneration Committee of the Board of Directors have the right to propose director candidates.
- (2) The Personnel and Remuneration Committee shall conduct preliminary review on the qualifications and eligibility of the candidates for directors, and qualified candidates shall be reviewed and approved by the Board of Directors. Upon approval, the Board of Directors shall submit a written proposal for the candidates of directors to the shareholders' meeting.
- (3) Any director candidate shall, prior to the convening of the shareholders' meeting, make written undertakings that he agrees to accept the nomination, undertakes that the publicly disclosed information is true and complete, and warrants that he will effectively perform his duties and functions as a director after he is elected.
- (4) The convenor of the Shareholders' meeting shall disclose to shareholders, in accordance with the laws, regulations and the Articles of Association of the Bank, detailed information of the director candidates before the shareholders' meeting is convened, so that the shareholders can have sufficient knowledge about the candidates before voting.
- (5) Each director candidate shall be voted on one by one basis at the shareholders' meeting.
- (6) In case of urgent need of filling vacant position for director, the Personnel and Remuneration Committee of the Board of Directors or shareholders who are eligible to make nominations shall propose candidates to the Board of Directors for review and approval, and the candidates shall be voted and elected at the shareholders' meeting.

Article 122 Members of the board of directors include one employees' representative. The worker directors are elected and appointed democratically by the staff of the Bank via staff representative conferences, staff conferences or other modes.

Article 123 If the matter with respect to director or election is proposed to be discussed at a shareholders' meeting, the notice or circular letter of the meeting shall disclose the information of the director or candidate in detail. The contents below shall be included at least:

- (1) individual situation including education background, work experience and part-time experience etc.;
- (2) with or without relationship with the Bank or the controlling shareholder and actual controller of the Bank;
- (3) number of the Bank's shares in their possession;

- (4) whether being punished by the securities regulatory authority of the State Council, the stock exchange or other administrations concerned or not;
- (5) other information to be disclosed as required by the stock exchange in the place where the Bank's shares are listed.

Article 124 When there is a vacancy of Directors resulting from the expiration of the term of Directors or any reasons, the Board of Directors shall offer motions with persons proposed for election to shareholders' meeting. The manners in which persons proposed for election as directors shall be formulated by the Board of Directors.

Brief information and background of persons proposed for election as directors shall be disclosed when a notice of shareholders' meeting is given.

Article 125 Those who are entitled to offer motions with persons proposed for election as Directors in shareholders' meeting according to Article 121 of these Articles of Association shall attach details of such persons proposed for election to the proposal. Shareholders shall submit their proposals for director nomination, if any, at least 10 days prior to holding of the meeting.

Shareholders who have nominated non-independent directors and their affiliates may no longer nominate independent directors.

Article 126 Subject to complying with relevant laws and administrative regulations, the Bank in the shareholders' meeting shall have the power by ordinary resolution to remove or dismiss any Director before the expiration of his term of office (but without prejudice to any claim for damages by such director under any contract). If a director is dismissed prior to the expiry of his/her term of office without a valid reason, the director may request the Bank to compensate him/her.

Any provision on removal of independent directors in these Articles of Association shall take precedence over the above provision.

Article 127 Prior to the stipulation by these Articles of Association or the legal authorization of the Board of Directors, no Director shall act on behalf of the Bank or the Board of Directors under his personal name. A Director acting under his personal name shall declare his stand and identity beforehand if a third party could reasonably believe that he is acting on behalf of the Bank or the Board of Directors.

Article 128 Directors shall abide by laws, administrative rules and regulations, regulatory rules and these Articles of Association, and assume the following duties and obligations towards the Bank:

- (1) shall exercise the rights granted by the Bank prudently, conscientiously and diligently, to facilitate that the commercial behaviours of the Bank shall comply with the requirement of the relevant laws and regulations and of each economy policy of the State. The commercial behaviours shall lie within the requirement of the laws and the approved business scope;
- (2) to be responsible for the Bank and all shareholders when performing their duties, and treat all shareholders equally;

- (3) to read with due diligence of all business and financial reports of the Bank and continue to be concerned about the operation and management of business of the Bank, with right to require the senior management to provide relevant information reflecting the Bank's operation and management in a comprehensive, timely and accurate manner or to make explanations on relevant issues;
- (4) to personally exercise the legal responsibilities to manage the company without being unduly influenced by others. Directors shall not transfer his management responsibilities to others prior to the informed approval by the shareholders' meeting in accordance with relevant laws and regulations.
- (5) to participate in board meetings on time, fully reviewing matters considered by the Board of Directors, expressing opinions independently, professionally and objectively, and independently voting on the basis of prudent judgment;
- (6) to take responsibility for the resolutions of the Board of Directors; signing written confirmation opinions on the Bank's periodic reports to ensure that the information disclosed by the Bank is true, accurate and complete;
- (7) to supervise the implementation of the resolutions of the meeting of shareholders and the Board of Directors by the senior management;
- (8) to actively participate in training organized by the Bank and regulatory authorities, understand the rights and obligations of directors, be familiar with relevant laws, regulations and regulatory provisions, and always have the professional knowledge and capabilities required to perform their duties;
- (9) to implement high standards of professional ethics and consider the legitimate rights and interests of stakeholders;
- (10) to be faithful and diligent to the Bank, perform duties with due diligence and prudence, and ensure sufficient time and efforts are allocated to perform duties;
- (11) perform other duties or obligations stipulated by laws, regulations, regulatory rules and these Articles of Association.

Article 129 Each year a director shall be present in person at no less than two-thirds of physical meetings of the Board of Directors.

Directors failing to attend in person two consecutive meetings and failing to appoint other Directors as their proxy to attend the meeting of the Board of Directors shall be deemed to be unable to perform duties. The Board of Directors shall propose a dismissal of such in shareholders'.

"Attendance in person" as mentioned in these Articles of Association refers to attending the meeting in person by the relevant person; "attendance by proxy" refers to attending the meeting by a proxy authorized in writing if the relevant person cannot attend the meeting in person for some reason.

Article 130 Directors may resign before the expiration of his/her term. Directors resigning shall submit a written resignation report to the Board of Directors. The Board of Directors shall disclose the relevant situation in accordance with the laws and regulations and the rules of the securities regulator in the locality where the Bank's shares are listed.

Article 131 If the resignation of a Director causes the number of Directors of the Bank to fall below the minimum number allowed by the Company Law or two-thirds of the number prescribed by these Articles of Association, such Director shall continue to perform his/her duties as a Director in accordance with the requirements of the laws, administrative regulations and these Articles of Association before the election of the newly elected Director takes effect. In the event of a major risk disposal in the Bank, the directors of the Bank may not resign without the approval of the banking regulatory authority of the State Council.

Except as provided in the preceding paragraph, the resignation report shall take effect when the resignation report is delivered to the Board of Directors.

When a director is removed by the meeting of shareholders, or dies, or when an independent director loses his independence and resigns, or there are other situations where the director cannot perform his duties, so that the number of the Board of Directors is lower than the minimum number stipulated in the Company Law or the minimum number required for voting at the meeting of the Board of Directors, the power of the Board of Directors should be exercised by the meeting of shareholders until the number of board members meets the requirement.

## **Section 2 Independent Directors**

Article 132 The Bank shall have Independent Directors. Independent Directors refer to those directors who do not hold other positions in the Bank and have no direct or indirect connection with the Bank and its substantial shareholders and actual controllers, or any other relationship which shall influence their independent, objective judgement on affairs of the Bank.

Unless stipulated by this Section, the requirement of Section 1 of this Chapter shall be applicable to Independent Directors.

Article 133 Independent Directors shall conscientiously fulfil their duties and play the roles of participating in decision-making, supervising, checking and balancing, and professional consulting on the Board, safeguarding the interests of the Bank as a whole, and protecting the lawful interests of the small and medium shareholders.

Article 134 Independent Directors shall be proposed by shareholders who individually or jointly hold one percent of the Bank's total voting shares, the Personnel and Remuneration committee of the Board of Directors for election at shareholders' meetings.

A nominator shall not nominate a candidate for independent director a person with whom he or she has an interest or any other closely related person whose independent performance of duties is likely to be impaired as a candidate for independent director.

Where the Shareholders' meeting of the Bank elects two or more independent directors, a cumulative voting system shall be implemented.

The same shareholder may propose one person for election as an Independent Director. Shareholders of the Bank may appoint an investor protection organisation established according to law to exercise the right to nominate independent directors on behalf of the shareholders.

Prior to appointment, Independent Directors shall be approved by the banking regulatory authority of the State Council and the securities supervisory authority in the places of listing.

Article 135 The following persons shall not be elected as Independent Directors:

- (1) A person who holds a position in the Bank or any of its subsidiaries, or the spouse, parents, child, or major social relations.
- (2) A shareholder directly or indirectly holding more than 1% of the issued shares of the Bank or a natural person shareholder among the top ten shareholders of the Bank, or the spouse, parent or child of such shareholder.
- (3) A person working in a shareholder that directly or indirectly holds more than 1% of the issued shares of the Bank or a person working in one of the top five shareholders of the Bank, or the spouse, parent and child of such person.
- (4) A person working in a subsidiary of the controlling shareholders and actual controllers of the Bank, or the spouse, parent and child of such person.
- (5) A person who has significant business dealings with the Bank or its controlling shareholder, actual controller, or any of their respective subsidiaries, or a person who holds a position in an entity that has significant business dealings with the Bank or in the entity of the controlling shareholder or actual controller.
- (6) A person who provides financial, legal, consulting, sponsorship, or other services to the Bank, its controlling shareholder, actual controller, or any of their respective subsidiaries, including but not limited to all members of the project team of the intermediary providing such services, reviewers at all levels, persons who sign the reports, partners, directors, senior executives, and the primary person in charge.
- (7) A person who falls under any of the circumstances set forth in subparagraphs (1) through (6) in the last 12 months.
- (8) Any other person who does not work independently as prescribed by laws, administrative regulations, and bylaws.

The subsidiaries of the controlling shareholder or actual controller of the Bank as mentioned in subparagraphs (4) through (6) of the preceding paragraph shall not include any enterprise that is, together with the Bank, under control of the same state-owned assets management institution and has no affiliation with the Bank according to the relevant provisions.

Article 136 Independent Directors shall be of quality and profession and with good reputation and shall fulfil the following conditions:

- (1) Have the qualifications to serve as a director of a listed company in accordance with laws, administrative rules and regulations;
- (2) Perform duties independently, without being influenced by the Bank's major shareholders, actual controllers or other entities or individuals with interests in the Bank and meet the independence requirements stipulated in Article 135 of these Articles of Association;
- (3) Possess a bachelor's degree or above or a senior technical title in a related major;
- (4) Possess the basic knowledge of the operation of listed companies, and be familiar with relevant laws, administrative rules and regulations;
- (5) Have 8 years or more of work experience in law, economy, finance, accounting or other fields that are conducive to performing the duties of Independent Directors;
- (6) Be familiar with the operation and management of commercial banks and relevant laws, administrative rules and regulations;
- (7) Be able to read, understand and analyse credit statistical and financial statements of commercial banks;
- (8) Ensure sufficient time and energy to perform effectively and to commit to the obligations of integrity and diligence.
- (9) Possess good personal integrity, without any major breach of trust and other adverse records;
- (10) Other conditions stipulated by laws, regulations, rules and normative documents, as well as these Articles of Association.

An Independent Director shall also comply with the regulations of the banking regulatory authorities under the State Council and the securities regulatory authorities and stock exchanges in the places where the shares are listed regarding the number of independent directors in office, and shall ensure that they have sufficient time and energy to effectively perform their duties as independent directors.

Any Independent Director shall not serve as an independent director in more than two commercial banks at the same time. If he concurrently serves as an independent director of a banking or insurance institution, such institutions shall not have an affiliated relationship and there shall be no conflict of interest.

Article 137 Independent Directors may serve consecutive terms if re-elected upon the expiration of their term of office. The term of office of an Independent Director in the Bank shall not be more than six (6) years on an aggregated basis.

Article 138 Prior to taking up the office, Independent Directors shall make a declaration to the Board of Directors to state that sufficient time and effort shall be dedicated to the performance of duties and to pledge to perform fiduciary duty with due diligence.

The working days Independent Directors working on-site in the bank in one year shall be no less than 15 days.

Independent Directors in charge of the Audit Committee, the Risk Management and the Related Party Transactions Control Committee shall work on-site in the Bank for at least twenty (20) working days per year.

Article 139 Independent Directors shall give independent views which are fair and objective on the matters deliberated by the meeting of shareholders and Board of Directors of the Bank, particularly give views on the following issues to the meeting of shareholders and Board of Director:

- (1) major related transactions;
- (2) plans for profit distribution;
- (3) the nomination, appointment and removal of the Directors;
- (4) the appointment and dismissal of Senior Management;
- (5) remuneration of the Directors and Senior Management;
- (6) the appointment or dismissal of the accounting firms that conduct periodic statutory audit of the financial reports of the Bank;
- (7) matters which may lead to material loss of the Bank in the opinion of the independent director;
- (8) other matters which may significantly influence the lawful interest of the Bank, minority shareholders or consumers;
- (9) other matters as provided by the laws, regulations or regulatory rules or these Articles of Association.

The opinions of Independent Directors on the decision of the Bank shall be recorded in the minutes of meeting of the Board of Directors.

Article 140 Independent Directors may exercise the following special powers:

- (1) Independently engaging intermediaries to audit, consult or verify specific matters of the Bank;
- (2) Proposing to the Board of Directors the convening of an Extraordinary Shareholders' meeting;
- (3) Proposing to convene a meeting of the Board of Directors;
- (4) Publicly soliciting shareholder rights from shareholders in accordance with the law;
- (5) Giving independent opinions on matters that may jeopardize the interests of the Bank or small and medium shareholders;
- (6) Exercising other powers and functions provided for in laws, regulations and by laws, as well as in these Articles of Association.

