

ARTICLES OF ASSOCIATION

of

BANK OF CHINA LIMITED

14 August 2014

Revision Record

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Bank of China Limited Articles of Association

Chapter 1 General Provisions

Article 1 The Articles of Association (hereinafter referred to as the “Articles”) is formulated in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as “Company Law”), the Securities Law of the People’s Republic of China (hereinafter referred to as “Securities Law”), Commercial Banking Law of the People’s Republic of China (hereinafter referred to as “Commercial Banking Law”), Special Provisions on Companies Limited by Shares Issuing Shares and Offshore Public Listing by the State Council (hereinafter referred to as “Special Provisions”), Prerequisite Clauses of Articles of Association of Companies Seeking for Offshore Public Listing (hereinafter referred to as “Prerequisite Clauses”) and other relevant laws, administrative regulations and rules, for the purpose of protecting the legitimate rights and interests of Bank of China Limited (hereinafter referred to as the “Bank” or “BOC”), its shareholders and creditors, and regulating the organization and activities of the Bank.

Article 2 Obtained the consent of the State Council and approved under Yin Jian Fu [2004] No. 123 by China Banking Regulatory Commission, the original Bank of China (established in 1912) has been reorganized and reformed as a joint stock company on August 26, 2004 by sponsorship, and also undertaken registration of changes with the State Administration for Industry and Commerce and changed for a newly-issued business license on August 26, 2004. The number of the business license of the Bank is 100000000001349.

The founding shareholder of the Bank is Central SAFE Investments Limited.

Article 3 Registered name of the Bank: 中国银行股份有限公司; or 中国银行 for short; full English name: Bank of China Limited; or Bank of China for short.

Article 4 Domicile of the Bank: No. 1 Fuxingmennei Avenue, Beijing, 100818.

Telephone: (86) 010-66596688, Fax number: (86) 010-66016871.

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

Article 6 The legal representative of the Bank shall be the chairman of its board of directors.

Article 7 The capital of the Bank shall be divided into shares and for the same class of shares each share shall have equal value. The respective liability of the shareholders shall be limited to the shares subscribed for by them. The Bank shall be held liable for its debts with all its assets.

Article 8 Upon the approval by China Banking Regulatory Commission, the Articles shall enter into force on the day on which the Bank's overseas-listed foreign shares become tradable on Stock Exchange of Hong Kong Limited (hereinafter referred to as the "HK Stock Exchange"). The original Articles of Association of the Bank shall automatically expire upon the effective date of this Articles.

The Articles shall become a legally binding document that regulates the organization and acts of the Bank as well as the rights and obligations between the Bank and its shareholders and among the shareholders from the date on which it becomes effective.

The Articles shall be binding upon the Bank and its shareholders, directors, supervisors, president and other senior management personnel. All the above persons may make claims related to matters of the Bank in accordance with the Articles.

The Bank shall have the right to sue its shareholders, directors, supervisors, or senior management personnel of the Bank in accordance with the Articles. The shareholders shall have the right to sue the Bank, other shareholders, or directors, supervisors and senior management personnel of the Bank in accordance with the Articles.

For the purposes of the above paragraph, the term "sue" shall include the initiation of proceedings in a court or the application of arbitration to an arbitration organization.

Article 9 For the purpose of the Articles, "senior management personnel" shall include president, executive vice president, executive assistant president, board secretary, chief financial officer, chief risk officer, chief audit officer and other senior management personnel recruited or appointed by the board of directors; the qualification of senior management personnel shall be in compliance with relevant regulations issued by regulatory authorities.

Article 10 The Bank shall establish and improve a labor and social security system in accordance with relevant laws and administrative regulations. The operating activities of the Bank shall be subject to the supervision and administration of relevant regulatory authorities.

Article 11 In accordance with the demand of business development and subject to the approval of relevant regulatory authorities, the Bank may set up branches within or outside Chinese territory. The overseas entities established by the Bank may operate all banking business or other businesses permitted by local laws and regulations. Such entities shall include without limitation subsidiaries, branches and representative offices.

Article 12 The Bank may invest in other limited liability enterprises and joint stock enterprises in accordance with law and shall be held responsible for the enterprises in which the Bank has invested within the limitation of the amount of the Bank's capital contribution.

Chapter 2 Mission and Scope of Business

Article 13 The mission of the Bank is to operate with a customer-focused and market-oriented approach, strengthen corporate governance, pursue a stable and sustainable development and provide high-quality services, with a view to achieve the corporate governance goal of becoming a bank operating safely, adequately capitalized and with strict internal control, thus enhancing its international competitive strength and maximizing the interests of its shareholders.

Article 14 The business scope of the Bank, as approved by the regulatory authorities such as China Banking Regulatory Commission and registered by registration authorities, is: absorbing RMB deposits, offering short-term, mid-term and long-term loans, arranging settlement, handling discount of negotiable instruments, issuing financial bonds, issuing and cashing as an agent, underwriting treasury bonds, buying and selling treasury bonds, undertaking interbank borrowing and lending, offering letter of credit service and guarantees, handling receipts and payments and insurance business as an agent, providing safe box service, foreign currency deposit, foreign currency loan, foreign exchange remittance, undertaking foreign currency exchange, arranging international settlement, undertaking foreign currency interbank borrowing and lending, handling acceptance and discount of foreign exchange negotiable instruments, offering foreign exchange loans, providing foreign exchange guarantees, trading in and selling foreign exchange, issuing and issuing as agent foreign exchange securities excluding stocks, buying/selling and buying/selling as an agent securities excluding stocks, foreign exchange trading, foreign exchange trading as an agent, issuing foreign exchange credit cards and issuing and handling payments of foreign credit cards as an agent, credit investigation, consultation and certifying business, organizing or participating in syndicated loans, globally buying and selling precious metal, operating all financial business permitted by local laws through overseas entities, issuing or participating as an agent in issuing local currency in compliance with local

laws and regulations by branches in Hong Kong and Macao, other businesses as approved by the regulatory authorities such as China Banking Regulatory Commission.

Chapter 3 Shares and Registered Capital

Article 15 The Bank shall have ordinary shares at all times. The Bank may have preference shares or other kinds of shares upon approval by the examination and approval authorities that are authorized by the State Council. Preference shares means, pursuant to the Company Law, another class of shares as specifically provided in addition to the ordinary shares as generally provided. The holders of such preference shares are entitled to receive the distributions of profits and remaining assets of the Bank in priority over the holders of ordinary shares, while the rights to participate in the management and decision-making of the Bank and other rights of the holders of such preference shares shall be restricted.

The issued preference shares of the Bank shall not exceed 50% of the total number of ordinary shares of the Bank, and the proceeds raised shall not exceed 50% of the net asset value of the Bank prior to such issuance (any preference shares repurchased or converted shall not be included in the calculation).

Pursuant to the regulatory requirements on the capital of commercial banks, the Bank has prescribed provisions that the preference shares will be compulsorily converted into ordinary shares, meaning upon the occurrence of a trigger event, the Bank will convert the preference shares into ordinary shares according to contractual agreement. When the circumstances for the compulsory conversion of preference shares into ordinary shares arise, the Bank shall report to the China Banking Regulatory Commission for review and determination. The compulsory conversion price of the preference shares is as follows: The initial compulsory conversion price shall be the average trading prices of the ordinary shares of the Bank in the 20 trading days prior to the announcement date of the board resolution on the preference shares issuance. After the issuance of the preference shares, in the event of any distribution of bonus shares, recapitalization, issuance of new shares at a price lower than the market price (excluding any increase of share capital due to conversion of financing instruments convertible to ordinary shares issued by the Bank), or rights issue for the ordinary shares of the Bank, the Bank will make an adjustment to the compulsory conversion price to reflect each of such events on a cumulative basis in the order of the occurrence of the events above, but the Bank will not make an adjustment to the compulsory conversion price to reflect distribution of cash dividends for ordinary shares.

Article 16 The total number of shares of the Bank as at 31 December 2010 shall be 279,147,223,195. The shares shall take the form of stocks with par value and each bears a par value of RMB 1.

Article 17 The issuing of the shares shall be conducted based on the principles of fairness and justness. Each share of the same class shall carry equal rights and benefits.

Article 18 The Bank may issue shares to investors inside the People's Republic of China and the investors outside the People's Republic of China following approvals from China Banking Regulatory Commission and the securities regulatory authorities of the State Council.

For the purposes of the preceding paragraph, the term "investors outside the People's Republic of China" shall refer to investors from foreign countries or from Hong Kong, Macao or Taiwan that subscribe for shares issued by the Bank, and the term "investors from inside the People's Republic of China" shall refer to investors inside the People's Republic of China (excluding the above-mentioned regions), that subscribe for shares issued by the Bank.

Article 19 Shares issued by the Bank to investors inside the People's Republic of China and to be subscribed for in Renminbi shall be referred to as "domestic investment shares". Shares issued by the Bank to investors outside the People's Republic of China and to be subscribed for in foreign currency shall be referred to as "foreign investment shares". Foreign investment shares listed outside the People's Republic of China shall be referred to as "overseas-listed shares".

For the purpose of the preceding paragraph, the term "foreign currency" shall refer to legal currencies of other countries or regions other than Renminbi, which currencies may be used to make share price payment to the Bank and shall be acceptable by Chinese foreign exchange administration authority.

After the Bank's IPO and public trading, upon the approval of the State Council or its authorized approving authorities, the domestic investment shares may be converted to overseas-listed shares.

Article 20 Following the approval of the State Council or the examination and approval authorities authorized by the State Council, the total number of ordinary shares that the Bank may issue as at 31 December 2010 is 279,147,223,195. The number of shares issued to the sponsors at the time of establishment is 186,390,352,497, representing approximately 66.77% of the total number of ordinary shares that may be issued by the Bank as at 31 December 2010.

Article 21 After its establishment, and up to completion of the initial public offering of its overseas and domestic listed shares, the Bank issued 67,448,809,512 ordinary shares, including 6,493,506,000 domestic investment shares and 29,403,878,000 foreign investment shares listed outside the People's Republic of China, accounting for approximately 24.16% of the total number of ordinary shares that may be issued by the

Bank as at 31 December 2010.

The Bank issued RMB 40,000,000,000 convertible corporate bonds publicly in 2010 with a term of 6 years. As at 31 December 2010, a total number of 60,464 shares had been converted from such bonds.

In 2010, the Bank issued 25,308,000,722 ordinary shares by way of rights issue, including 17,705,975,596 domestic investment shares and 7,602,025,126 foreign investment shares listed outside the People's Republic of China.

Following the conversion of the convertible corporate bonds and the completion of the rights issue as mentioned above, as at 31 December 2010, the composition of the Bank's share capital is: 279,147,223,195 ordinary shares, of which the sponsor, Central SAFE Investments Limited, held 188,553,352,005 shares, other holders of domestic investment shares held 6,971,594,795 shares and holders of foreign investment shares listed outside the People's Republic of China held 83,622,276,395 shares.

Article 22 After the plan for issuing foreign investment shares listed outside the People's Republic of China and domestic investment shares has been approved by the securities regulatory authorities of the State Council, the board of directors of the Bank may arrange for implementation of such plan by means of separate issuing.

The Bank's plan for separate issues of foreign investment shares listed outside the People's Republic of China and domestic investment shares in accordance with the preceding paragraph may be implemented separately within 15 months of being approved by the securities regulatory authorities of the State Council.

Where the Bank issues foreign investment shares listed outside the People's Republic of China and domestic investment shares separately within the total number of shares specified in the issuing plan, every such share issuance shall be fully subscribed at the same time. Where special circumstances make it impossible for full subscription at one time, the shares may be issued in several stages, subject to the approval of the securities regulatory authorities under the State Council.

Article 23 The registered capital of the Bank shall be RMB 279,147,223,195.

Article 24 In light of the demands of operation and business development and based on relevant laws and administrative regulations, after obtaining resolutions of the shareholders' meeting and the approval of China Banking Regulatory Commission, the Bank may increase its capital through the following ways:

1. public offering;

2. private placing;
3. issuing rights of new shares to existing shareholders;
4. allotting new shares to existing shareholders;
5. transferring capital reserve funds;
6. issuing convertible bonds;
7. other methods permitted by competent supervisory authorities or by laws and administrative regulations.

The Bank's increase of its capital by issuing new shares shall be handled in accordance with the procedures provided for in relevant State laws and administrative regulations after having been approved in accordance with the Articles.

Article 25 Unless otherwise provided by laws and administrative regulations or required by the China Banking Regulatory Commission, the Bank's shares may be transferred according to law free of any encumbrances.

Article 26 Since the Bank is a joint stock company converted from a wholly state-owned commercial bank, the owners or title holders of the title of various assets such as real estate, land use right and intellectual property (including without limitation trademarks, patents) shall be changed from the original "Bank of China" to "Bank of China Limited".

Chapter 4 Reduction of Shares and Share Repurchase

Article 27 The Bank may reduce its registered capital in accordance with the provisions of the Articles. The reduction of registered capital shall follow the procedures set forth in the Company Law, the Commercial Banking Law and other laws, administrative regulations and provisions of the Articles.

Article 28 When the Bank is to reduce its registered capital, it must prepare a balance sheet and an inventory of assets.

The Bank shall notify its creditors within 10 days of adopting the resolution to reduce its registered capital and shall publish a public announcement of the resolution in newspapers at least three times within 30 days of the said date. Creditors shall, within 30 days since receiving a written notice or within 90 days since the date of the first public announcement for those who have not received a written notice, be entitled to require the Bank to pay off its debts in full or to provide a corresponding guarantee for repayment. Relevant public announcements shall be published in newspapers qualified for requirements of relevant provisions.

The reduced registered capital of the Bank may not be less than the statutory minimum.

Article 29 If permitted under applicable laws, administrative regulations and the listing rules of the place of listing, after being approved under the procedures stipulated by the Articles and obtaining approvals from China Banking Regulatory Commission and other relevant regulatory authorities, the Bank may repurchase shares of the Bank in the following circumstances:

1. To cancel the shares for the purpose of reducing the registered capital of the Bank;
2. To merge with other companies holding the shares of the Bank.
3. To give the shares to employees as awards;
4. To be requested to repurchase the shares by the shareholders who object to the resolutions adopted at the shareholders' meeting concerning consolidation and division of the Bank;
5. Other circumstances where laws and administrative regulations so permit.

Where the Bank purchases its shares due to reasons stated in items (1) to (3) in the preceding paragraph, resolutions of the shareholders' meeting shall be adopted. After the Bank purchases the shares of the Bank in accordance with the provisions of the preceding paragraph, the shares repurchased shall be cancelled within ten (10) days from the date of acquisition or other time limit specified by applicable laws, administrative regulations and the listing rules of the place of listing from time to time under the circumstance of item (1), or the shares shall be cancelled or transferred within six (6) months or other time limit specified under applicable laws, administrative regulations and the listing rules of the place of listing from time to time under the circumstances of items (2) and (4).

The shares of the Bank repurchased by the Bank pursuant to item (3) of the above paragraph shall not exceed five percent (5%) of the total issued shares of the Bank. The funds for share purchase shall be paid from the after-tax profits of the Bank. The shares so purchased shall be transferred to the employees within one (1) year.

The Bank shall have the right to redeem all or part of the preference shares on the annual dividend distribution date of the preference shares at the price of the par value of the preference shares plus the dividend payable in the relevant period to after the expiry of five years from the date of issuance of each batch of such preference shares. The right to redeem preference shares rests with the Bank and is subject to the approval of the China Banking Regulatory Commission, while shareholders of preference shares shall have no right to request the Bank to redeem preference shares. The Bank's exercise of its redemption rights shall be subject to the following conditions: the Bank uses capital instruments of equal or higher quality to replace the redeemed preference shares and such replacement shall only be made when the Bank has a sustainable income generating capacity; or the Bank's regulatory capital after

such redemption will remain substantially higher than the regulatory capital requirements prescribed by the China Banking Regulatory Commission.