An Independent Director's exercise of functions and powers set forth in subparagraphs (1) through (3) of the preceding paragraph shall obtain the consent of more than half of all independent directors. In the event that the above power are exercised, the Bank shall disclose them in a timely manner.

Article 141 The following matters shall be submitted to the Board of Directors for deliberation with the consent of the half of all Independent Directors of the Bank:

- (1) disclosable related party transactions;
- (2) The plans of the Bank and the relevant parties for the modification or waiver of their undertakings;
- (3) The decisions made and measures taken by the board of directors of the target Bank regarding the acquisition;
- (4) Laws, regulations and normative documents, as well as other matters stipulated in these Articles of Association.

Article 142 The Bank establishes a mechanism for special meetings attended by all Independent Directors. The Bank shall regularly or irregularly convene a meeting attended by all of its independent directors.

Matters listed in (1) to (3) under the first paragraph of Article 140 and Article 141 of these Articles of Association shall be deliberated at the special meetings of Independent Directors. The special meetings of Independent Directors may consider and discuss other matters of the Bank if necessary.



The special meetings of Independent Directors shall be convened and presided over by an Independent Director jointly elected by the half of the Independent Directors; where the convener fails to or is unable to perform his or her duties, two or more Independent Directors may, on their initiative, convene a meeting and elect a representative to preside over the meeting.

Article 143 Independent Directors shall perform their duties in good faith, independently and diligently, effectively safeguard the legitimate rights and interests of the Bank, small and medium-sized shareholders and consumers, and shall not be influenced by shareholders, actual controllers, senior management personnel or other entities or individuals with material interests in the Bank.

In the event of significant deficiencies or failures in the corporate governance mechanism of the Bank, Independent Directors shall promptly report the relevant situation to the supervisory authority. In addition to reporting the relevant situation to the supervisory authority in accordance with the regulations, Independent Directors shall keep the secrets of the Bank.

Article 144 Independent Directors enjoy the same right to information as other directors. The Bank shall protect the right to information of Independent Directors, provide Independent Directors with the necessary information to participate in decision-making in a timely and complete manner, and provide the necessary working conditions for Independent Directors to perform their duties.

The Bank shall provide remuneration and allowance to Independent Directors. Provision of such compensation shall be arranged by the Board of Directors and examined and passed by the shareholders' meeting. The proper expenses for Independent Directors performing duties shall be borne by the Bank.

Article 145 Independent Directors may resign before the expiration of the term. An Independent Director who resigns shall submit a written resignation report to the Board of Directors, in which he or she shall explain any information related to his resignation or any information to which the attention of the Bank's shareholders and creditors shall be drawn in his or her opinion. The Bank shall disclose the reasons for the resignation of the Independent Director and any matters of concern.

If the resignation of an Independent Director will result in the failure of the ratio of Independent Directors in the board of directors or its special committees to comply with the provisions of Measures for the Administration of Independent Directors of Listed Companies or the Article of Association of the Bank, or if there is a shortage of accounting professionals among the Independent Directors, the Independent Director who plans to resign shall continue to perform his or her duties until the date when a new Independent Director takes office, unless the resignation is due to the lack of qualifications as a director of the Bank or the loss of independence.

The Bank shall complete the by re-election within sixty days after the Independent Director submits his or her resignation.

Article 146 The following shall be considered as serious breach of duties by Independent Directors:

- (1) disclosure of trade secret of the Bank, harming the interests of the Bank;
- (2) acceptance of improper gains during the performance of duties or manipulation of the position of Independent Directors to seek private gains;
- (3) failure to offer an opposing opinion with prior knowledge that the Board resolution or decision may cause major loss to the Bank;
- (4) Independent Directors fail to exercise veto power with prior knowledge of related-party transactions which may cause a major loss to the Bank;
- (5) other behaviour which the banking regulatory authority of the State Council deems as serious breach of duties.

Independent Directors who are disqualified by the banking regulatory authority of the State Council because of serious breach of duties shall be naturally released of duties on the day of disqualification.

Article 147 Independent Directors shall be removed at the proposal of the Board of Directors to shareholders' meeting because of the following:

- (1) serious breach of duties;
- (2) changes of duties which render such Independent Directors disqualified and the persons concerned have not filed resignation;
- (3) failing to attend the meetings of the Board of Directors in person for three consecutive times, or failing to attend the meetings in person for two consecutive times without entrusting another Independent Director to attend the meeting, or failing to attend in person two-thirds of the total number of meetings of the Board of Directors in one year;
- (4) other circumstances stipulated in the laws and regulations or in the laws and regulations of any supervisory authorities of any places of listing which render such Independent Directors unsuitable to continue with the appointment.

If the Bank removes an Independent Director from office before the expiration date, it shall promptly disclose the specific reasons and basis therefor. If an Independent Director has any objection to the removal, the Bank shall disclose it in a timely manner.

Any Independent Director who fails to comply with the paragraph (1) or (2) of Article 136 of these Article of Association shall immediately cease the performance of his or her duties and resign. If he or she fails to tender a resignation, the board of directors shall immediately remove him or her from office in accordance with the relevant provisions as soon as it knows or should have known the fact.

Article 148 Written notice of the removal of Independent Directors by shareholders' meeting requested by the Board of Directors shall be served on such Independent Directors within one month prior to the shareholders' meeting. Such Independent Directors are entitled to present views in verbal or written form prior to vote and to report such views to the banking regulatory authority of the State Council no less than five days prior to the shareholders' meeting. Prior to voting, shareholders shall consider the statement of such Independent Directors at the meeting.

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

Article 149 The Bank shall have a Board of Directors which shall be responsible to the shareholders' meeting. The Board of Directors of the Bank shall consist of 14 to 19 Directors, the number of which shall be determined by the shareholders' meeting. The number of the Independent Non-executive Directors thereof shall not be less than one-third.

The number of Directors who are Senior Management personnel and employee representatives shall not be more than one half of the total number of the Board of Directors members.

Article 150 The Board of Directors shall have the following duties and powers:

- (1) to convene shareholders' meeting and to make a work report to the shareholders' meeting;
- (2) to implement the resolutions passed at the shareholders' meeting;
- (3) to determine the business plans and investment proposals of the Bank, and prepare development strategy and supervise the implementation of the strategy;
- (4) to prepare the annual financial budget and final accounts of the Bank;
- (5) to prepare the plans for profit distribution and plans for making up losses of the Bank;
- (6) to prepare proposals for the increase or reduction of the registered capital of the Bank and proposals for the issuance of debentures or other securities or the listing of the Bank, capital replenishment plans, and financial restructuring plans;
- (7) to prepare proposals for the Bank's major acquisitions, purchase of shares of the Bank, merger, division, change in the form, or dissolution of the Bank;
- (8) to prepare the capital planning of the Bank and assume ultimate responsibility for capital or solvency management;
- (9) within the scope of authorization by shareholders' meeting, to consider and approve the Bank's equity investment, investment on bonds, asset purchasing, asset disposal, asset write off, mortgage of assets and the provision of other guarantees unrelated to commercial banking business, external donations and data governance;
- (10) to determine the establishment of the internal functional departments and the establishment of domestic first-tier branches, overseas branches and domestic and overseas subsidiaries of the Bank;

- (11) to appoint or dismiss the President and the Secretary of the Board of Directors of the Bank and determine their remunerations, rewards and punishments; identify the chairman and members of the special committees of the Board of Directors;
- (12) according to the nominations of the President, to appoint or dismiss the Vice-president, Chief Financial Officer, Chief Risk Officer, Chief Information Officer, Chief Business Officer and other Senior Management personnel and determine their remunerations, rewards and punishments;
- (13) to establish the basic management system of the Bank; prepare these Articles of Association, the procedural rules of shareholders' meeting, procedural rules of the Board of Directors, consider and approve the Code of Practice of the special committees of the Board of Directors and the Code of Practice of the Senior Management of the Bank.
- (14) to prepare equity incentive plans and employee stock plans;
- (15) to be responsible for the information disclosure by the Bank and assume ultimate responsibility for the truthfulness, accuracy, completeness and timeliness of financial accounting reports;
- (16) to propose to the shareholders' meeting the appointment or dismissal of accounting firms that conduct periodic statutory audit of the financial reports for the Bank;
- (17) to establish the Bank's policies and basic management systems for risk appetite (including risk tolerance), risk management and internal control and others, supervise the implementation of the systems and assume ultimate responsibility for overall risk management;
- (18) to establish and implement a clear line of responsibility and accountability system throughout the Bank, and regularly evaluate and improve the Bank's corporate governance;
- (19) to consider and approve the Bank's internal audit charter, medium and long term audit plan and annual work plan, and inspect, supervise, review and assess the internal audit work;
- (20) to establish the management system of connected transactions and to consider and approve or authorize the Related Party Transaction Control Committee to approve connected transactions (except those that should be considered and approved by the shareholders' meeting in accordance with the law); to the shareholders' meeting on the implementation of the connected transaction management system and the connected transactions;
- (21) to consider and approve the proposals made by the special committees of the Board of Directors;
- (22) to hear reports given by the President and other members of the Senior Management of the Bank and supervise and ensure the effective performance of the management responsibilities of the President and other members of the Senior Management;

- (23) to consider the Bank's policy objectives on environmental, social and governance (ESG) responsibility and related matters; to prepare the Bank's eco-friendly finance strategy, supervise and assess the implementation of the strategy;
- (24) to consider the Bank's strategic development plan, basic management system, annual operation plan and assessment and evaluation methods for the Bank's inclusive finance business;
- (25) to determine the Bank's strategies, policies and objectives for consumer rights protection and safeguard the legitimate rights and interests of financial consumers and other stakeholders;
- (26) to establish mechanisms for the identification, review and management of conflicts of interest between the Bank and its shareholders, especially major shareholders;
- (27) to assume responsibility for the management of shareholders' affairs;
- (28) to establish and implement an accountability system for the performance of duties by senior management and to determine specific ways to hold them accountable for dereliction of duty and improper performance of duties;
- (29) to assume ultimate responsibility for the management of consolidated statements, establish the Bank's consolidated statement management policy and supervise the implementation of the policy, examine and approve major issues related to the consolidated statement management, review the status of the consolidated statement management of the Bank;
- (30) to perform other duties and powers as stipulated in the laws, regulations, regulatory rules and these Articles of Association and as authorized by shareholders'.

Article 151 The Board of Directors shall define the limitations of its rights in making decisions on equity investment, investment on bonds, connected transaction, asset purchasing, asset disposal, asset write off, asset mortgage and the provision of other guarantees unrelated to commercial banking business, and ensure that complete and thorough policies and procedures are enacted. Consultations on material investment items with relevant experts and professionals are required. And the matters requiring report to shareholders' meeting shall be submitted to shareholders' meeting for approval in accordance with these Articles of Association.

Article 152 The Board of Directors shall not, without the prior approval of shareholders' meetings, dispose or agree to dispose of any fixed assets of the Bank where the aggregate value of the estimated consideration for the proposed disposition and the value of the consideration for any such disposition of any fixed assets of the Bank that has been completed in a period of four months immediately preceding the proposed disposition exceeds 33% of the value of the fixed assets of the Bank as shown in the most recent audited balance sheet.

For the purposes of this Article, disposition includes an act of transferring certain interests in the assets other than by way of provision of security.

The validity of a disposition by the Bank shall not be affected by the breach of the first paragraph of this Article.

Article 153 The Board of Directors of the Bank shall have one Chairman and one to two Vice-chairmen. The Chairman and the Vice-chairmen shall be elected and removed by more than a half of all the Directors on the Board.

The term of office of the Chairman and the Vice-chairmen of the Board of Directors shall be three years. Upon the expiration of the term, the Chairman and the Vice-chairmen shall be eligible for re-election and re-appointment.

The office of the Chairman of the Board of Directors and of the President shall be separated.

Article 154 The Chairman of the Board of Directors shall exercise the following powers:

- (1) to preside over the shareholders' meeting and to convene and preside over the meetings of the Board of Directors;
- (2) to supervise and review the implementation of the resolutions of the Board of Directors;
- (3) to sign share certificates, debentures and other securities of the Bank;
- (4) to propose to the Board of Directors persons for election as the President of the Bank and the Secretary of the Board of Directors;
- (5) to sign important documents of the Board of Directors and other documents which shall be signed by the legal representative of the Bank;
- (6) to report to the Board of Directors of the Bank and to shareholders' meeting after employing those special means that are stipulated by relevant laws and are in the interests of the Bank to handle force majeure emergencies like severe natural disasters;
- (7) to exercise the powers of the legal representative;
- (8) other powers conferred by the Board of Directors.

Article 155 The Vice-chairman shall assist the Chairman of the Board of Directors with his duties. If the Chairman of the Board of Directors is unable or fails to perform his duties, such duties shall be performed by the Vice-chairman (or in the case the Bank has two Vice-chairmen, the Vice-chairman jointly elected by over one half of all Directors). If the Vice-chairman of the Board of Directors is unable or fails to perform his duties, a Director jointly elected by over one half of all Directors shall perform the duties.

Article 156 The Office of the Board of Directors shall be established under the Board of Directors, responsible for preparation for shareholders' meeting, meetings of the Board of Directors and its special committees, disclosure of information and other daily business of the Board of Directors and its special committees, and shall undertake the equity management (including but not limited to the collection, arrangement and submission of equity pledge information) and other daily assignments.

Article 157 The meetings of the Board of Directors include regular meetings and extraordinary meetings. Regular meetings shall be held at least four times a year. The Office of the Board of Directors shall serve a written notice of meeting to all Directors no later than 14 days prior to the meeting.

Article 158 An extraordinary meeting of the Board of Directors may be convened and presided by the Chairman within ten (10) days under one of the following conditions:

- (1) upon requisition by shareholders representing one-tenth or more of the right to vote;
- (2) the Chairman of the Board of Directors deems it necessary;
- (3) upon requisition by one-third or more of the Directors of the Bank or by the Audit Committee;
- (4) upon proposal by two or more Independent Directors;
- (5) upon requisition by the President.

Notice of an extraordinary meeting of the Board of Directors shall be given within a reasonable period of time.

Article 159 Notices of meeting of the Board of Directors shall cover the following:

- (1) the date and venue of meetings;
- (2) period of meeting;
- (3) reasons and matters to be considered;
- (4) the date the notice is issued;
- (5) the contact person of meetings and his contacts.

Article 160 meetings of the Board of Directors shall only be held if more than half of the Directors are present at the meeting.

If there is a relationship between a director and the enterprise or individuals involved in the matter to be determined by the Board of Directors, the director shall submit a written report to the Board of Directors in a timely manner, and such director shall neither execute the right to vote in such resolution nor execute the right to vote on behalf of other directors. Such meeting of the Board of Directors can be held if more than half of the uninterested directors attend, and the resolution made at such meeting shall be approved by two-thirds or more of the uninterested directors. If the number of uninterested directors attending such meeting is less than 3, such matter shall be submitted to the shareholders' meeting for examination.

Article 161 Resolutions of the Board of Directors may be made by voting at on-site meetings (including physical meetings, video conferences, teleconferences which ensure immediate communication and discussion among the participants) or by adoption of written resolution (by means of separate delivery or circulation of proposals for consideration).

Article 162 Resolutions of the Board of Directors shall be approved and adopted by more than half of all Directors, but for the following matters, the resolution shall be approved and adopted by two-thirds or more of all Directors, and the meetings of the Board of Directors should not be held by adoption of written resolutions:

- (1) preparation of the annual financial budget and final accounts of the Bank;
- (2) profit distribution plans or deficiency coverage plans;
- (3) capital replenishment plans;
- (4) plans for the increase or decrease of registered capital;
- (5) plans for merger, division, dissolution and change of corporate form;
- (6) plans for issuance of corporate bonds or other securities and public listing;
- (7) plans for purchase of the shares of the Bank;
- (8) amendments to these Articles of Association;
- (9) the establishment of important legal entities, material merger and acquisition, material investment and material asset disposal;
- (10) financial restructuring plan;
- (11) compensation plans for directors or senior management personnel;
- (12) appointment or dismissal of Senior Management personnel and deciding on their rewards and punishments;
- (13) proposal to the shareholders' meeting of the appointment or dismissal of the accounting firms that conduct periodic statutory audit of the financial reports for the Bank;
- (14) other matters that more than half of all Directors consider will have a material effect on the Bank and shall be adopted by two-thirds or more of all Directors.

Article 163 Meeting of the Board of Directors shall be attended by the Directors in person. If any Director is unable to attend a meeting for whatever reason, he may appoint another Director by a written power of attorney to attend the meeting of the Board of Directors on his behalf. However, Independent Directors shall not authorize non-independent directors to attend the meeting on their behalf. The power of attorney shall set out the name of attorney, scope of authority and term of validity, as well as such Director's personal opinion and voting intention on the proposals and shall be signed or sealed by such Director.

One Director may in principle be authorized by at most two Directors who are not present at a meeting in person. When deliberating a connected transaction, a non-connected Director shall not authorize a connected Director to be present on his behalf.



A Director appointed to attend the meeting on behalf of another Director shall exercise the rights of a Director within his scope of authority. If a Director is unable to attend a meeting of the Board of Directors and has not appointed a representative to attend the meeting on his behalf, he shall be deemed to have waived his rights to vote at that meeting.

Article 164 The manner of voting of the Board resolution shall be open ballot or a show of hands. Each Director shall have one vote.

Article 165 Directors shall sign on the Board resolution and be liable for the resolutions passed at the meeting of the Board of Directors. If a resolution of the Board of Directors contravenes the laws, the administrative regulations or these Articles of Association, or the resolutions of the shareholders' meeting, as a result of which the Bank sustains substantial losses, the Directors participating in the passing of such resolutions shall be liable to compensate the Bank provided that if it can be proved that a Director expressly objected to the resolution when the resolution was put to vote and that such objection was recorded in the minutes of the meeting, such Director may be exempted from such liability.

Article 166 The Board of Directors shall cause the matters resolved at the meeting to be recorded in the minutes of the meeting. The Directors present at the meeting and the person recording the minutes shall sign on such minutes. If any Director has different opinions on the minutes of the meeting, he may provide a statement of explanation when signing the minutes.

The minutes of the meeting of the Board of Directors shall include the following:

- (1) the date and venue of meetings and the name of the convenor;
- (2) the name of Directors attending meetings and of Directors (attorney) attending the meetings on behalf of other Directors;
- (3) agenda of meetings;
- (4) the proposing party of each issue on the agenda;
- (5) main points of the speech of Directors;
- (6) The manner of voting and results (results of voting shall state the number of votes in favour of, against or of abstention) of each matter considered;
- (7) other matters that the Board of Directors considers should be recorded.

The Bank shall record the on-site meetings of the Board of Directors by means of audio and video recording. The documents of the meetings of the Board of Directors such as minutes and resolutions shall be submitted to the banking regulatory authority of the State Council in a timely manner. The minutes of meeting of the Board of Directors shall be perpetually kept as files of the Bank.

Article 167 In case where vacancies resulted from the resignation or departure of Directors cause the number of Directors of the Bank to fall below the number of Directors serving on or being appointed to the Board at the time after the second last shareholders' meeting, the activities of the Board of Directors in the period between the occurrence of vacancies and the next shareholders' meeting are still in effect, unless there are significant vacancies in the Board of Directors stated in paragraph 2 of this Article. When the quorum and valid number of votes of the Board of Directors are considered in accordance with Article 160, the total number of Directors on the Board shall be reduced by the number of vacancies.

When the number of persons of the Board of Directors of the Bank falls below one-half of the number of persons required in these Articles of Association, this shall be deemed as significant vacancies. The Board of Directors shall immediately convene an extraordinary meeting for the by-election. The powers of the Board of Directors prior to by-election shall be limited to implementing the matters resolved before the occurrence of significant vacancies (except those means employed by the Board of Directors for the protection of the interest of the Bank in case of emergency).

#### **Section 4 Special Committees of the Board of Directors**

Article 168 The Board of Directors of the Bank has a strategic committee, an audit committee, a risk management and the related party transactions control committee, a personnel and remuneration committee, a social responsibility (ESG) and consumer interest protection committee. The Risk Management and Related Party Transactions Control Committee assume the duties of the Risk Management Committee of America; the Personnel and Remuneration Committee has the right of nomination and decision of remuneration. The Board of Directors may establish other special committees and adjust existing special committees as needed.

Article 169 The special committees of the Board of Directors are, in accordance with these Articles of Association and the authorization of the Board of Directors, providing professional opinions to the Board of Directors or make decisions on professional issues. The special committees may engage intermediaries to issue professional opinions, and the Bank shall bear the costs to the extent they are reasonable.

Each special committee shall consist of not less than three Directors who shall have professional knowledge or work experience appropriate for the duties of the special committee. The Audit Committee, Risk Management and Related Party Transactions Control Committee, and Personnel and Remuneration Committee shall have a majority of Independent Directors and the chairman of each of these special committees shall be an Independent Director.

The members of the Audit Committee shall have professional knowledge and work experience in finance, auditing, accounting or law. The members of the Audit Committee shall be directors who are not the senior executives of the Bank, among whom a majority shall be independent directors, and the convener shall be an accounting professional among the independent directors. Employee directors can become the members of the Audit Committee.

Article 170 The Strategy Committee shall exercise the following functions and duties:

- (1) conducting research and providing comments on the Bank's business objectives and medium- and long-term development plans; regularly reviewing and revising the development strategies to keep the Bank's development strategies basically consistent with changes in business conditions and market environment;
- (2) regularly review and evaluate the development effectiveness of strategic key businesses such as technology finance, green finance, inclusive finance, pension finance, and digital finance, strengthen the overall promotion and organizational guarantee of relevant businesses, and promote the coordinated, sustainable and steady development of relevant businesses;
- (3) regularly analyzing and assessing the Bank's capital management, conducting research on capital planning and capital replenishment plans and making suggestions;
- (4) conducting research and making suggestions on the Bank's major equity investment proposals;
- (5) considering and effecting or authorizing the senior management or its authorized representatives to effect the preliminary communication, negotiation and preparation of the bid for M&A projects for which the Bank is required to participate in the bidding;
- (6) regularly examining, supervising and assessing the implementation of the Bank's business development plan and the implementation of major investment programs;
- (7) examining and supervising the implementation of the Bank's annual business plan;
- (8) examining and assessing the implementation of the corporate governance system and making recommendations to the Board of Directors for the formulation and improvement of corporate governance policies and systems;
- (9) other matters required by laws, regulations and regulatory rules and as may be authorized by the Board of Directors.

Article 171 The Audit Committee shall exercise the following functions and duties:

- (1) proposing the appointment, renewal or dismissal of accounting firms that conduct periodic statutory audit of the financial reports for the Bank and responsible for specific implementation matters, and reviewing relevant audit expenses and terms of appointment;
- (2) supervising and assessing the relationship between the Bank and the external auditors as well as the work of the external auditors;
- (3) guiding, reviewing and assessing the internal audit work, as well as the internal audit system and the implementation of the system;

- (4) coordinating the communication between the Bank's Senior Management, internal audit department and related departments and external auditors to ensure that the internal audit department is adequately resourced to operate and has appropriate status within the Bank;
- (5) examining financial information and disclosures of the Bank, examining accounting policies and practices, monitoring financial position and financial reporting procedures and issuing opinions on the financial reports;
- (6) supervising and assessing the effectiveness of the Bank's internal controls, and inspecting the internal control system (including financial control) and the implementation of the system;
- (7) supervising the execution of functions by the directors and senior executives in the performance of their duties, and propose the dismissal of directors and senior executives who violate laws, administrative regulations, these Articles of Association, or resolutions of the shareholders' meeting;
- (8) where directors or senior executives have acted against the interests of the Bank, requiring the director or senior executives to make correction;
- (9) filing a lawsuit against a director or senior executives in accordance with the requirement under the Company law;
- (10) other matters stipulated by laws, regulations, regulatory rules, and authorized by the Board of Directors.

The Audit Committee shall convene at least one meeting every quarter. A special meeting may be convened at the proposal of two or more members, or if the convenor deems it necessary. Meetings of the Audit Committee shall be held only if more than two-thirds of the members are present. A resolution of the Audit Committee shall be adopted with affirmative votes from more than half of the members of the Audit Committee.

The following matters shall be submitted to the Board of Directors for deliberation with the approval of more than half of the members of the Audit Committee:

- (1) disclosing financial accounting reports, financial information in periodical reports, and internal control evaluation reports;
- (2) hiring or dismissing the accounting firm providing audit services for the Bank;
- (3) hiring or dismissing the person in charge of financial affairs of the Bank;
- (4) modifying accounting policies or accounting estimates, or correcting material accounting errors due to reasons other than changes in accounting standards;
- (5) other matters prescribed by laws, regulations, rules, normative documents, and these Articles of Association of the Bank.

Article 172 The Risk Management and Related Party Transactions Control Committee shall exercise the following functions and duties:

- (1) supervising and assessing the risk control and management of the credit, market, operation, compliance, prevention against violations, money laundering and terrorist financing and other aspects of the Bank;
- (2) regularly assessing the risk management of the Bank;
- (3) regularly assessing the risk tolerance and level of the Bank;
- (4) supervising and assessing the risk management of Bank's U.S.-related operations;
- (5) examining the Bank's major connected transactions;
- (6) examining major fixed asset investments, asset disposals, asset pledges or external guarantees;
- (7) making suggestions to the Board of Directors for improving the Bank's risk management and internal controls;
- (8) establishing the objectives of building a money-laundering risk management culture, reviewing and finalizing money-laundering risk management strategies, approving policies and procedures for money laundering risk management, regularly reviewing anti-money laundering work reports, keeping abreast of major money laundering risk events and treatment, assessing the Bank's anti-money laundering risk management status, and making suggestions to the Board of Directors for improving the Bank's anti-money laundering risk management and internal controls;
- (9) other matters required by laws, regulations and regulatory rules, and as may be authorized by the Board of Directors.

Article 173 The Personnel and Remuneration Committee shall exercise the following functions and duties:

- (1) providing the Board of Directors with proposals on the size and structure of the Board of Directors in accordance with the business operation, asset scale and equity structure of the Bank;
- (2) approving and revising the diverse membership of the Board of Directors and assessing the result of policy pursuit;
- (3) developing criteria and procedures for the appointment of directors and senior officers, conducting the initial examinations on the qualification and condition for the directors and senior officers of the Bank and providing the Board of Directors with proposals in this regard;
- (4) reviewing the independence of the independent directors;
- (5) reviewing the fundamental system and policy of the Bank in remuneration management;

- (6) developing set of performance assessment standards for the directors and senior officers, conducting performance assessment according to the actual situation of the Bank and providing Board of Directors with proposals in this regard;
- (7) developing salary and incentive plans for directors and senior officers according to the strategic planning and business objectives determined by the Board of Directors, providing the Board of Directors with proposals on salary plans and supervising the implementation of the plans; and
- (8) other matters required by laws, regulations and regulatory rules, and as may be authorized by the Board of Directors.