The Bank may not accept its own shares as the subject matter of pledge.

Article 30 The repurchase of the Bank's shares, upon the approval by relevant State authorities, may be conducted in any of the following manners:

1. making a repurchase offer pro rata to all shareholders;
2. repurchase through open transactions in a stock exchange; or
3. repurchase through contractual arrangements outside a stock exchange.

Article 31 When the Bank is to repurchase shares through contractual arrangements outside a stock exchange, prior approval shall be obtained from the shareholders' general meeting in accordance with the procedures provided in the Articles. Upon prior approval of the shareholders' general meeting obtained in the same manner, the Bank may rescind or change contracts concluded in the manner set forth above or waive any of its rights under such contracts.

For the purposes of the above paragraph, contracts for the repurchase of shares shall include (but not limited to) agreements whereby repurchase obligations are undertaken and repurchase rights are acquired.

The Bank may not assign contracts for the repurchase of its own shares or any of its rights thereunder.

Article 32 The Bank shall apply to the Administration for Industry and Commerce for the change of the registered capital registration in the event that the repurchased shares are cancelled due to the repurchase thereof and which results in the change of the Bank's registered capital.

The amount of the Bank's registered capital shall be reduced by the total par value of the shares so cancelled.

Article 33 Unless the Bank has already entered the liquidation stage, it must comply with the following provisions in buying back its issued and outstanding shares:

1. where the Bank buys back shares at their par value, the amount thereof shall be deducted from the book balance of distributable profit and/or from the proceeds of a new share issuance made to repurchase the old shares;
2. where the Bank repurchases shares at a price higher than their par value, the portion corresponding to their par value shall be deducted from the book balance of distributable profit and/or from the proceeds of a new share

issuance made to repurchase the old shares; and the portion in excess of the par value shall be handled according to the following methods:

- (1) where the shares bought back were issued at their par value, the amount shall be deducted from the book balance of distributable profit;
- (2) where the shares bought back were issued at a price higher than their par value, the amount shall be deducted from the book balance of distributable profit and/or from the proceeds of a new share issuance made to repurchase the old shares; however, the amount deducted from the proceeds of the new share issuance may not exceed the total premium obtained at the time of issuance of the old shares nor may it exceed the amount in the Bank 's capital reserve funds account (including the premiums from the new share issuance) at the time of repurchase;
3. the amount paid by the Bank for the purposes set forth below shall be paid out of the Bank 's distributable profits:
 - (1) acquisition of the right to repurchase its own shares;
 - (2) modification of any contract for repurchase of its own shares;
 - (3) release from any of its obligations under any repurchase contracts.
4. After the par value of the cancelled shares has been deducted from the registered capital of the Bank in accordance with relevant regulations, that portion of the amount deducted from the distributable profit and used to repurchase shares at the par value shall be included in the Bank's capital reserve account.

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

Article 34 The Bank or its subsidiaries shall not at any time provide any financial assistance in any form to purchasers or prospective purchasers of the shares in the Bank. Such purchasers of the Bank's shares referred to above shall include persons that directly or indirectly undertake obligations for the purpose of purchasing shares in the Bank.

The Bank or its subsidiaries shall not at any time provide any financial assistance in any form to the above obligators in order to reduce or discharge their obligations.

The provisions of this Article shall not apply to the circumstances described in Article 36.

Article 35 For the purposes of this Chapter, the term "financial assistance" shall

include (but not limited to) the financial assistance in the forms set out below:

1. gift;
2. guarantee (including the undertaking of liability or provisions of property by the guarantor in order to secure the performance of the obligation by the obligator), indemnity (not including, however, indemnity arising from the Bank 's own fault) and release or waiver of rights;
3. provision of a loan or conclusion of a contract under which the obligations of the Bank are to be fulfilled prior to the obligation of performance by the other party to the contract, or a change in the party to such loan or contract as well as the assignment of rights under such loan or contract; and
4. financial assistance in any other form when the Bank is insolvent or has no net assets or when such assistance would lead to a major reduction in the Bank 's net assets.

For the purposes of this Chapter, the term "undertake obligations" shall include the undertaking of an obligation by the obligator by concluding a contract or making an arrangement (whether or not such contract or arrangement is enforceable and whether or not such obligation is undertaken by the obligator individually or jointly with any other person) or by changing its financial position in any other way.

Article 36 The acts listed below shall not be regarded as acts prohibited under Article 34 of this Chapter:

1. where the Bank provides the relevant financial assistance truthfully for the benefit of the Bank and the main purpose of the financial assistance is not to purchase shares in the Bank, or the financial assistance is an incidental part of an overall plan of the Bank;
2. lawful distribution of the Bank's property in the form of dividends;
3. distribution of dividends in the form of shares;
4. reduction of registered capital, buy-back of shares, shareholding structure adjustment, etc., in accordance with the Articles of Association of the Bank;
5. provision of a loan by the Bank within its scope of business and in the ordinary course of its business (provided that the same does not lead to a reduction in the net assets of the Bank or that if the same constitutes a reduction, the financial assistance is paid out of the Bank 's distributable profits); and
6. the provision of funds by the Bank for an employee shareholding plan (provided that the same does not lead to a reduction in the net assets of the Bank or that if the same constitutes a reduction, the financial assistance is paid out of the Bank 's distributable profits).

Chapter 6 Share Certificates and Register of Shareholders

Article 37 The Bank's shares shall be in registered form.

In addition to the particulars provided in the Company Law, the share certificates of the Bank shall clearly state such other particulars as required to be specified by the stock exchange(s) on which the Bank's shares are listed.

The foreign investment shares of the Bank listed outside the People's Republic of China may be in the form of foreign stock depository receipts or in other derivations pursuant to the laws and practices relating to securities registration and depository of the place where the Bank's shares are listed.

Article 38 The share certificates of the Bank shall be signed by the chairman of the board of directors. Where the signatures of the president or other senior management personnel of the Bank are required by the stock exchange(s) on which the Bank's shares are listed, the share certificates shall also be signed by the president or such other senior management personnel. The signature of the chairman of the board of directors, the president or other senior management personnel on the share certificates may also be in printed form.

The share certificates shall become effective after the Bank seal is affixed thereto or printed thereon. Affixing of the Bank seal on the share certificates shall be subject to the authorization of the board of directors. Under the circumstances of scripless issuance and trading of the Bank's shares, specific regulations issued by the securities regulatory authorities of the place of listing of the Bank's shares shall apply.

Article 39 The Bank shall keep a register of shareholders, in which the following particulars shall be recorded:

1. the name, address (domicile), profession or nature of each shareholder;
2. the category and number of shares held by each shareholder;
3. the amount paid or payable for the shares held by each shareholder;
4. the serial number of the shares held by each shareholder;
5. the date on which each shareholder is registered as a shareholder; and
6. the date on which each shareholder ceases to be a shareholder.

Unless proved to the contrary, the register of shareholders is a sufficient proof for the shareholding of shares in the Bank by shareholders.

Article 40 The Bank may, pursuant to an understanding or agreement reached between the securities regulatory authorities of the State Council and a securities

regulatory organization outside the People's Republic of China, keep outside the People's Republic of China its register of shareholders of foreign investment shares listed outside the People's Republic of China, and entrust the administration thereof to an agent outside the People's Republic of China.

The Bank shall keep at its domicile a duplicate of the register of shareholders of foreign investment shares listed outside the People's Republic of China. The appointed agent outside the People's Republic of China shall ensure that the register of shareholders of foreign investment shares listed outside the People's Republic of China and its duplicate are consistent at all times.

When the original and duplicate of the register of shareholders of foreign investment shares listed outside the People's Republic of China are inconsistent, the original shall prevail.

Article 41 The Bank shall keep a complete register of shareholders.

The register of shareholders shall include the following parts:

1. a register kept at the Company's domicile other than those provided for under Items 2 and 3 of this paragraph;
2. the register(s) of shareholders of foreign investment shares listed outside the People's Republic of China kept in the place(s) of the stock exchange(s) outside the People's Republic of China on which the shares are listed; and
3. the registers of shareholders kept in such other places as the board of directors may decide necessary for listing purposes.

Article 42 The various parts of the register of shareholders shall not overlap one another. The transfer of shares registered in a certain part of the register of shareholders shall not, during the continuance of the registration of such shares, be registered in any other part of the register.

Any changes to or correction of any parts of the register of shareholders shall be conducted in accordance with the laws of the place where such parts of the register of shareholders are kept.

Article 43 Except for the circumstances specified under Article 25, all fully-paid offshore-listed foreign investment shares may be freely transferred pursuant to the Articles, provided that the board of directors may refuse to accept any transfer instrument without stating any reasons unless the following conditions are met:

1. Any transfer instruments and other documents relating to or affecting the title to any shares shall be registered, and fees equivalent to HK\$2.5 (for each copy of transfer instruments) or more as determined by the board of directors shall be

paid to the Bank for registration, provided that such fees may not exceed the maximum fees prescribed from time to time in the Listing Rules;

2. The transfer instruments are only in relation to foreign investment shares listed in Hong Kong;
3. Stamp duty payable has been paid on the transfer instruments;
4. Relevant share certificates and evidences establishing the transferor's right to transfer the shares as the board of directors may reasonably request shall be provided;
5. If the shares are to be transferred to shareholders under joint name, the number of such shareholders may not exceed four;
6. Relevant shares are free of all lien of the Bank.

If the Bank refuses to register a share transfer, the Bank shall, within two months since the formal application of such share transfer was submitted, deliver a notice to both the transferor and the transferee in respect of the refusal of registering such share transfer.

All the transfer of overseas-listed shares shall be conducted by written transfer instruments in general or ordinary format or in other format acceptable to the board of directors; the written transfer instruments may be signed in person. If the transferor or the transferee of the Bank's shares is a recognized settlement and clearing entity ("Recognized Clearing Entity") or its agent as defined in the Hong Kong Securities and Futures Ordinances (Chapter 571 of Hong Kong Law), the written transfer instruments may be executed in machinery printing form.

Article 44 No changes resulting from share transfers may be made to the register of shareholders within 30 days prior to a shareholders' general meeting or 5 days prior to the record date set by the Bank for the purpose of distribution of dividends.

Article 45 When the Bank is to convene a shareholders' general meeting, distribute dividends, liquidate or carry out other acts requiring confirmation of equity interests, the board of directors shall decide a date for determination of equity interests. Shareholders whose names appear on the register at the end of that day shall be the shareholders of the Bank.

Article 46 Any person that challenges the register of shareholders and requires his/her name to be entered into or removed from the register may apply to a competent court for correction of the register.

Article 47 Any shareholder who is registered in the register of shareholders or

requires his name to be entered into the register of shareholders may apply to the Bank for issuance of a replacement certificate in respect of such shares (Relevant Shares) if his/her share certificate (Original Share Certificate) is lost.

Applications for the replacement of share certificates from shareholders of domestic investment shares who have lost their certificates shall be dealt with in accordance with relevant provisions of the Company Law.

Applications for the replacement of share certificates from shareholders of foreign investment shares listed outside the People's Republic of China who have lost their certificates may be dealt with in accordance with the laws, stock exchange rules and other relevant regulations of the place where the original register of shareholders of foreign investment shares listed outside the People's Republic of China is kept.

Article 48 Where shareholders of foreign investment shares of a company listed outside the People's Republic of China apply for replacement of their certificates after losing their certificates, such replacement shall comply with the following requirements:

1. The applicant shall submit the application in the form prescribed by the Bank accompanied by a notarized certificate or a statutory declaration. The notarized certificate or statutory declaration shall include the applicant's reason for the application, the circumstances and proof of the loss of the share certificate and a declaration that no other person may require registration as a shareholder in respect of the relevant shares.
2. The Bank shall not have received any declaration requiring registration as a shareholder in respect of the shares from any person other than the applicant before it decides to issue a replacement share certificate.
3. If the Bank decides to issue a replacement share certificate to the applicant, it shall publish a public announcement of its intention to do so in the newspapers or periodicals designated by the board of directors; the period of the public announcement shall be 90 days, during which such announcement shall be published repeatedly at least once every 30 days. Relevant public announcement will be published in newspapers in compliance with relevant provisions.
4. Before publishing the public announcement of its intention to issue a replacement share certificate, the Bank shall submit a copy of the announcement to be published to the stock exchange where it is listed and may proceed with publication after having received a reply from the stock exchange confirming that the announcement has been displayed in the stock exchange. The Bank shall display the public announcement in the stock exchange for a period of 90 days.

If the application for issuance of a replacement share certificate was made without consent of the registered holder of the relevant shares, the Bank shall mail to such shareholder a photocopy of the public announcement that it intends to publish;

5. Upon the expiration of the 90-day period provided for in Items 3 and 4 hereof, if the Bank has not received any objection to the issuance of a replacement share certificate from any person, it may issue a replacement share certificate according to the application of the applicant;
6. When the Bank issues a replacement share certificate under this Article, it shall immediately cancel the original share certificate and record such cancellation and the issuance of the replacement share certificate in the register of shareholders; and
7. All expenses of the Bank for the cancellation of the original share certificate and the issuance of a replacement share certificate shall be borne by the applicant. The Bank shall be entitled to refuse to take any action until the applicant has provided reasonable security.

Article 49 After the Bank has issued a replacement share certificate in accordance with the Articles, it shall not delete from the register of shareholders the name of a bona fide purchaser of the replacement share certificate mentioned above or of a shareholder that is subsequently registered as the owner of the shares (provided that he/she is a bona fide purchaser).

Article 50 The Bank shall not be liable for any damages suffered by any person from the cancellation of the original share certificate or the issuance of the replacement share certificate, unless the claimant can prove fraud on the part of the Bank.

Chapter 7 Rights and Obligations of Shareholders

Article 51 The Bank's shareholders are persons that lawfully hold shares of the Bank and whose names are recorded in the register of shareholders. Shareholders shall enjoy rights and have obligations according to the category and number of shares held by them. Shareholders of shares of the same category shall enjoy equal rights and have equal obligations.

Under the circumstances of joint shareholders, the following shall apply:

1. if one of the joint shareholders dies, only the remaining persons among the joint shareholders shall be regarded as the owners of relevant shares by the Bank, while the board of directors has the right to request death evidencing documents

as it deems appropriate for the purpose of amendment to the shareholder register;

2. Regarding the joint shareholders of any shares, only the joint shareholder listed at the first place in the shareholder register has the right to receive the share certificate of relevant shares from the Bank, receive notices from the Bank, attend the Bank's shareholders' meeting or exercise all the voting rights attached to relevant shares; any notices delivered to such shareholder shall be deemed as delivered to all joint shareholders of relevant shares.

If any one of the joint shareholders issues a receipt in respect of any dividends, bonus or capital paid to such joint shareholders by the Bank, such receipt shall be regarded as a valid and effective receipt issued by the joint shareholders to the Bank.

Article 52 Shareholders of the Bank shall enjoy rights as follows (where the Articles provide otherwise in relation to the rights of shareholders of preference shares, such provisions shall prevail):

1. Collect dividends and other kinds of interests distributed based on the number of shares held by them;
2. Attend or entrust a proxy to attend shareholders' meetings;
3. Exercise voting rights based on the number of shares held by them;
4. Supervise the business operation of the Bank, and make suggestions and enquiries accordingly;
5. Transfer, donate or pledge shares held by the shareholders in compliance with laws, administrative regulations and the Articles;
6. Obtain relevant information in accordance with laws, administrative regulations and the Articles, including:
 - (1) obtaining the Articles after paying relevant cost;
 - (2) inspecting and making copies of the following documents after paying reasonable costs:
 - i. Minutes of shareholders' meetings;
 - ii. Status of share capital and counterfoil of bonds of the Bank;
 - iii. Financial and accounting reports and interim reports as well as annual reports which have been publicly announced by the Bank;
 - iv. all parts of the register of shareholders;
 - v. reports of the aggregate par value, number of shares, and highest and lowest prices of each category of shares bought back by the

Bank since the last fiscal year as well as all the expenses paid by the Bank therefor;

7. Participate in the distribution of the Bank's remaining assets based on the number of shares held by the shareholders when the Bank is terminated or liquidated; and
8. Other rights permitted by laws, administrative regulations and the Articles.