Article 174 The Social Responsibility (ESG) and Consumer Rights Protection Committee of the Board of Directors shall exercise the following functions and duties:

- (1) preparing social responsibility strategies and policies applicable to the Bank, as well as plans and measures for fulfillment of social responsibility, regularly reviewing the achievement of social responsibility work objectives, and submitting annual social responsibility reports to the Board of Directors;
- (2) conducting research, preparing and assessing measures for improving the Bank's ESG performance, and promoting ESG information disclosure;
- (3) reviewing the strategies, policies and objectives of consumer protection work, and submitting consumer protection work reports and annual reports to the Board of Directors; carrying out work as authorized by the Board of Directors, conducting research on major issues and important policies concerning consumer rights protection; supervising the completeness, timeliness and effectiveness of the work of the senior management and consumer rights protection department;
- (4) reviewing credit policies involving the environment and sustainable development;
- (5) approving external donations as authorized by the Board of Directors;
- (6) supervising, inspecting and assessing the implementation of social responsibility, ESG and consumer protection strategies, policies, plans and measures, and making suggestions to the Board of Directors;
- (7) other matters required by laws, regulations and regulatory rules, and as may be authorized by the Board of Directors.

Article 175 The procedural rules and working procedures of the special committees of the Board of Directors shall be established by the Board of Directors. Each special committee may prepare annual work plans and hold regular meetings.

## **Section 5 Board Secretary**

Article 176 The Bank shall have a Board Secretary who shall be responsible to the Board of Directors. The position is nominated by the Chairman of the Board and appointed or dismissed by the Board of Directors.

The Board Secretary is a Senior Manager of the Bank. The term of office of the Board Secretary shall be three years, renewable upon re-election and re-appointment.

Article 177 The Board Secretary shall meet the following requirements:

- (1) to possess qualification above undergraduate degree, with extensive working experience in serving as secretary and management and shareholding issues.
- (2) well-versed in accounting, taxation, law, finance and corporate governance, with excellent personal conduct and professional ethics; to abide by the laws and execute duties with honesty; to possess strong communication skills and be flexible in handling issues.
- (3) to meet the qualifications as required by regulatory bodies in all places of listing.

Article 178 The principal duties of the Board Secretary are:

- (1) assisting Directors with the daily work of the Board of Directors, providing to Directors, reminding Directors and ensuring that Directors understand the regulations, policies and requirements of the relevant regulatory authorities in respect of the operations of the Bank, and assisting Directors and the President of the Bank in abiding by laws, administrative regulations, rules, relevant provisions of the securities regulatory authority at the place where the shares of the Bank are listed, these Articles and other applicable provisions;
- (2) organizing and preparing the meetings of the Board of Directors and the Shareholders' Meetings, being responsible for making the minutes of Board meetings and the signing of the minutes, keeping the resolutions, records and other important documents of the Shareholders' Meetings and the Board of Directors, ensuring that the decisions of the meetings comply with legal procedures, following up the implementation of relevant resolutions, and reporting to the Board of Directors on a regular basis or from time to time; reporting to the Board of Directors and making suggestions on major issues in the process of implementation in a timely manner;
- (3) ensuring that major matters decided by the Board of Directors are carried out in strict accordance with the relevant procedures; participating in the consultation and analysis of matters to be decided by the Board of Directors as required by the Board of Directors, giving opinions and suggestions, undertaking daily work authorized by the Board of Directors and the special committees;
- (4) as the liaison person between the Bank and the relevant regulatory authorities, is responsible for organizing, preparing and submitting the documents required by the relevant regulatory authorities, accepting the tasks assigned by the relevant regulatory authorities and organizing the completion of the tasks;

- (5) being responsible for organizing and coordinating the Bank's information disclosure, establishing and improving the Bank's information disclosure management system, and urging the Bank and the relevant information disclosure obligors to abide by the relevant regulations on information disclosure; being responsible for the confidentiality of sensitive information concerning the Bank's shares, reporting and disclosing to the securities regulatory authority where the Bank's shares are listed in the event of unauthorized disclosure of major information;
- (6) coordinating public relations, being responsible for investor relations management, and coordinating information communications between the Bank and the relevant regulatory authorities, investors, securities service providers, and media;
- (7) being responsible for the securities management of the Bank, ensuring the proper management and preservation of the register of shareholders of the Bank and the list of bondholders issued by the Bank, maintaining the documents evidencing the shares held by Directors, Senior Management personnel and controlling shareholders of the Bank and their directors and senior management personnel, and being responsible for disclosing changes in the shareholding of the Directors and Senior Management personnel of the Bank in accordance with the requirements of the relevant regulatory authorities;
- (8) organizing Directors and Senior Management personnel of the Bank to attend the trainings on laws, administrative regulations, rules, relevant provisions of the securities regulatory authority at the place where the shares of the Bank are listed, and assisting the abovementioned personnel in understanding their respective duties in information disclosure;
- (9) perform other matters authorized by the Board of Directors and exercise other functions and duties required by the securities regulatory authority at the place where the shares of the Bank are listed.

Article 179 Directors or other members of the Senior Management of the Bank may concurrently serve as the Board Secretary (except otherwise prohibited by laws, administrative rules and regulations), provided that they have sufficient energy and time to undertake the duties of the secretary of the Board of Directors.

Article 180 If a Director acts as the Board Secretary concurrently and an act is required to be done by a Director and the Board Secretary separately, the Director who concurrently acts as the Board Secretary shall not perform such act in dual capacities.



## **Chapter 12 Senior Management**

Article 181 Senior Management consists of the President, Vice-president, Chief Financial Officer, Chief Risk Officer, Chief Compliance Officer, Chief Information Officer, Chief Business Officer and other members as decided by the Board of Directors.

Article 182 The Bank shall have one President and several Executive Vice-presidents. The President shall be appointed or dismissed by the Board of Directors. Executive Vice-presidents, Chief Financial Officer, Chief Compliance Officer, Chief Risk Officer, Chief Information Officer and Chief Business Officer shall be nominated by the president, and appointed or dismissed by the Board of Directors.

The Bank shall select and appoint Senior Management personnel in strict accordance with relevant laws and regulations, regulatory provisions and these Articles of Association. The Senior Management personnel shall have a term of office of three (3) years and may be re-appointed as the Senior Management personnel upon expiry of the term. The Bank's controlling shareholders, actual controllers and their affiliates shall not interfere with the normal selection and appointment procedures for the Senior Management personnel or bypass the Board of Directors to directly appoint or dismiss the Senior Management personnel.

Article 183 The President shall be accountable to the Board of Directors and accept the supervision of, and all functional departments, branch offices and other members of the Senior Management shall be accountable to the president.

Article 184 The President shall perform the following duties and powers:

- (1) to be in charge of the regular business and management of the Bank and shall implement resolutions of shareholders' meeting and the Board of Directors;
- (2) to report on operation and management activities to the Board of Directors in a timely, accurate and complete manner; draft annual business plans and investment plan, and to implement such plans after the approval of the Board of Directors or shareholders' meetings;
- (3) to draft the annual financial budget, final accounts, plans for profit distribution, recovery of losses, increase or reduction registered capital, issuance of debentures or other securities and listing of the Bank, and make suggestions to the Board of Directors;
- (4) to draft plans for the establishment of the Bank's internal functional departments and the establishment of domestic and overseas primary branches, direct branches and other direct subsidiaries, and overseas institutions, and make suggestions to the Board of Directors;
- (5) to draft the basic management system of the Bank;
- (6) to formulate basic policies and procedures of the Bank;
- (7) to propose to the Board of Directors the appointment and dismissal of the Vice President and other Senior Management personnel (except the secretary of the Board of Directors) required to be appointed or dismissed by the Board of Directors in accordance with laws and regulations;

- (8) to appoint or dismiss internal management personnel of all functional departments and branch offices other than those required to be appointed or dismissed by the Board of Directors;
- (9) within the authority granted by the Board of Directors, to authorize members of the Senior Management, the management personnel of all functional departments and branch offices to conduct business activities;
- (10) to prepare remuneration packages and performance review plans for the heads of the Bank's internal departments and branches (except the head of the internal audit department), and assess their remuneration levels and conduct performance reviews, and to draft the measures for salary, welfare, award and penalty for the staff and workers of the Bank and to decide the appointment and dismissal of the staff and workers of the Bank.
- (11) to propose the convening of the extraordinary meeting of the Board of Directors;
- (12) to adopt emergency measures in the interest of the Bank in the event of any major emergency or other emergent circumstances of the Bank and report immediately to the Board of Directors and the banking regulatory authority of the State Council;
- (13) other functions and powers exercised by the President in accordance with laws, regulations, regulatory rules, and these Articles of Association, as well as the decisions of the shareholders' meeting and the Board of Directors.

If the President is unable to exercise his or her functions and powers, the Executive Director, Vice President or other Senior Management personnel designated by the Board of Directors shall exercise such functions and powers on his or her behalf.

Article 185 The President shall be in attendance in meetings of the Board of Directors. The President who is not a Director shall have no voting rights at the meetings.

Article 186 The President and members of the Senior Management shall act with honesty, transparency, accountability, and diligence in accordance with the laws, regulations, regulatory rules and these Articles of Association, engage in proper professional conduct, abide by high standards of professional ethics, have obligations of loyalty and diligence to the Bank, perform duties in good faith, dutifully, and prudentially, and guarantee that he has sufficient time and energy to perform duties, and shall not be slack in performing duties or perform duties beyond the scope of authority.

Article 187 Members of the Senior Management shall establish a reporting system through which the Board of Directors receives timely, accurate and complete reports on the business performance, major contracts, financial status, risk status and business prospect of the Bank on a regular basis.

Article 188 Senior Management shall submit proposals that require the approval of the Board of Directors. The Board of Directors shall make timely discussion and decision.

Article 189 Senior Management shall, in accordance with the business activities of the Bank, establish and enhance the internal control mechanism, in which the major components are internal rules and regulations, risk control systems and a credit approval system. The President shall not be a member of the Credit Review Committee, however, the President has the right to veto any credit decisions made by the committee.

Article 190 The Senior Management shall be under the supervision of the Audit Committee and shall provide regularly to the Audit Committee information on the business performance, major contracts, financial status, risk status and business prospect of the Bank. The Senior Management shall not hinder the Audit Committee from exercising its powers in performing activities like investigation and auditing.

Article 191 The Senior Management shall establish and enhance a system of meetings and formulate corresponding rules on the work of the Senior Management, which shall be reported to the Board of Directors and implemented after being approved by it. The rules on the work of the Senior Management shall include the contents below:

- (1) convening conditions, procedures and participators of the relevant conference;
- (2) respective duties and works of the president and other members of Senior Management;
- (3) authority of using the capital and asset of the Bank and signing the significant contracts, and system of reporting to the Board of Directors;
- (4) other matters which are deemed to be necessary by the Board of Directors.

Article 192 Any member of the Senior Management may submit the resignation prior to the expiration of his/her term of office in accordance with the procedures and rules stipulated in the labor contract entered into by and between such member and the Bank.

### **Chapter 13 Qualifications and Obligations of the Directors, President and other Senior Managers of the Bank**

Article 193 According to the relevant stipulations of the banking regulatory authority of the State Council, the appointments of the Bank's Directors, Secretary of the Board of Directors and Senior Management, which are required to be reported to the corresponding ministry for approval, shall be examined by the banking regulatory authority of the State Council.

The Bank shall follow the requirements on qualifications of the positions of the Directors, Board Secretary and Senior Managers of the Bank by the securities regulatory authority of the State Council.

Article 194 A person shall not serve as Directors, President or other Senior Manager if any of the following circumstances applies:

- (1) the person who is incapable or with limited capabilities under the law to perform duties and responsibilities of this position;

- (2) the person has been convicted of an offence of corruption, bribery, misappropriation of embezzlement of properties or violating social and economic order, and less than five years have elapsed since the expiration of the enforcement period; or the person has been deprived of political rights due to conviction and less than five years have elapsed since the expiration of the enforcement period; or if suspension of the sentence of the person is announced, it has not been two years since completion of probation;
- (3) the person is a former director or factory manager or manager of a company or an 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 a representative of a company or an enterprise whose business licence has been revoked or been ordered to close down 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 licence or the order to close of such company or enterprise;
- (5) the person who was formerly removed or dismissed by other commercial banks or organizations due to breach of fiduciary duty, and inability to act honestly and diligently in discharging his duties;
- (6) the person who was the principal person-in-charge of a licensed financial institution that had suffered involuntary closure or loss of assets, and is unable to present evidence to prove that he was not liable for the above-said situations;
- (7) the shareholder or a staff of shareholder who has loan from the Bank (not including the loan guarantee by certificate of deposit or national bond pledge) that exceed the amount of audited net assets value of the previous year;
- (8) the person who has loan personally from the Bank or person who works for the enterprise which has loan from the Bank, and the loan is due and outstanding;
- (9) the person is listed as a dishonest judgment debtor by a people's court for his or her failure to repay a relatively large amount of personal indebtedness which is overdue and outstanding;
- (10) the person is under criminal investigation by the judicial authorities due to possible violation of criminal laws, where such investigation is still pending;
- (11) the person is prohibited by the laws or administrative regulations from acting as a leader of an enterprise;
- (12) the person is a non-natural person;

- (13) the person who is banned from the market and the person whose ban has not been lifted by the securities regulatory authority of the State Council; and the person who has been convicted of violation of the relevant securities regulations, which involved fraud and dishonest acts, by a relevant supervisory authority at the place of overseas listing, and where less than five years have elapsed since the day of such conviction;
- (14) the person has been publicly identified by the stock exchange as not suitable to serve as a director and senior management of a listed company, the term of which has not expired;
- (15) other situations stipulated in the laws and administrative regulations, and by the supervision institutions.