When shareholders apply to inspect relevant aforesaid information or require copies of the documents, prior written notice shall be delivered to the Bank, and the Bank shall provide in accordance therewith based on the shareholders' request promptly.

Article 53 The Bank shall protect the shareholders' legitimate rights and treat all shareholders equally. In case that any shareholder's legitimate rights and interests are infringed upon, the shareholder has the right to require such infringement be stopped and claim for damages in accordance with laws, administrative regulations and the Articles.

Article 54 Shareholders of the Bank shall undertake the following obligations (where the Articles provide otherwise in relation to the obligations of shareholders of preference shares, such provisions shall prevail):

1. Abide by the Articles;
2. Contribute share capital according to the number of shares subscribed by them and the methods of capital contribution;
3. Unless otherwise stipulated by laws and administrative regulations, shareholders shall not withdraw their share capital; and
4. Other obligations imposed by laws, administrative regulations and the Articles.

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

Article 55 The shareholders of the Bank shall abide by laws, administrative regulations and the Articles, exercise the shareholders' rights according to law, and not damage the interests of the Bank and of other shareholders by abusing the shareholders' rights; they shall also not damage the interests of the Bank's creditors by abusing the independent legal person status of the Bank and the limited liabilities of shareholders.

Where the shareholders of the Bank abuse the shareholders' rights and cause damages to the Bank and other shareholders, such shareholders shall be responsible to compensate for any loss caused thereof according to law.

Where the shareholders of the Bank evade repayment of debts by abusing the independent legal person status of the Bank and the limited liabilities of the shareholders in a way which materially damage the interests of the Bank's creditors, such shareholders shall assume joint and several liabilities for the Bank's debts.

Article 56 When the capital adequacy ratio of the Bank is lower than the legal standard, shareholders shall support the measures presented by the board of directors to increase the ratio.

Article 57 When the Bank is having liquidity difficulty as prescribed by valid laws, administrative regulations and relevant provisions concerning settlement risks of commercial banks by China Banking Regulatory Commission, shareholders who have borrowed from the Bank and hold five percent (5%) or more voting shares of the Bank shall immediately repay loans that are due, and loans that are not yet due should also be repaid in advance.

Article 58 The controlling shareholders owe a duty of honesty to the Bank and other shareholders. The controlling shareholders of the Bank shall strictly comply with laws, administrative regulations, rules and the Articles while exercising their rights as investors, and shall not use their privileged positions to gain improper benefit, or cause detriments to the interest of the Bank or other shareholders.

In addition to obligations imposed by laws, administrative regulations or the listing rules of the place of listing, while exercising voting rights, the controlling shareholders shall not make such decisions to the detriment of all or part of the shareholders' interests as below:

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

Article 59 The nomination of candidates for directors and supervisors of the Bank by the controlling shareholders shall strictly comply with the conditions and procedures as provided in relevant provisions of laws, administrative regulations, provisions and rules issued by regulatory authorities of the place of listing and in this

Articles. The candidates for directors and supervisors nominated by the controlling shareholders shall have relevant professional knowledge and capability of decision-making and supervision. The resolutions adopted at the shareholders' meeting for election of personnel and the resolutions adopted at the meeting of the board of directors regarding personnel appointment do not require any process of shareholder's approval. Any act by a shareholder to bypass the shareholders' meeting and/or the meeting of board of directors to appoint any senior management personnel of the Bank shall be null and void.

Article 60 The term "controlling shareholder(s)" in the Articles shall refer to the person(s) satisfying any of the following conditions:

1. Acting alone or in concert with others, has the power to elect half or more number of the directors;
2. Acting alone or in concert with others, has the power to exercise or control the exercise of 30% or more of the Bank's voting rights;
3. Acting alone or in concert with others, hold 30% or more of the voting shares of the Bank; or
4. Acting alone or in concert with others, can obtain actual control of the Bank in any other manner.

The term of "acting in concert" stated herein shall mean two or more parties reaching an agreement through contract or agreement (either orally or in writing) so that any contracting party may exercise the voting rights in order to control or strengthen control over the Bank.

Article 61 Shareholders who hold five percent (5%) or more voting shares of the Bank shall provide advance notice to the Board of Directors if they use the shares of the Bank to set up security interest for themselves or others. Shareholders who hold five percent (5%) or more voting shares of the Bank shall not pledge the Bank's shares if the outstanding balance of the loans they borrowed from the Bank exceeds the audited net book value of the shares held by them in the previous year, and they have not provided other security interest with bank deposit receipts or treasury bonds.

Article 62 The Bank shall not provide more preferential conditions to its shareholders than other borrowers who apply for the same type of loans.

Article 63 Shareholders who hold five percent (5%) or more voting shares of the Bank and owe overdue loans to the Bank shall be disqualified from exercising voting right during the loan overdue period and shall not be included in the quorum of the shareholders' 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 also be used in priority for the repayment of the Bank's outstanding loans.

Article 64 If any entity or individual purchases at least five percent (5%) of the total outstanding shares of the Bank, the approval from China Banking Regulatory Commission shall be obtained in advance.

If a shareholder holds more than five percent (5%) shares of the total issued shares of the Bank (hereinafter referred to as "Exceeding Shares") without obtaining the advance approval from the China Banking Regulatory Commission, prior to the obtaining of such approval from the China Banking Regulatory Commission, the exercise of rights over such Exceeding Shares by the shareholders of the Exceeding Shares under Article 52 of this Articles shall be subject to necessary restrictions, including without limitation:

1. the Exceeding Shares do not carry voting rights during the voting (including voting by classified shareholders) in the Bank's shareholders meeting;
2. the Exceeding Shares do not carry nomination right of candidates of directors and supervisors as specified in this Articles.

If the holding of Exceeding Shares by a shareholder has obtained the approval from the China Banking Regulatory Commission, the shareholder shall hold such Exceeding Shares in accordance with such approval. If the holding of Exceeding Shares by a shareholder does not obtain the approval from the China Banking Regulatory Commission, the shareholder shall transfer such Exceeding Shares within the time limit set forth by China Banking Regulatory Commission.

Notwithstanding the above, the shareholders holding Exceeding Shares shall not be subject to any restrictions while exercising the shareholder's rights specified in item (1) and item (7) of Article 52 of this Articles.

Chapter 8 Shareholders' Meeting

Article 65 Shareholders' meeting shall be the body of authority of the Bank. It shall exercise the following functions and powers according to law:

1. Decide on the business operation policies, review and approve material investment plans of the Bank that are required to be submitted to shareholders' meeting for approval;
2. Elect and replace directors and decide on matters concerning the remuneration of directors;
3. Elect and replace the supervisors appointed from the shareholder representatives

and external supervisors, and decide on matters concerning the remuneration of supervisors;

4. Examine and approve reports of the board of directors;
5. Examine and approve reports of the board of supervisors;
6. Examine and approve proposals on the Bank's annual financial budget and financial statements;
7. Examine and approve the Bank's plans for profit distribution and loss make-up;
8. Adopt resolutions concerning the increase or reduction of the Bank's registered capital;
9. Adopt resolutions on matters such as merger, division, dissolution, liquidation or change of nature of organization of the Bank;
10. Adopt resolutions on bonds issuance by the Bank;
11. Adopt resolutions on any other issuance of securities and public listing plans;
12. Amend the Articles of the Bank;
13. Adopt resolutions on the appointment or dismissal or cessation of appointment of accounting firms by the Bank;
14. Examine and approve the purchase or sale of material assets that exceeding 30% of the latest audited total assets, of the most recent year;
15. Examine and approve the change of use of capital raised;
16. Examine and approve share incentive scheme;
17. Examine and approve proposals raised by the shareholders individually or in aggregate representing 3% or more of the Bank's voting shares;
18. Decide or authorize the board of directors to decide any matters in relation to the preference shares issued by the Bank, including but not limited to redemption, conversion and payment of dividends; and
19. Examine and approve other matters to be resolved by shareholders' meeting under laws, administrative regulations, listing rules of the place of listing and the Articles.