The Directors of the Bank shall, when the circumstances of (7) and (8) of this Article apply, bypass considering the transactions of those enterprises which have outstanding loans from the Bank.

If serving Directors experience circumstances stated in the Company Law which prohibit them from acting as directors and are banned from the market by the securities regulatory authority of the State Council, the Board of Directors of the Bank shall cause such Directors to cease performing duties from the date they are informed of such circumstances and shall propose a replacement according to relevant procedures at the shareholders' meeting.

If serving President experiences circumstances stated in the Company Law which prohibit them from acting as senior executives and are banned from the market by the securities regulatory authority of the State Council, the Board of Directors of the Bank shall cause such Presidents to cease performing duties from the date they are informed of such circumstances and shall propose a replacement according to relevant procedures at the shareholders' meeting.

**Article 195** The validity of an act of Directors, President, and other Senior Managers of the Bank acting on behalf of the Bank vis-à-vis a bona fide third party shall not be affected by the irregularities in the appointment, election or qualification of such person.

**Article 196** In addition to the obligations imposed by the laws, the administrative regulations or the listing rules of any stock exchanges on which the shares of the Bank are listed, a Director, President, and other Senior Manager of the Bank shall owe a duty to each shareholder in respect of the following obligations in the exercise of duties and powers entrusted to them by the Bank:

- (1) not to cause the Bank to exceed the scope of business stipulated in its business licence;
- (2) to act faithfully in the best interests of the Bank;
- (3) not to deprive the Bank of its assets in any manner, including, but not limited to, not to usurp the opportunities beneficial to the Bank;
- (4) not to deprive the personal interests of the shareholders including, but not limited to, the rights to distribution and voting rights save and except pursuant to a restructuring of the Bank submitted to shareholders for approval in shareholders' meeting in accordance with these Articles of Association.

Article 197 The Directors, President and other Senior Managements of the Bank have a duty of loyalty to the Bank, shall adopt measures to avoid conflicts between their own interests and the interests of the Bank, and may not take advantage of their powers to seek improper benefits.

The Directors, President and other Senior Managements of the Bank have a duty of diligence to the Bank, and shall exercise due care that a manager ordinarily exercises the best interest of the Bank in executing their functions.

Where a Director, President or other Senior Management of the Bank causes any harm to any other person for execution of his or her functions, the Bank is liable in damages, and if the Director, President and other Senior Management of the Bank causes the harm intentionally or with gross negligence, the Director, President and other Senior Management shall also be in damages.

Where the controlling shareholder or actual controller of the Bank instructs a Director, President or other Senior Management to engage in any conduct harming the interests of the Bank or its shareholders, the controlling shareholder or actual controller shall be jointly and severally liable with the Director, President and other Senior Management.

Article 198 In discharging their duties, the Directors, President and other Senior Managers of the Bank shall observe the fiduciary principle and shall not put themselves in a position where their personal interests may conflict with the duties they assumed. Such principle shall include but not be limited to, the undertaking of the following obligations:

- (1) to act honestly in the best interest of the Bank;
- (2) to exercise powers within, and not to exceed the scope of, their authority;
- (3) to exercise the discretionary power vested in them personally and not allow themselves to exercise such discretionary power under the direction or influence of another person and, unless and to the extent permitted by the laws or administrative regulations or the informed consent of the shareholders' meeting, not to delegate the exercise of their discretion;
- (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' meeting, not to enter into contracts, transactions or arrangements with the Bank except those conducted in the normal course of business of the Bank and which comply with the relevant rules of the Bank in relation to the management of connected transactions;
- (6) without the informed consent of shareholders' 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 deprive the Bank of its property in any manner, including, but limited to, usurp the opportunities beneficial to the Bank;
- (8) without the informed consent of shareholders' meeting, not to accept any commission in connection with the transactions of the Bank;

- (9) to abide by these 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' meeting, not to compete in any way with the Bank;
- (11) not to misappropriate 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 security for the liabilities of the shareholders of the Bank or any other persons in breach of rules;
- (12) without the informed consent of shareholders' meeting, not to disclose any confidential information of the Bank acquired during their terms of office, nor to defraud the Bank of the benefit of such information, provided that such information may be disclosed to a court of law or other governmental authorities under the following situations:
  - 1. disclosure is required by the laws;
  - 2. disclosure is required in the public interest;
  - 3. disclosure is required in the interests of such Directors, President and other Senior Managers.
- (13) not to engage in any other act that violates the duty of loyalty to the Bank.

The income of the directors, president, and other senior managers obtained through violating the provisions above shall belong to the Bank.

Article 199 The Directors, President and other Senior Managers of the Bank shall not knowingly cause any one of the following persons or organizations ("connected persons") to do such acts which such Directors, President and other Senior Managers are prohibited from doing:

- (1) the spouse or the minor children of Directors, President and other Senior Managers of the Bank;
- (2) a trustee of Directors, President and other Senior Managers or the Bank or of the persons mentioned in (1) of this Article;
- (3) a partner of Directors, President and other Senior Managers of the Bank or of the persons mentioned in (1) and (2) of this Article;
- (4) companies actually and solely controlled by Directors, President and other Senior Managers of the Bank, or companies actually and jointly controlled by the persons referred to in (1), (2) and (3) of this Article or the Directors, President and other Senior Managers of the Bank;
- (5) the Directors, President and other Senior Managers of the Bank being controlled as mentioned in (4) of this Article.

Article 200 The Directors, President and other Senior Managers of the Bank shall complete the overall handover procedures when they resign their positions successfully or their terms of office are expired. The honesty and the fiduciary duties of them shall not be terminated after the expiration of their terms of office. The obligations to keep the trade secret of the Bank confidential shall survive the expiration of his term of office until such secret becomes publicly known. The continuance of other obligations shall be determined on a fair basis depending on the length of the time between its occurrence and their departure from office and the circumstances and the conditions under which their relations with the Bank were terminated.

Article 201 The liabilities of Directors, President and other Senior Managers of the Bank in respect of the breach of certain substantive obligations may be discharged with the informed consent by shareholders' meeting except for the circumstances provided for in Article 58 of these Articles of Association.

Article 202 In an event that the Directors, President and other Senior Managers of the Bank are interested materially, directly or indirectly, in a contract, transaction or arrangement made or proposed to be made with the Bank (except for the service contract of the Directors, President and other Senior Managers of the Bank), they shall disclose to the Board of Directors the nature and extent of their interest at the earliest opportunity, whether or not the relevant matters are subject to the approval by the Board of Directors in normal circumstances.

If any connected person of Directors, President and other Senior Managers of the Bank is interested in certain contracts, transactions or arrangements, such Directors, President and other Senior Managers shall also be deemed as interested in the same.

Unless the Directors, President and other Senior Managers of the Bank so 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 he 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, President and other Senior Managers concerned.

Article 203 If, before the Bank first considers the entering into of the relevant contract, transaction or arrangement, the Directors, President and other Senior Managers of the Bank give notice to the Board of Directors, stating that by reasons of the facts contained in the notice they are interested in such contract, transaction or arrangement to be entered into by the Bank subsequently, such Directors, President and other Senior Managers shall be deemed to have made such disclosure as stipulated in the preceding Article of the Chapter to the extent as stated in the notice.

Article 204 The Bank shall not in any manner pay taxes on behalf of any of its Directors, President and other Senior Managers.

Article 205 The ordinary course of business of the Bank includes provision of loans and guarantees for loans. The Bank may provide loans and guarantees of loans to relevant Directors, President and other Senior Managers and their connected persons, provided the terms of such loans and guarantee of loans shall be on normal commercial terms. Unsecured loans shall not be provided.

If the provision of a loan made by the Bank is in breach 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 206 Guarantees for loans provided by the Bank in breach of the provisions of Article 205 of these Articles of Association shall be unenforceable against the Bank except under the following situations:

- (1) at the time when the loans were made to the related persons of the Directors, President and other Senior Managers of the Bank or those of its parent company, the lender has no knowledge of the circumstances;
- (2) the security provided by the Bank has been legally sold by the lender to a bona fide purchaser.

Article 207 The guarantee referred to in the preceding Article shall include the assumption obligations by the guarantor or the provision of property to secure the performance of obligations by the obligor.

Article 208 Where Directors, President and other Senior Managers of the Bank are in breach of their obligations to the Bank, the Bank shall apart from the various rights and remedies provided by the laws and administrative regulations be entitled to take the following measures:

- (1) to demand the relevant Directors, President and other Senior Managers pay damages for the losses sustained by the Bank as a result of the dereliction of duties on their parts;
- (2) to revoke any contacts or transactions made between the Bank and the relevant Directors, President and other Senior Managers, or any Associate of such persons, and a contract or transaction made between the Bank and a third party (if such third party knows or should have known that the Directors, President and other Senior Managers representing the Bank are in breach of the obligations to the Bank);
- (3) to demand the relevant Directors, President and other Senior Managers account for the profits received by them as a result of the breach of the obligations;
- (4) to recover from the relevant Directors, President and other Senior Managers the monies which should have been received by the Bank including, but not limited to, commission received by them;
- (5) to demand the relevant Directors, President and other Senior Managers return the interest earned or that may be earned from the monies which should have been payable to the Bank.

#### **Chapter 14 Financial Accounting System and Distribution of Profits**

Article 209 The Bank shall establish a financial and accounting system of the Bank in accordance with the laws, the administrative regulations and the PRC accounting system and provisions of the accounting standards formulated by the financial supervisory authorities of the State Council. The head office of the Bank shall implement a financial system of unified auditing, unified fund appropriation and hierarchical management for its branches.

Article 210 The Bank shall prepare a financial report at the end of each accounting year and the same shall be audited by an accounting firm in accordance with relevant laws.

The financial report of the Bank shall be prepared not only in accordance with PRC accounting standards and legal 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 there are any material discrepancies in the financial reports prepared in accordance with the two accounting standards, such discrepancies shall be expressly stated in the notes of the financial report.

When distributing the after tax profits of the Bank for the relevant accounting year, the Bank shall allocate funds to the statutory reserve, by reference to the amount of net profits as audited by the PRC accounting standards. However, when allocating funds to the discretionary reserve and distributing dividends, the lesser amount of the profits distributable to shareholders shown in the respective audit under PRC accounting standards and international accounting standards or that of the overseas place where the Bank's shares are listed shall be the figure used.

Article 211 The annual financial report of the Bank and the interim financial report, which proceed the interim profit distribution, shall include the following:

- (1) balance sheet;
- (2) income statement;
- (3) statement of changes in equity;
- (4) cash flows statement;
- (5) Notes to financial statements;

Article 212 The financial report prepared by the Bank in accordance with the relevant laws, the administrative regulations and regulatory documents issued by local government or supervisory authorities shall be submitted by the Board of Directors of the Bank to each annual meeting.

Article 213 The financial report of the Bank shall be made available at the registered address of the Bank for inspection by shareholders within 20 days prior to the holding of the shareholders' annual meeting. Each shareholder of the Bank shall be entitled to obtain the financial report mentioned in these Articles of Association.

Copies of the Director's report, aforesaid financial report shall be sent by the manner prescribed in Article 242 of these Articles of Association at least 21 days prior to the annual meeting. The address of the recipient shall be the address recorded in the register of shareholders.

Article 214 The Bank publishes financial reports twice each fiscal year. Specifically, an interim financial report shall be published within 60 days after the end of the first six months of the fiscal year, and an annual financial report shall be published within 120 days after the end of the fiscal year. If there are other provisions of the securities regulatory authority in the place where the Bank's shares are listed, such provisions shall prevail.

The interim results or financial information published or disclosed by the Bank shall be prepared in accordance with PRC accounting standards and legal regulations, as well as international accounting standards or the accounting standards of the place where the shares of the Bank are listed.

Article 215 No books of account other than those provided by the laws shall be established by the Bank. The assets of the Bank shall not be registered, deposited in account opened and operated under the name of any individual.

Article 216 The Bank establishes and improves a scientific and reasonable compensation management mechanism, deferred payment and recovery of performance compensation mechanism, and a medium- and long-term incentive mechanism compatible with the development strategy, risk management, overall benefits, job responsibilities, social responsibilities, and corporate culture of the Bank.

Article 217 The profits of the Bank after payment of enterprise income tax shall be distributed in the following order of priority:

- (1) making up losses of previous years;
- (2) allocation 10 percent to the statutory surplus reserve;
- (3) allocation to the statutory general reserve;
- (4) payment of dividends on preference shares;
- (5) allocation to the discretionary surplus;
- (6) payment of dividends on ordinary shares.

The Bank needs not allocate further amount if the accumulated amount of the statutory reserve is 50% or more of the registered capital. The shareholders' meeting shall decide whether allocation to the discretionary reserve shall be made after making allocations to the statutory reserve, the statutory general reserve and payment of dividends on preference shares.

The Bank shall not distribute profits to shareholders before making up losses making allocations to the statutory reserve and making allocations to the statutory general reserve in accordance with the regulations. Where the shareholders' meeting, in contravention of the requirements provided in the preceding paragraph, distributes profits to shareholders before making up losses making allocations to the statutory reserve and making allocations to the statutory general reserve in accordance with the regulations, the shareholders shall refund all profits distributed in contravention of such requirements to the Bank; and in the event of any loss caused to the Bank, the shareholders and the relevant Directors and senior management shall be liable for compensation.

Shares of the Bank held by the Bank shall not participate in any distribution of profits.

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

Article 218 The capital reserve shall include the following:

- (1) premium received in excess of the par value of the shares issued;
- (2) other revenue required by the competent financial department of the State Council to be so included.

Article 219 The reserves of the Bank may be used to make up the losses of the Bank, to expand the business of the Bank or to be converted into the registered capital of the Bank. When the reserve fund is used to make up for the Bank's losses, the discretionary reserve fund and statutory reserve fund shall be utilized at first; if still insufficient, the capital reserve fund may be used according to regulations.

With the approval of the shareholders' meeting, the Bank may convert the statutory surplus reserve into share capital, and issue bonus shares to shareholders pro rata to their existing shareholdings. However, when the statutory surplus reserve is converted into share capital, the amount remaining in such statutory surplus reserve shall not be less than 25% of the registered capital of the Bank before such conversion to increase capital.

If the Bank still has losses after covering losses in accordance with preceding paragraph, it may reduce its registered capital to cover the losses. When reducing registered capital to cover losses, the Bank shall not distribute profits to shareholders, nor shall it exempt shareholders from the obligation to pay capital contributions or share subscriptions.

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

Article 220 The Bank may distribute dividends in cash or shares; after the shareholders' meeting determined the plan of profit distribution, the Board of Directors shall finish distributing share dividends or bonus shares in two months after the day of shareholders' meeting.

When formulating specific profit distribution plan of the Bank, the Board of Directors and the shareholders' meeting shall give full play to the opinions of the Independent Directors and public investors, communicate and exchange views with public investors through a variety of channels, and accept supervisions of the Independent Directors and public investors on the profit distribution of the Bank.

The profit distribution of the Bank should focus on the reasonable return on investment for investors, and the profit distribution policy should maintain continuity and stability. Unless under special circumstances, the Bank shall distribute dividends mainly in the form of cash if it records profit in the year and the accumulated undistributed profits are positive, and the profits distributed in the form of cash each year shall not be less than 10% of the net profit attributable to shareholders of the Bank as according to the Group for that accounting year. The special circumstances shall include: (i) the Bank's capital adequacy level does not meet the requirements of the regulatory authorities including the banking regulatory authority of the State Council; (ii) the regulatory authorities including the banking regulatory authority of the State Council take regulatory measures to restrict profit distribution of the banks; and (iii) other circumstances that are not suitable for profit distribution as provided by the laws, regulations and regulatory documents.

The Bank may distribute interim dividend. The shareholders' meeting authorizes the Board of Directors to approve the interim dividend distribution plan, unless otherwise specified in the resolution adopted at the shareholders' meeting. The amount of the interim dividend shall not exceed 40% of the distributable profit given in the half-year income statement of the Company, unless otherwise specified in the laws and regulations.

If the Bank records profit in the previous accounting year, but the Board of Directors does not make any proposal of cash profit distribution after the end of the previous accounting year, the reasons thereof and the use of funds not available for distribution and retained by the Bank shall be explained in details in its periodic reports and the Independent Directors shall give an independent opinion in this regard.

In the event of force majeure such as war, natural disaster, etc., material change in the regulatory policies, change in the external business environment that has significant impact on the business operation of the Bank, or major change in the operation status of the Bank, the Bank can make adjustments to its profit distribution policy, the adjusted profit distribution policy shall comply with the relevant requirements of the regulatory authorities in the places where the shares of the Bank are listed. Any proposal in relation to adjustments to the profit distribution policy shall be subject to the prior review of the Independent Directors, and the consideration and approval by the Board of Directors before being submitted to the meeting of the Bank for approval by the shareholders. Any resolution in relation to adjustments to the Bank's cash dividend policy shall be approved by two-thirds or more of the votes of the shareholders attending the meeting and online voting shall be made available. The Bank shall also attend to the suggestions of public investors and respond to their questions in a timely manner.

The Bank shall disclose the implementation of its cash dividend policy and other relevant matters in its periodic reports in accordance with applicable requirements.

Article 221 The Bank shall appoint receiving agents on behalf of the shareholders of H shares. Receiving agents shall receive on behalf of the relevant shareholders dividends distributed and other monies payable by the Bank in respect of the H shares.

The receiving agent appointed by the Bank shall comply with the laws and the requirement of the regulations of the stock exchange where the shares of the Bank are listed. The receiving agent appointed by the Bank on behalf of H shareholders shall be a trust company registered in accordance with the Trustee Ordinance of Hong Kong.

Article 222 After distributing share dividends, the Bank shall exercise power to forfeit any unclaimed dividends of H shares after an expiration date as applicable.

For holders of H shares that the Bank has not been able to contact, the Bank will deal with the relevant matters in the following ways:

- (1) Regarding the exercise of the right to cease sending dividend warrants by post, if such dividend warrants have not been cashed, the right shall be exercised only after such warrants have been uncashed on two consecutive occasions. However, such right may also be exercised when the dividend warrants are returned after they fail to reach the addressees for the first time.

- (2) The Bank shall have the right to sell the shares of the holders of H shares that the Bank has not been able to contact in such a manner as the Board of Directors may deem fit, subject to the following conditions:
- (a) the Bank has distributed dividends for such shares at least three times within 12 years and no one claims the dividend during such period; and
  - (b) the Bank advertises on one or more newspapers in the place where the Bank's shares are listed upon the expiration of the 12-year period, stating the Bank's intention to sell the shares, and notifies the Stock Exchange of Hong Kong.

## **Chapter 15 Internal Audit, Internal Control and Risk Management**

Article 223 The Bank shall implement an internal audit system and have internal audit staff, who shall conduct an independent and objective supervision, inspection and assessment of the Bank's financial revenues and expenditures, operating activities, risk profile, internal control and corporate governance effectiveness.

Article 224 The internal audit department of the Bank implements independent and vertical management of internal audit, and the internal audit work shall be independent of business operations, risk management, and internal control compliance. The Board of Directors shall assume ultimate responsibility for the independence and effectiveness of internal audit, and shall be responsible for approving the internal audit charter, the medium and long-term audit plans, and the annual audit plan. The person in charge of audit is responsible to the Board of Directors, and shall be appointed and dismissed by the Board of Directors, report to the Board of Directors and its Audit Committee on a regular basis and inform the Senior Management.

The Senior Management of the Bank shall ensure and support the implementation of the Bank's internal audit system and the performance of the auditors' duties, provide the internal audit department with materials and information in respect of the Bank's financial position, risk profile and internal control status in a timely manner based on the needs of internal audit, and shall not obstruct or hinder the audit activities carried out by the internal audit department in accordance with its duties.

Article 225 During the process of supervising and inspecting the Bank's business activities, risk management, internal control, and financial information, the internal audit institution of the Bank shall accept the supervision and guidance of the Audit Committee. Where the internal audit institution discovers relevant significant issues or leads, it shall immediately report directly to the Audit Committee.

The Audit Committee participates in the evaluation of the head of internal audit.

Article 226 The Bank shall establish a sound internal control system, clarify internal control responsibilities, improve internal control measures, strengthen internal control safeguards, and continuously carry out internal control evaluation and supervision.

Article 227 The Board of Directors of the Bank shall continuously focus on the status of internal controls, establish a good internal control culture, and conduct regular research and assessment on the soundness, reasonableness and effectiveness of internal controls.

Article 228 The Bank shall establish a comprehensive risk management system that covers all business processes and operational aspects and is proportional to the risk condition of the Bank, and shall establish corresponding loss-absorbing and risk-prevention mechanisms in the event of major risks.

## **Chapter 16 Appointment of Accounting Firm**

Article 229 The Bank shall appoint an independent accounting firm which is qualified according to the relevant requirements of the State for the purpose of auditing the annual financial report and reviewing other financial reports of the Bank.

The accounting firm appointed by the Bank shall hold office from the conclusion of the last annual meeting until the conclusion of the next shareholders annual meeting.

Article 230 The accounting firm appointed by the Bank shall have the following rights:

- (1) to inspect the books and accounts, records or evidence of the Bank at any time and to require Directors, President or other members of the Senior Management of the Bank to provide the relevant information and explanation;
- (2) to require the Bank to take all reasonable steps to obtain from its branch offices and subsidiaries information and explanation which are necessary for such accounting firm to carry out its duties;
- (3) to attend meetings of shareholders and receive notices and other information related to such meeting which any shareholder is entitled to receive and speak at any meeting of shareholders about the matters related to its being the accounting firm of the Bank.

Article 231 The decisions of the Bank to appoint, dismiss or not to re-appoint an accounting firm shall be made by the shareholders' meeting.

The shareholders' meeting may by ordinary resolution remove an accounting firm prior to the expiration of its term of office notwithstanding anything contained in the contract entered into between the accounting firm and the Bank but without prejudice to the right of the accounting firm to claim damages against the Bank for such removal.

Article 232 If the office of the accounting firm becomes vacant, the Board of Directors shall, before convening of the shareholders' meeting, have the right to appoint an accounting firm to fill such vacancy provided that if there is another accounting firm in office for the Bank during the period of such vacancy, such accounting firm may act.

Article 233 The remuneration or the manner in which such remuneration shall be determined shall be decided by the shareholders' meeting. The remuneration of the accounting firm appointed by the Board of Directors shall be determined by the Board of Directors.

Article 234 Where a resolution is proposed to be passed at a shareholders' meeting to appoint a firm other than an incumbent accounting firm to fill any vacant office of an accounting firm, or to re-appoint an accounting firm who has been appointed by the Board of Directors to fill a vacancy, or to remove an accounting firm before the expiration of its term of office, the following provisions should apply:

- (1) a copy of the resolution relating to the appointment and vacation of office shall be sent to the accounting firm proposed to be appointed or the accounting firm which intends to vacate its office or the accounting firm who has vacated from its office in the relevant accounting year, before the notice of meeting of the shareholders' meeting is served on the shareholders (vacating office includes leaving by removal, resignation and retirement).
- (2) if the accounting firm which is vacating its office makes a representation in writing and requests the Bank to notify the shareholders of that representation, the Bank should, unless the written representation is received beyond the deadline, take the following measures:
  1. in any notice of the resolution given to the shareholders, state the fact of the representation having been made;
  2. send a copy of the representation to the shareholders who are entitled to receive notice of shareholders'.
- (3) if the Bank does not send the representations of the relevant accounting firm under provision (2) of this Article, such accounting firm may require that the representation be read out at the shareholders' meeting and may make further statements.
- (4) an accounting firm which is vacating its office shall be entitled to attend the following meeting:
  1. the meeting at which its term of office would otherwise have expired;
  2. the meeting at which it is proposed to fill the vacancy caused by its removal;
  3. the meeting convened due to its resignation.

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

Article 235 When the Bank dismisses or does not re-appoint an accounting firm, it shall give advance notice to the accounting firm. The accounting firm shall have the right to make representations at the shareholders' meeting.

Where the accounting firm resigns, it shall state in the meeting whether or not there are irregularities in the Bank.



Article 236 An accounting firm may resign by depositing a written notice of resignation at the registered address of the Bank. The notice shall be effective on the date when the notice is deposited at the registered address of the Bank or a later date specified in the notice. Such notice shall contain the following statements:

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

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 supervisory authorities. If the notice contains the statement mentioned in (2) of the aforesaid provision, a copy of the aforesaid representation shall be sent by prepaid post to each shareholder who is entitled to receive the financial report of the Bank. The address of the recipient shall be as recorded in the register of shareholders.

When the notice of resignation of the accounting firm contains a statement of any such circumstances, the accounting firm may require the Board of Directors to convene an extraordinary meeting for the purpose of hearing its explanation of the circumstances in connection with its resignation.

## **Chapter 17 Information Disclosure and Notices**

Article 237 The Board of Directors of the Bank shall establish an information disclosure system in accordance with laws, regulations, rules, relevant provisions of the securities regulatory authority at the place where the shares of the Bank are listed as well as these Articles of Association.

Article 238 The Bank and other information disclosure obligors provided by laws, regulations and the securities regulatory authorities of the State Council shall fulfill information disclosure obligations in a timely manner and in accordance with the law. The Bank shall disclose basic corporate information, financial and accounting reports, risk management information, corporate governance information and information on major issues in the annual information disclosure report. The Bank shall disclose any major issues in respect of the Bank's corporate governance in a timely manner.

The information disclosed by the Bank shall be true, accurate, complete, concise, clear and easy to understand, and shall not contain false records, misleading statements or material omissions.

Article 239 The Directors and the Senior Management personnel of the Bank shall sign written confirmation opinions regarding the securities offering documents and periodical reports.

The Directors and Senior Management personnel of the Bank shall ensure that the Bank discloses information in a timely and fair manner and that the information disclosed is true, accurate and complete.

The Directors and Senior Management personnel who are unable to ensure the authenticity, accuracy and completeness of the content of securities offering documents and periodical reports or have raised any objections shall express their opinions and state reasons in the written confirmation opinions, which shall be disclosed by the Bank. If the Bank fails to make such disclosure, the Directors, and Senior Management personnel may directly apply for disclosure.

Article 240 Any public undertakings made by the Bank and the controlling shareholders, actual controllers, Directors and Senior Management personnel of the Bank shall be disclosed.

Article 241 In addition to the information required to be disclosed in accordance with the law, the Bank may voluntarily disclose information relating to the value judgments and investment decisions made by investors, provided that such information does not conflict with the information disclosed in accordance with the law and does not mislead investors.