Under necessary, reasonable and legal circumstances, the shareholders' meeting may authorize the board of directors to decide on specific matters which are related to such resolution matters but cannot or are not necessary to be determined in the shareholders' meeting immediately.

Regarding the authorization by the shareholders' meeting to the board of directors, if the authorized matters shall be approved by ordinary resolutions, such authorization shall be adopted by at least a majority of the voting rights held by the shareholders

present at the shareholders' meeting (including proxies); if the matters shall be approved by special resolutions, such authorization shall be adopted by at least two-third of the voting rights held by the shareholders present at the shareholders' meeting (including proxies). The authorization shall be clear and specific.

Shareholders of preference shares shall not attend any shareholders' meeting and the shares held by them shall not carry voting right, except in the event of any of the following:

1. amendment to any provision of the Articles relating to preference shares;
2. reduction by more than ten percent (10%) of the registered capital of the Bank singly or cumulatively;
3. consolidation, division, dissolution or change of corporate form of the Bank;
4. issuance of preference shares; and
5. any other circumstances provided under the Articles.

In addition to the approval of more than two-thirds of the voting rights held by shareholders of ordinary shares (including shareholders of preference shares with recovered voting rights) present at the meeting, resolutions on the above matters shall also require the approval of more than two-thirds of the voting rights held by shareholders of preference shares (excluding shareholders of preference shares with recovered voting rights) present at the meeting. The Bank shall provide online voting to shareholders, if a shareholders' meeting is convened for matters relating to the issuance of preference shares.

Article 66 Without the prior approval of the shareholders' meeting by means of special resolution, the Bank may not conclude any contract with any person other than a director, supervisor, president or other senior management personnel of the Bank for the delegation of the whole business management or part of the important business management of the Bank to such person.

Article 67 The venue of a shareholders' meeting of the Bank shall be the domicile of the Bank or any other place resolved by the board of directors.

Article 68 There are two types of shareholders' meetings: the annual shareholders' meetings and the extraordinary shareholders' meetings. The shareholders' meeting shall be convened by the board of directors. Annual shareholders' meeting shall be held once a year within six (6) months after the end of the last fiscal year. In cases where the meeting is postponed for special reasons, China Banking Regulatory Commission shall be timely informed and provided with the reasons therefor.

Article 69 The extraordinary shareholders' meeting shall be convened within two (2) months upon the occurrence of any of the following events:

1. the number of directors is less than the number stipulated by PRC Company Law, or less than two-third of the number required by the Articles;
2. the outstanding balance of the Bank's loss that had not been made-up reaches one-third of the Bank's total paid-in share capital;
3. shareholder(s) who holds (or hold) ten percent (10%) or more of the Bank's shares presents a request to convene an extraordinary shareholders' meeting;
4. the board of directors deems it as necessary or the board of supervisors proposes that the meeting be convened;
5. at least half (no less than two) of independent directors propose that the meeting be convened;
6. at least half (no less than two) of external supervisors propose that the meeting be convened.

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

The number of shares held by shareholders requesting for the extraordinary shareholders' meeting in paragraph (3) shall be counted based on the record of the date the written request is presented by the shareholders.

Under above circumstances (1) and (2), if the board of directors does not convene an extraordinary shareholders' meeting within the specified time limit, the board of supervisors or shareholders proposing the convening of a meeting may convene the extraordinary shareholders' meeting in accordance with relevant provisions of the Articles.

Article 70 Shareholders' meeting shall be convened and presided over by the chairman of the board. Where the chairman is unable to convene and preside over a meeting, the vice-chairman shall convene and preside over such meeting. When both the chairman and the vice-chairman cannot convene and preside over a meeting, a director elected by at least half of all the directors shall convene and preside over such meeting.

If the board of directors fails to perform or refuses to perform the responsibility of convening a meeting of the shareholders' meeting, the board of supervisors shall promptly convene and preside over such meeting. If the board of supervisors refuses to so convene and preside over the meeting, shareholders holding individually or jointly ten percent (10%) or more of the total number of voting shares in the Bank for at least ninety (90) consecutive days may convene and preside over such meeting. If, for any reason, the shareholder cannot elect a person to be the chairman of the

meeting, then the attending shareholder who holds the largest number of voting shares including his/her proxy shall serve as the chairman of the meeting.

Article 71 The shareholders' meeting may take the form of a physical meeting or in ways other than a physical meeting.

Article 72 When the Bank is to convene a shareholders' meeting, it shall issue a written notice 45 days prior to the meeting, informing all the registered shareholders who are entitled to attend the shareholders' meeting of the matters to be examined at the meeting as well as the date and place of the meeting. Shareholders that intend to attend the shareholders' meeting shall, within 20 days prior to the meeting, deliver a written reply to the Bank on the meeting attendance.

Article 73 Based on the written replies received 20 days prior to a shareholders' meeting, the Bank shall calculate the number of voting shares represented by the shareholders intending to attend the meeting. If the number of voting shares represented by the shareholders intending to attend the meeting is at least half of the total number of the Bank's voting shares, the Bank may convene the shareholders' meeting. If not, the Bank shall within five days inform the shareholders once again of the matters to be examined at the meeting as well as the date and place of the meeting in the form of a public announcement. Upon notification by public announcement, the Bank may convene the shareholders' meeting. Relevant public announcement shall be published in newspaper in compliance with relevant provisions.

Extraordinary shareholders' meeting may not decide on matters not specified in the notice or announcement.

Article 74 The notice of a shareholders' meeting shall meet the following requirements:

1. it shall be made in writing;
2. it shall specify the place, date and time of the meeting;
3. it shall state the date on which equity of shareholders entitled to attend shareholders' meeting is registered;
4. it shall describe the matters to be discussed at the meeting;
5. it shall provide necessary information and explanations to the shareholders so as to enable them fully understand the matters to be discussed and make decisions accordingly. This principal shall apply (but not limited to) when the Bank proposes a merger, repurchase of shares, reorganization of share capital or other restructuring, it shall provide the specific conditions and

contracts (if any) of the transaction under discussions and earnestly explain the cause and result of the transaction;

6. it shall disclose the nature and extent of conflict of interests, if any, of any director, supervisor, president or other senior management personnel in any matter to be discussed; and provide an explanation of the differences, if any, between the way in which the matter to be discussed would affect such director, supervisor, president or other senior management personnel in his/her capacity as shareholders and the way in which such matter would affect other shareholders of the same category;
7. it shall contain the full text of any special resolutions proposed to be adopted at the meeting;
8. it shall contain a conspicuous statement that shareholders entitled to attend and vote have the right to entrust one or more proxies to attend and vote on their behalf and that such proxy need not be a shareholder;
9. it shall state the time and place for the delivery of the meeting's proxy's forms; and
10. the name and telephone number of the permanent contact person for the meeting.

Article 75 Unless otherwise stipulated by relevant laws, regulations, rules of the places of listing and the Articles of Association, the notice of a shareholders' meeting shall be delivered to the shareholders who are entitled to attend such meeting (whether or not entitled to vote on the shareholders' meeting) by courier or prepaid mail to the recipient's address shown in the register of shareholders. For shareholders of domestic investment shares, the notice of a shareholders' meeting may also be given by public announcement.

The public announcement referred to in the preceding paragraph shall be published in one or more newspapers or periodicals or other recognized mass media designated by the securities regulatory authorities of the State Council or the securities regulatory authorities of the place of listing during the period between 45 and 50 days before the meeting is held. Once the announcement is made, all shareholders of domestic investment shares shall be deemed to have received the notice of the relevant shareholders' meeting.

Article 76 A meeting and the resolutions adopted to thereof shall not be invalidated as a result of accidental omission to give notice of the meeting to, or the failure of receiving such notice by, a person entitled to receive such notice.