Article 242 Notices of the Bank shall be given in the following manners:

- (1) by pre-paid mail;
- (2) by announcement;
- (3) by personal delivery;
- (4) under the precondition of being in conformity with the law, administrative regulations, and the listing rules of the relevant supervisory authorities where the securities are listed, by method of issuance on the websites of the Bank and the stock exchange where the securities are listed;
- (5) by the methods agreed in advance by the Bank and the notice recipient or other methods recognized by notice recipient after receiving the notice;
- (6) by method of notice which are recognized by the relevant supervisory authorities where the securities are listed.

The “other methods” as stated in the preceding provision (5) shall include but not limited to transmission methods such as electronic mails or facsimile.

Unless otherwise stipulated in the Articles of Association, the various forms of notices provided in the preceding paragraph shall also apply to notices given by the Bank to directors.

Notwithstanding that the manner of issuance or notice for any document, announcement or other communication is otherwise specified in the Articles of Association, the Bank may, under the precondition that the listing rules of the relevant supervisory authorities where the securities are listed are complied with, issue the corporate communications by adopting the manner of notice as specified in the fourth provision, the first paragraph, to replace the sending of written documents by personal delivery or pre-paid mail to the H-share holders of the Bank. The corporate communication as mentioned above refers to any document sent or to be sent by the Bank for the shareholders to make reference or take action, including but not limited to annual report (including annual financial report), interim report (including interim financial report), notice for shareholders’ meeting, circular as well as other communications.

Article 243 When the notice is served by way of prepaid mail, the fifth working day after the mail shall be the day of receipt.

When the notice is served by way of announcement, after the publication of the announcement, all the relevant persons shall be deemed to have received such notice. The first day of publication shall be regarded as the day of receipt.

When the notice is served by way of personal delivery, the recipients shall sign (or chop) on the receipt slip. The day of acknowledgement shall be the day of receipt.

When the notice is served by way of facsimile or electronic mail, the day of sending shall be the day of receipt.

When the notice is announced on the Internet, the date of such announcement shall be the date of delivery.

When the notice is served by way of prepaid mail, there shall be sufficient proof of day of receipt, if the address is clearly written, the postage is paid, the notice is put into envelope, and such envelope, containing the notice, is delivered to post office and the number of working day has passed since then as required.

If the Bank has given reasonable attention to serve the notice as required by these Articles of Association, the Bank shall be deemed to have fulfilled the obligation of sending notice, even the notice cannot be sent to the recipient because of accidental circumstances such as delay in mailing, damage or loss of mail during mailing, damage of delivery network and inability in distribution for media for announcement in a particular area, that the Bank is unable to foresee and prevent under normal situations. After the event of accidental omission to give notice, any person entitled to receive the notice shall have the right to require the Bank to re-issue another notice to him. The delay of time that cannot be remedied by re-issuance may cause the person entitled to receive the notice unable to exercise his rights or loss of benefit. The relevant risks shall be borne by the person entitled to receive the notice.

Article 244 Accidental omission to serve a notice of shareholders' meeting and the Board of Directors' meeting, or non-receipt of any such notice by such person who is entitled to receive the same shall not invalidate the meeting and the resolutions passed at the meeting.

## **Chapter 18 Employee Management and Social Responsibilities**

Article 245 The Bank shall comply with national laws and administrative regulations on employment, labor protection and social security, implement the national labor protection and social insurance system, and shall be obliged to respect and protect the legitimate rights and interests of the employees of the Bank.

Article 246 The Bank shall strengthen the protection of employees' rights and interests, ensure that employees enjoy an equal environment for promotion and development, and provide necessary conditions for the employee representative congress and labor unions to perform their duties in accordance with the law.

The Bank shall actively encourage and support employees to participate in corporate governance and encourage employees to report to the Board of Directors, or regulatory authorities through legal channels regarding violations of laws, regulations and professional ethical codes.

Article 247 The Bank shall establish and improve the system of employee representative congress under the leadership of the Party Committee. The employee representative congress is the basic form of democratic management of the Bank, and it is the organization for employees to exercise democratic management power. The opinions of the employees shall be considered in making major decisions, and major issues concerning the interests of the employees shall be deliberated by the employee representative congress and implement the requirements for disclosure of administrative affairs. The labor union of the Bank shall undertake the daily work of the employee representative congress.

Article 248 The Bank implements the labor contract system for all employees. The Bank shall have the right to decide at its sole discretion the criteria and number of employees to be recruited, the time and the form of recruitment and the form of employment in accordance with the relevant state regulations.

The Bank shall implement an employee remuneration system with strong incentives and effective constraints and reasonably determine the level of remunerations of all employees.

Article 249 The Bank shall establish internal regulations for employee rewards and punishments in accordance with the law, reward employees with outstanding contributions, and hold employees accountable for violations of rules and regulations.

Article 250 Labor disputes between the Bank and its employees shall be dealt with in accordance with the relevant state laws and regulations and the Bank's regulations with regard to the treatment of labor disputes.

Article 251 The Bank shall respect and fully consider the legitimate rights and interests of financial consumers, employees, suppliers, creditors, communities and other stakeholders, and ecological and environmental protection and other public interests, improve the mechanism to protect the legitimate rights and interests of financial consumers, and regularly disclose sustainability reports to the public.

## **Chapter 19 Merger, Division, Dissolution and Liquidation**

### **Section 1 Merger and Division**

Article 252 The Bank may undergo merger or division in accordance with the laws, and shall apply to the banking regulatory authority of the State Council for approval before implementation of such.

Article 253 The merger or division of the Bank shall follow the following provisions:

- (1) to draft proposal of merger or division by the Board of Directors;
- (2) to pass resolution by the shareholders' meeting in accordance with these Articles of Association;
- (3) to execute agreements of merger or division by all parties involved;
- (4) to proceed to apply the relevant approval procedures in accordance with the laws;

- (5) to manage all the matters concerning the merger and division such as creditor's rights and debts of the parties;
- (6) to proceed with cancellation or alternations of registration.

Article 254 In the event of a merger or division of the Bank, the Board of Directors shall take necessary measures to protect the legal rights of the shareholders who object such merger or division; the shareholders who object to such merger or division, shall be entitled to require the Bank or the shareholders who consent to the proposal for merger or division to purchase their shares at a fair price.

The contents of the resolutions of merger or division of the Bank shall be compiled as a special document for inspection by the shareholders. The document mentioned above shall be delivered by post to the holders of H shares.

Article 255 The merger of the Bank may take the forms of merger of absorption and merger by establishment of a new company.

In the event of merger of the Bank, the parties involved in the merger shall execute a merger agreement and prepare a balance sheet and a list of assets. The Bank shall notify the creditors within 10 days from the date of the merger resolution and shall make announcement in the National Enterprise Credit Information Publicity System within 30 days thereof.

When the completion of the merger, the creditor's rights and debts of the parties involved in the merger shall be assumed by the Bank surviving the merger or the new company established after the merger.

Article 256 Those creditors who received the notice of the liquidation committee shall within 30 days from the date of receipt of such notice, and those who have not received the notice shall within 45 days as from the date of the announcement, be entitled to require the Bank to repay the debts or provide relevant guarantees.

The Bank shall not undergo merger or division if the Bank is not able to repay debts or provide relevant guarantees.

Article 257 In the event of a division of the Bank, its assets shall be divided accordingly.

In the event of a division of the Bank, the parties involved shall execute a division agreement and prepare the balance sheet and list of assets. The Bank shall notify the creditors within 10 days from the date of the division resolution and shall make an announcement in newspapers or the National Enterprise Credit Information Publicity System within 30 days thereof. The liabilities of the Bank prior to the division shall be undertaken by the companies after such division in accordance with the agreement entered into.

Article 258 In the event of a merger or division of the Bank, alterations in the registered matters of the Bank shall be registered at the Bank registration authorities in accordance with the laws; in the event of a dissolution of the Bank, the cancellation of registration shall be made in accordance with the laws; in the event of the setting up of a new company, the registration of incorporation thereof shall be made in accordance with the laws.

## **Section 2   Dissolution and Liquidation**

Article 259   In the event of dissolution, the Bank shall apply to the banking regulatory authority of the State Council in accordance with the laws. The reason of dissolution and the plans of debt retirement such as paying deposit principal and interests shall be submitted altogether to the banking regulatory authority of the State Council for approval before implementation of such.

In the event of dissolution, the Bank shall organize a liquidation committee in accordance with the laws to proceed with the liquidation and to follow the plans of debts repayment to repay debts such as deposit principals and interests with no delay.

In the event of liquidation, the Bank shall be subject to the supervision of the banking regulatory authority of the State Council in accordance with the laws.

Article 260   The Bank shall dissolve and proceed with liquidation in accordance with the laws upon occurrence of any one of the following events:

- (1)   a resolution is passed by the shareholders' meeting to dissolve the Bank;
- (2)   dissolution of the Bank is necessary due to a merger or division of the Bank;
- (3)   the Bank is legally declared insolvent in accordance with the laws as a result of its inability to pay debts when due;
- (4)   cancellation of its business licence, closure of the Bank or revocation of its registration, in accordance with the laws;
- (5)   there is severe difficulty in the operation and management of the Bank, the continuing existence of the Bank will incur substantial damage to the shareholders' interests, and this cannot be solved by other means, and shareholders holding 10% or more of the total voting rights of the Bank may request the People's Court to dissolve the Bank.

Article 261   In the event that the Bank is dissolved under (1), (4) and (5) of the preceding Article, it shall undergo liquidation. The directors are the liquidation obligors of the Bank and a liquidation committee shall be set up within 15 days from the date of occurrence of the cause of dissolution and conduct liquidation, unless otherwise stipulated in law and these Articles of Association or otherwise resolved by the shareholders' meetings.

In the event that the Bank is dissolved under (2) of the preceding Article, all the parties involved in the merger or division shall, according to the agreements signed at the time of merger or division, proceed with the liquidation.

In the event that the Bank is dissolved under (3) of the preceding Article, the People's Court shall, according to the provisions of the laws, organize the shareholders, the personnel of the relevant supervisory authorities and the relevant professionals to form a liquidation committee to proceed with the liquidation.

In the event that the Bank is dissolved under (4) of the preceding Article, the banking regulatory authority of the State Council shall, according to the provisions of the laws, organize to form a liquidation committee to proceed with the liquidation.

Article 262 The liquidation team shall be composed of directors, unless otherwise stipulated in these Articles of Association or otherwise resolved by the shareholders' meetings. In the event that the Board of Directors decides to liquidate the Bank (except for liquidation as a result of the declaration of insolvency by the Bank), it shall specify in the notice convening the shareholders' meeting for such purpose that the Board of Directors has made a full inquiry of the affairs of the Bank and is of the opinion that the Bank will be able to pay all its debts within 12 months upon commencement of liquidation.

Upon the passing of the liquidation resolution at the shareholders' meeting, the duties of the Board of Directors and President of the Bank shall cease.

The liquidation committee shall comply with the directions of the shareholders' meeting to report to the shareholders' meeting at least once a year in respect of the income and expenditure of the liquidation committee, the business of the Bank and the progress of the liquidation and to submit a final report to the shareholders' meeting when the liquidation is completed.

Article 263 During the liquidation period, the liquidation committee shall exercise the following duties and powers:

- (1) to dispose of the properties of the Bank, to prepare a balance sheet and list of assets;
- (2) to give notice or make announcement to creditors;
- (3) to deal with and liquidate the uncompleted business of the Bank related to the liquidation;
- (4) to effect payment of all taxes due and the taxes occurred during the process of liquidation;
- (5) to settle debts and indebtedness;
- (6) to allocate the assets remaining after settlement of debts by the Bank;
- (7) to represent the Bank in any civil proceedings.

Article 264 The liquidation committee shall notify the creditors within 10 days of its establishment and announce the same in the newspapers National Enterprise Credit Information Publicity System within 60 days.

Those creditors shall make any claims to the liquidation committee within 30 days of receiving the notification or within 45 days of the announcement in case of not receiving the notification. When creditors make claims, they shall describe the relevant matters in respect of their claims and provide evidence thereof. The liquidation committee shall register all creditors' claims.

During the period of making claims, the liquidation committee shall not make debt repayment to the creditors.

Article 265 After the assets of the Bank have been disposed of and the balance sheet and list of assets have been completed, the liquidation committee shall prepare a liquidation plan and submit the same to the shareholders' meeting or the relevant supervisory authorities or the People's Court for confirmation.

Article 266 The assets of the Bank shall be used to repay debts in the following order:

- (1) to pay liquidation expenses;
- (2) to pay wages due to staff and workers, social insurance expenses and statutory compensation;
- (3) to pay the principal and interest of individual deposit;
- (4) to pay taxes due;
- (5) to settle other indebtedness.

No assets of the Bank shall be distributed to the shareholders before repayment of the debt in accordance with the preceding provisions (1) to (5). The remaining assets of the Bank after settlement in accordance with the provisions aforesaid shall be distributed to the shareholders of the Bank in accordance with the class and proportion of shares held by them.

Article 267 Where the Bank is liquidated due to dissolution, if the liquidation committee, after the disposal of the assets of the Bank and preparation of the balance sheet and list of assets, finds that the assets of the Bank are insufficient to settle the debts, it shall make an application to the People's Court for insolvency liquidation in accordance with law.

Upon acceptance of the Bank's liquidation application by the People's Court, the liquidation committee shall transfer the liquidation matters to an official receiver appointed by the People's Court.

Article 268 Upon the completion of the liquidation of the Bank, the liquidation committee shall prepare a liquidation report, statement of income and expenditure and the financial accounts for the liquidation which, upon verification by an accountant registered in PRC, shall be submitted to the shareholders' meeting, the relevant supervisory authorities or the People's Court for confirmation.

The liquidation committee shall submit within 30 days after the confirmation by the shareholders' meeting, the relevant supervisory authorities or the People's Court the documents mentioned above to the registration authority of the Bank and apply for the cancellation of the registration of the Bank and announce the termination of the Bank.

Article 269 The members of the liquidation committee are under fiduciary obligations and duty of diligence when fulfilling their obligations of liquidation.

The members of the liquidation committee shall neither accept bribes or other illegal income nor seize the properties of the Bank when fulfilling their duty of liquidation.

Where any members of the liquidation team neglect their liquidation duties, causing losses to the Bank, they shall bear liability for compensation.

Any member of the liquidation committee shall compensate the Bank or the creditors for any loss caused by his intended or significant fault.



## **Chapter 20   Dispute Resolutions Involving Shareholders**

Article 270   The Bank shall protect the legitimate rights and interests of the shareholders and shall treat all shareholders fairly.

If the content of any resolution of the shareholders' meeting or the Board of Directors violates laws or administrative regulations, the shareholders shall have the right to request the People's Court to declare such content null and void. If the convening procedures or voting method of the shareholders' meeting or the Board of Directors violates laws or administrative regulations or these Articles of Association, or the content of any resolution conflicts with these Articles of Association, the shareholders shall have the right to request the People's Court to dismiss the resolution within 60 days from the date of adoption of such resolution. However, this shall not apply if the convocation procedures or voting methods of the general meeting or Board of Directors meeting have only minor flaws that do not materially affect the resolution.

If the Board of Directors, shareholders, or other relevant parties dispute the validity of a meeting resolution, they should promptly file a lawsuit with the People's court. Before the People's court issues a judgment or ruling revoking the resolution, the relevant parties shall implement the general meeting resolution. The Bank, directors, and members of the senior management shall diligently perform their duties to ensure the normal operation of the Bank.

If the people's court makes a judgment or ruling on relevant matters, the Bank shall fulfill its information disclosure obligations in accordance with the provisions of laws, administrative regulations, the China Securities Regulatory Commission, and the stock exchange, fully explain the impact, and actively cooperate with the execution after the judgment or ruling takes effect. If correction of prior matters is involved, it will be handled promptly, and corresponding information disclosure obligations will be fulfilled.

Article 271   A resolution of the Bank's shareholder's meeting or Board of Directors meeting is invalid under any of the following circumstances:

- (1)   The resolution was made without holding a shareholder's meeting or Board of Directors meeting;
- (2)   The shareholder's meeting or the meeting Board of Directors did not vote on the resolution matter;
- (3)   The number of attendees or the voting rights held by them did not reach the quorum required by the Company Law or these Articles of Association;
- (4)   The number of persons or the voting rights held by them agreeing to the resolution matter did not reach the majority required by the Company Law or these Articles of Association.

Article 272 If directors and senior managements violated a law, an administrative regulation, the article of association of the Bank cause any loss to the Bank, a shareholder holding alone or shareholders holding in aggregate 1% or more of the shares of a corporation for 180 consecutive days or more may institute an action in a people's court in accordance with the relevant provisions of laws, regulations, rules and normative documents such as the Company Law.

Where any other person infringes upon the lawful rights and interests of the Bank, causing any loss to the Bank, the shareholder or shareholders in the preceding paragraph of these article of association may institute an action in a people's court under the relevant provisions of laws, regulations, rules and normative documents such as the Company Law.

Where the director or senior managements of the Bank violates the law, the administrative regulation, or the Article of Association, causing any harm to the interests of shareholders, the shareholder may institute an action in a people's court.

Article 273 The Bank shall comply with the following rules of dispute resolution:

- (1) Whenever any disputes or claims relating to the affairs of the Bank arise from the rights and obligations provided for in these Articles of Association, the Company Law and other relevant laws and administrative regulations, between the holders of H shares and the Bank, between the holders of H shares and the Directors and Senior Managers of the Bank, between the holders of H shares and other shareholders, the parties involved shall refer such disputes or claims to arbitration.

The disputes or claims mentioned above which are referred to arbitration shall be the entire dispute and claim; all persons having a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of the disputes or claims, if they are, shareholders of the Bank, Directors, the President and other Senior Managers of the Bank, shall submit themselves to such arbitration.

Disputes over who is a shareholder and over the register of shareholders need not be resolved through arbitration.

- (2) The party seeking arbitration may elect to have the dispute or claim arbitrated either by the China International Economic and Trade Arbitration Commission according to its arbitration rules or by the Hong Kong International Arbitration Centre according to its securities arbitration rules. Once the party seeking arbitration submits a dispute or claim to arbitration, the other party shall submit to the arbitral body selected by the party seeking arbitration. If the party seeking arbitration elects to arbitrate at the Hong Kong International Arbitration Centre, either party may apply to have such arbitration conducted in Shenzhen in accordance with the securities arbitration rules of the Hong Kong International Arbitration Centre.
- (3) The laws of the PRC shall govern the arbitration of disputes or claims described in subparagraph (1) unless otherwise provided by the laws and administrative regulations.
- (4) The ruling of the arbitral body shall be final and binding on the parties thereto.

## **Chapter 21 Special Provisions on Preference Shares**

Article 274 Unless otherwise specified in laws, administrative regulations, department rules, regulations of the securities regulatory authority in the place where the shares of the Bank are listed and this Chapter, the rights and obligations of preference shareholders and management of preference shares shall be governed by the provisions related to ordinary shares in these Articles of Association.

Article 275 The number of preference shares issued by the Bank shall not exceed 50% of the total number of ordinary shares of the Bank, and the capital raised from the issue shall not be more than 50% of the net assets of the Bank prior to the relevant issuance (excluding the preference shares that have been redeemed or converted).

Article 276 In accordance with relevant rules on regulatory capital for commercial banks, the Bank may formulate terms governing the mandatory conversion of the preference shares into ordinary shares, namely, upon the occurrence of certain trigger events, the Bank shall convert the preference shares into ordinary shares in accordance with the conversion price and conversion amount as determined at the time of issuance of the preference shares. In circumstances when the preference shares are mandatorily converted into ordinary shares, the Bank shall report such conversion to banking regulatory authorities under the State Council for review and approval.

Article 277 The preference shares issued by the Bank shall not have any put option, and the preference shareholders shall have no right to require the Bank to redeem preference shares. Subject to the approval of the banking regulatory authorities under the State Council and upon compliance with the relevant requirements, the Bank has the right to redeem all or part of the preference shares after the fifth year following the date of the relevant issuance. The redemption period of the preference shares commences on such date as agreed upon at the time of issuance of the preference shares and ends on the date of redemption or conversion of all the preference shares.

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

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

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

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

Article 278 Preference shareholders of the Bank shall enjoy the following rights:

- (1) to payment of dividends in priority to ordinary shareholders;
- (2) to distribution of residual assets of the Bank on liquidation in priority to those of ordinary shareholders;
- (3) upon the occurrence of the circumstances provided in Article 280, to attend and vote at shareholders';
- (4) upon the occurrence of the circumstances provided in Article 281, to have its voting rights restored in accordance with the requirements of that Article;
- (5) to make proposals or inquiries in relation to the business operations and activities of the Bank;
- (6) to inspect the Bank's Articles of Association, register of shareholders, record of bondholders, minutes of shareholders' meetings, resolutions of meetings of the Board of Directors and financial reports; and
- (7) other rights conferred to preference shareholders by laws, administrative regulations, department rules and these Articles of Association.

Article 279 Only votes of ordinary shares and votes of preference shares with restored voting rights shall be counted when calculating the proportion of shares in the event of the following:

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

Article 280 The preference shares do not entitle their holders to attend or vote at any shareholders' meeting other than in the following circumstances:

- (1) amendments to these Articles of Association which relate to preference shares;
- (2) reduction of the registered capital of the Bank by more than 10% on a single or aggregate basis;
- (3) merger, division, dissolution or change of corporate form of the Bank;
- (4) issuance of preference shares;
- (5) other events specified by laws, administrative regulations, department regulations and these Articles of Association.

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

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

Article 281 In the event that the Bank fails to pay the agreed dividend to preference shareholders for three accounting years in aggregate or two consecutive accounting years, the preference shareholders will have the right to attend and vote at the shareholders' meeting as if they are ordinary shareholders from the day immediately after the shareholders' meeting resolves that the Bank will not pay the agreed dividend for the current dividend period. For preference shares with non-cumulative dividends, the voting rights of the preference shareholders will remain restored until the Bank pays the current period dividend in full.

The formula for calculating the voting rights of the preference shareholders is as follows:

The formula for calculating the voting rights of the domestic preference shares whose voting rights have been restored is as follows:

$Q=V/P$ , any fractional voting right will be rounded down to the nearest whole number.

Where: "Q" denotes the A share voting rights restored from the domestic preference shares held by each domestic preference shareholder; "V" denotes the aggregate par value of the domestic preference shares with restored voting rights held by each domestic preference shareholder; conversion price "P" denotes the average trading price of A shares of the Bank for the 20 trading days preceding the date of the passing of the Board of Directors' resolution in respect of the plan for issuance of domestic preference shares.

The formula for calculating the voting rights of the offshore preference shares whose voting rights have been restored is as follows:

$Q^* = V^*/P^* \times \text{conversion exchange rate}$ , with any fractional restored voting right rounded down to the nearest whole number.

Where: “Q\*” denotes the H share voting rights restored from the offshore preference shares held by each offshore preference shareholder; “V\*” denotes the aggregate value of the offshore preference shares with restored voting rights held by each offshore preference shareholder; conversion price “P\*” denotes the average trading price of H shares of the Bank for the 20 trading days preceding the date of the passing of the Board of Directors’ resolution in respect of the plan for issuance of offshore preference shares; and the “conversion exchange rate” refers to the cross rate between Hong Kong dollars and the currency in which the offshore preference shares are denominated based on the Renminbi central parity rate published by the China Foreign Exchange Trading System on the trading date immediately preceding the date of the passing of the Board of Directors’ resolution in respect of the plan for issuance of offshore preference shares.

Article 282 The dividend rate for the issued and outstanding preference shares of the Bank consists of the benchmark rate and the fixed spread. The dividend rate may be adjusted at different intervals. During any adjusted dividend rate period, dividends on the preference shares will be paid at the same agreed dividend rate and the benchmark rate will be readjusted at specified intervals thereafter.

Preference shareholders shall rank in priority to the ordinary shareholders in terms of the Bank’s distribution of profits and the preference shares shall be entitled to the dividend rate and distribution of profits in accordance with the agreed terms. Dividends to the preference shareholders shall be payable in cash. After distribution of dividends at the prescribed dividend rate, the preference shareholders shall not be entitled to any distribution of residual profits of the Bank together with the ordinary shareholders. In accordance with the relevant rules on regulatory capital of commercial banks, the Bank shall have the right to cancel dividends in whole or in part and this will not constitute an event of default. Any amount of dividends not paid in full by the Bank to the preference shareholders will not be accumulated to the following dividend period.

Article 283 In the event of liquidation of the Bank as a result of dissolution, bankruptcy or other reasons, the remaining assets of the Bank after liquidation in accordance with laws, administrative regulations, departmental rules and paragraph (1) to (5) under Article 291 shall be distributed first to the preference shareholders. Preference shareholders shall be entitled to an amount equal to the total value of the then issued and outstanding preference shares plus any declared but unpaid dividends for the current period. If there are insufficient residual assets, the distribution shall be made on a pro rata basis to the domestic preference shareholders and offshore preference shareholders.

## **Chapter 22 Procedures for Amending the Articles of Association**

Article 284 If any of the following circumstances applies, the Bank shall amend these Articles of Association:

- (1) After the amendment of Company Law or relevant laws and regulations, the provisions of these Articles of Association are in contradiction with the amended laws and regulations;
- (2) The situation of the Bank has changed in such a way that it is not consistent with the matters stated in situation of these Articles of Association;
- (3) The shareholders' meeting decides to amend these Articles of Association.

Article 285 The Bank may amend these Articles of Association as needed, and such amendments shall not conflict with laws, administrative rules and regulations and the relevant provisions of the securities regulatory authorities where the Bank's shares are listed. The Board of Directors may amend these Articles of Association in accordance with the resolution and authorization of the shareholders' meeting to amend the Articles of Association.

Article 286 If the amendments to these Articles of Association adopted by resolution of the shareholders' meeting are subject to the approval of the relevant authorities, such amendments shall be submitted to the relevant authorities for approval. If the amendments involve the registered items of the Bank, the Bank shall apply for registration of changes in the registered items in accordance with the laws.

## **Chapter 23 Supplementary Provisions**

Article 287 The Board of Directors may formulate relevant rules to bind the governance and management of the Bank in accordance with these Articles of Association. Such rules shall not be contradictory to the requirement of these Articles of Association.

Any matter not provided in these Articles of Association and the relevant rules shall be settled in accordance with the actual situation combined with the laws, administrative regulations and the rules of the relevant authorities where the securities are listed. Any conflict between these Articles of Association and the lately issued laws, administrative regulations and the rules of the relevant authorities where the securities are listed shall be subjected to the latter.

Article 288 These Articles of Association are written in Chinese. Whenever difference in meaning arises between these Articles of Association and the Articles of Association in other languages or inconsistencies in the meaning arise among different versions of these Articles of Association, the latest Chinese version verified and approved by the banking regulatory authority of the State Council shall prevail.

Article 289 Unless it is provided by these Articles of Association otherwise, the "aforementioned", "within", "following" mentioned in these Articles of Association, shall include the unit itself. The "over", "below", "in addition to", "less than" and "more than" mentioned in Articles of Association, shall not include the unit itself. The "accounting firm" referred to in these Articles of Association shall have the same meaning as "auditor".

Article 290 The Board of Directors of the Bank shall be responsible to explain these Articles of Association.