Article 77 Any shareholders entitled to attend and vote at a shareholders' meeting

shall have the right to appoint one or more persons (who need not be shareholders) as his/her proxies to attend and vote on his/her behalf. Shareholders shall entrust the proxy in writing, which shall be signed by the entrusting party or the agent authorized by the shareholders in writing. If the entrusting party is a legal person, the instrument shall be sealed with the legal person's stamp or signed by its director or formally authorized agent. Such proxy may exercise the following rights according to his/her entrustment by the shareholder:

1. the shareholder's right to speak at the shareholders' meeting;
2. the right to demand a ballot by himself/herself or in conjunction with others; and
3. the right to vote by hand or by ballot, except that if a shareholder has appointed more than one proxy, the proxy may only exercise the voting rights by ballot.

Article 78 Individual shareholder attending the meeting in person shall present his/her identification card, effective certificate/proof of his/her identification and certificate of shareholding. When a proxy attends the meeting in place of the shareholder, he/she shall present his/her valid identification card, written proxy or authorization letter issued by the individual shareholder.

Legal person shareholders shall be represented by its legal representative or proxy entrusted by its legal representative to attend the meeting. Legal representative attending the meeting shall present his/her identification card, effective proof of his/her qualification as a legal representative. When a proxy is entrusted to attend the meeting, he/she shall present his/her identification card, written proxy or authorization letter issued by the legal representative of the legal person shareholder.

Article 79 The proxy letter issued by a shareholder to entrust proxy to attend shareholders' meeting shall contain the following contents:

1. Name of the proxy;
2. Proxy's voting right;
3. Instructions on each item to be discussed on the agenda of shareholders' meeting, stating whether the shareholder agrees to, objects to or abstains from voting the resolution respectively;
4. Whether the proxy has voting right on special motions possibly to be put on the agenda of shareholders' meeting; if he/she has, specific instructions on what kind of voting right he/she shall exercise;
5. The issuing date of proxy letter and its effective period; and

6. Signature or seal of the entrusting party or the proxy entrusted by it in writing; if the entrusting party is legal person, the proxy letter shall be sealed by it or signed by its director or duly authorized proxy.

Article 80 Proxy letter shall be placed at the domicile of the Bank at least twenty four (24) hours before the convening of relevant meetings or within 24 hours prior to the specified time of voting, or at other places designated in the notice of the meeting.

If a proxy letter is signed by a person authorized by the entrusting party, the authorization letter of signing the proxy letter or other authorization documents shall be notarized. Notarized authorization letter or other authorization instruments and voting right proxy letter shall be put at the domicile of the Bank, or at other places designated in the notice of the meetings.

If the entrusting party is a legal person, its legal representative or such other person as is empowered by resolutions of its board of directors or other decision-making bodies shall attend shareholders' meeting of the Bank.

If the shareholder is a Recognized Clearing Entity or its agent, the shareholder may authorize at least one person as it deems appropriate to be its proxy in any shareholders' meeting or any classified shareholders' meeting; however, if two or more persons are so authorized, the authorization letter shall specify the number and the category of shares involved in the authorization to each of such person. The person(s) so authorized shall exercise the rights on behalf of the Recognized Clearing Entity or its agent as if such authorized person is one natural person shareholder of the Bank.

Article 81 Any form issued by the board of directors of the Bank to the shareholders for the appointment of proxies shall give the shareholders free choice to instruct their proxies to cast an affirmative or negative vote and enable the shareholders to give separate instructions on each matter to be voted during discussions at the meeting. The proxy letter shall specify that in the absence of instructions from the shareholder, the proxy may vote as he/she thinks fit.

Article 82 Where the entrusting party has died, lost capacity for acts, revoked the proxy or the signed instrument of appointment prior to the voting, or the relevant shares have been transferred prior to the voting, a vote given in accordance with the terms of proxy letter shall remain valid as long as the Bank did not receive a written notice of the event before the commencement of the relevant meeting.

Article 83 Signing book for attending persons shall be prepared by the Bank, stating names (or company names), identification card numbers, addresses of domicile, numbers of shares held or represented with voting right, and names (or company names)

of the entrusting parties, etc.

Article 84 Shareholders (“Proposing Shareholders”) individually or in aggregate holding a total of 10% or more of the total number of voting shares of the Bank have the right to request in writing to the board of directors to convene an extraordinary shareholders' meeting. Two or more shareholders holding a total of 10% or more of the shares carrying voting right of the Bank may sign one or more written requests of identical form and substance requesting the board of directors to convene a meeting of shareholders of different categories and stating the subject of the meeting. The Proposing Shareholders shall ensure that the content of the proposal is in compliance with laws, administrative regulations and the Articles. The aforesaid shareholding shall be calculated as of the day on which the written request is made.

Article 85 The board of supervisors may request the board of directors to convene an extraordinary shareholders’ meeting. The board of supervisors shall submit to the board of directors in writing the subject of the meeting and proposals with complete contents, and also make sure that the contents of the proposal are in compliance with laws, administrative regulations and the Articles. After receiving the written proposal issued by the board of supervisors, the board of directors shall give notice as soon as possible to convene the shareholders’ meeting and the convening procedure shall be in compliance with the Articles.

Article 86 As to written proposals for the convening of an extraordinary shareholders’ meeting presented by the Proposing Shareholders, the board of directors shall decide whether to convene the shareholders’ meeting based on the specific circumstances in accordance with applicable laws, administrative regulations and the Articles, and the decision on whether to convene such shareholders’ meeting shall be given to the Proposing Shareholders as feedback as soon as possible after the receiving date of the written proposals.

Article 87 The board of directors shall as soon as possible give notice of the shareholders’ meeting if it agrees to convene shareholders’ meeting. Any change to the original proposals stated in the notice shall obtain the Proposing Shareholders’ consent. After sending out the notice, the board of directors shall not raise any new proposal, nor change or postpone the convening date of the shareholders’ meeting without the Proposing Shareholders’ consent.

Article 88 The board of directors shall decide against the convening of the shareholders’ meeting and notify its feedback opinions to the Proposing Shareholders if the board believes the proposals presented by the Proposing Shareholders violate laws, administrative regulations and the Articles. The Proposing Shareholders may, within

fifteen (15) days from the receiving date of such notice, decide whether to give up convening an extraordinary shareholders' meeting, or to send notices by themselves to convene an extraordinary shareholders' meeting.

Article 89 If the board of directors fails to issue a notice of such a meeting within 30 days after having received the written request of convening an extraordinary shareholders' meeting or a meeting of shareholders of different categories submitted by the Proposing Shareholders, the Proposing Shareholders may themselves convene the meeting within four months after the board of directors received the request. The procedures according to which they convene such meeting shall, to the extent possible, be identical to the procedures according to which shareholders' meetings are to be convened by the board of directors.

Where the Proposing Shareholders convene and hold a meeting because the board of directors failed to convene such meeting pursuant to a request as mentioned above, the reasonable expenses incurred by such shareholders shall be borne by the Bank and shall be deducted from the sums owed by the Bank to the negligent directors.

Article 90 The board of directors, the board of supervisors, and any shareholders who hold, individually or in aggregate, 3% or more of the total number of voting shares of the Bank shall have the right to propose a resolution in shareholders' meeting.

Any shareholders who hold, individually or in aggregate, 3% or more voting shares of the Bank shall have the right to propose and submit in writing to the board of directors interim proposals 10 days prior to the convening of shareholders' meeting. The Bank shall notify other shareholders within 2 days of receipt of such proposals and include in the agenda for the meeting the matters in the proposals that fall within the scope of duties of the shareholders' meeting.

The contents of an interim proposal shall fall within the scope of duties of the shareholders' meeting and shall contain definite subject and specific matters to be decided.

Except as prescribed for in the above paragraph, after having circulated the notice for shareholders' meeting, the convener shall not change the proposals included in the notice for shareholders' meeting or add any new proposals.

Shareholders shall not vote and resolve on a proposal which is not included in the notice for a shareholders' meeting or one which is not in compliance with Article 91.

Article 91 Proposals for shareholders' meeting shall satisfy the following conditions:

1. The content shall not be in conflict with laws, administrative regulations and the Articles, and shall be covered within the business scope of the Bank and function scope of the shareholders' meeting;
2. The proposals shall have definite subjects and specific items for resolution; and
3. The proposals shall be given or served to the board of directors in writing.

Article 92 The board of directors of the Bank shall examine the proposals of shareholders' meetings in consideration of the maximum interests of the Bank and its shareholders and based on the conditions provided herein.

Article 93 When the board of directors decides not to put proposals of shareholders' meeting onto the meeting's agenda, it shall explain and clarify the reasons in the shareholders' meeting.

Article 94 When the proposing shareholders dissent with the board of directors' decision of excluding the proposal raised by the proposing shareholders on the agenda of shareholders' meeting, they may request to call for a special shareholders' meeting by themselves based on relevant procedures stipulated in the Articles.

Article 95 Shareholders of ordinary shares (including their proxies) exercise voting rights according to the voting shares they hold, and each share shall have one voting right. When shareholders of preference shares (including their proxies) conduct a class voting separate from shareholders of ordinary shares, each preference share shall have one voting right.

If no dividend is paid by the Bank as agreed for a cumulative period of three accounting years or a consecutive period of two accounting years, then from the date immediately following the date when the shareholders' meeting approves the distribution of profit for that year not in accordance with the agreement, the shareholders of preference shares shall be entitled to attend a shareholders' meeting and vote together with shareholders of ordinary shares. After the voting rights of the preference shares are recovered, each holder of such preference shares shall be entitled to such number of votes as would result from the simulated conversion of such preference shares in accordance with the simulated conversion price. The initial simulated conversion price shall be the average trading prices of the ordinary shares of the Bank in the 20 trading days prior to the announcement date of the board resolution on the preference shares issuance. The adjustment method applicable to the simulated conversion price shall be consistent with the adjustment method applicable to the compulsory conversion price as specified in Article 15 of the Articles. The recovered voting rights for the shareholders of preference shares shall continue until

dividend of the relevant year is fully paid by the Bank.

Where the Articles impose any restrictions on a shareholder's voting rights, such restrictions shall prevail. The shares of the Bank held by the Bank shall not carry voting right.

Article 96 Any vote of shareholders at the shareholders' meeting shall be taken by poll.

Article 97 The chairman of the shareholders' meeting may decide to allow a resolution which relates to a procedural or administrative matter to be voted by a show of hands.

Article 98 When a ballot is held, shareholders (including proxies) having the right to two or more votes need not use all of their voting rights in the same way.

Article 99 When the number of votes for and against a resolution is equal, regardless whether the vote is taken by raising hands or by ballot, the chairman of the meeting shall be entitled to one additional vote.

Article 100 There are two types of shareholders' meeting resolutions: (i) ordinary resolutions, and (ii) special resolutions.

Ordinary resolutions made by shareholders' meeting shall be adopted by more than half of voting shares represented by the shareholders attending the shareholders' meeting (including their proxies).

Special resolutions made by shareholders' meeting shall be adopted by at least two-third (2/3) of voting shares represented by the shareholders attending the shareholders' meeting (including their proxies).

Where class voting for shareholders of preference shares is concerned, special provisions of the Articles on the voting of preference shares shall also be complied with.

Article 101 Resolutions on the following items shall be adopted in the form of ordinary resolutions by a shareholders' meeting:

1. Working report of the board of directors and the board of supervisors;
2. Plans made by the board of directors on profit distribution and loss make-up;

3. Nomination and removal of members of the board of directors and the board of supervisors (except for the employee representative supervisors), and their remunerations and methods of payment;
4. Annual budget, final accounts, balance sheet, profit statement and other financial statements of the Bank;
5. Appointment or dismissal or termination of appointment of accounting firms; and
6. Items other than those stipulated by laws, administrative regulations or the Articles to be adopted by special resolutions.

Article 102 The following items shall be adopted in the form of special resolutions:

1. Increase or reduction of the Bank's registered capital or issuance of any category of shares, warrants of share subscription or other similar securities;
2. Issuance of the Bank's bonds;
3. Plans of issuance of other securities or public listing;
4. Purchase or sale of material assets or provision of security interest having the value of more than 30% of the Bank's total assets within a one year period;
5. Division, merger, dissolution, liquidation or change of nature of organization of the Bank;
6. Amendment to the Articles;
7. Repurchase of shares of the Bank;
8. Share incentive scheme; and
9. Other matters stipulated by the laws, regulations, Articles and resolutions which have been adopted by ordinary resolutions of a shareholders' meeting as having significant impact on the Bank and requiring adoption by way of special resolution.

Article 103 Methods and procedures of the nomination of directors and supervisors are as follows:

1. Any shareholder who holds by himself or jointly with others 5% or more of the total number of voting shares of the Bank may, by submitting a written proposal to the shareholders' meeting, recommend candidates for directors and candidates for supervisors other than those to be appointed from employees, provided the number of candidates nominated shall be in accordance with the provisions of the Articles and not exceed the number to be elected. Such proposal submitted

by a shareholder to the Bank shall be served to the Bank at least fourteen days prior to the convening of the shareholders' meeting.

2. List of candidates for directors and supervisors to be appointed from shareholders may be recommended respectively by the board of directors and the board of supervisors within the number of candidates stipulated in the Articles and according to the number to be elected. Based on the nomination of the board of directors, the Personnel and Remuneration Committee shall preliminarily review the qualifications and conditions of candidates for directors, and refer those qualified candidates to the board of directors for further examination. The board of supervisors shall review and examine the qualification and conditions of candidates for supervisors. After the board of directors' and the board of supervisors' approval by resolutions, the candidates shall be referred to shareholders' meeting in written proposals.
3. The recommendation of independent directors shall be in compliance with Article 135 of the Articles.
4. Written notices on the intention to nominate candidates for directors and supervisors and the notice of the candidates' acceptance of such nomination and relevant written documents on the information of the candidates shall be delivered to the Bank at least seven days prior to the convening of the shareholders' meeting. The board of directors and the board of supervisors shall provide CVs and basic information of the candidates for the directors and supervisors to the shareholders.
5. The time period for the delivery of the aforesaid notices and documents (calculating commencing on the date after the delivery of the notice of the shareholders' meeting) shall be no less than seven (7) days.
6. Shareholders' meeting shall vote on each candidate for director and supervisor separately.
7. When directors and supervisors need to be added or filled temporarily, the board of directors and the board of supervisors shall raise the proposal and suggest the shareholders' meeting to elect or replace.

Article 104 Votes for each item for examination shall be counted by at least two shareholder representatives and one supervisor, and the counting representatives shall announce the voting result on the spot.

Article 105 The chairman of the meeting shall decide whether resolutions are passed and announce the voting results in the meeting. The decision shall be final. The result of voting upon the resolutions shall be recorded in the meeting minutes.

Article 106 If the chairman of the meeting has any doubt on the voting result of resolutions, he/she may double count the votes. If the chairman does not re-count the votes and the attending shareholders or their proxies challenge the voting result announced by the chairman, the shareholders or their proxies can request for a re-count immediately after the announcement of the result, and the chairman shall re-count the votes immediately. If counting of votes is held at a shareholders' meeting, the result of the counting shall be recorded in the minutes of the meeting. The minutes of the meeting and the attendance records signed by the attending shareholders and proxies shall be kept at the Bank's domicile.

Article 107 When connected transactions are examined in a shareholders' meeting, affiliated shareholders shall abstain from voting, and the voting shares held by them shall not be counted into valid votes.

Affiliated shareholders may abstain from voting themselves or upon the request by other shareholders or their proxies attending the shareholders' meeting.

Where any shareholder is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder (or proxies) in contravention of such requirement or restriction shall not be counted.

Article 108 Any shareholder who holds severally or jointly with others 5% or more of voting shares of the Bank shall have right to present enquiries to shareholders' meeting. The board of directors, the board of supervisors, or other relevant senior management personnel shall attend the shareholders' meeting, accept enquiries, and answer or explain accordingly.

Article 109 Minutes of meetings shall be kept for shareholders' meeting, and the secretary of the board of directors shall be responsible for such minutes. The meeting minutes shall record the following information:

1. The number of voting shares held by shareholders who attend shareholders' meeting, and its proportion to the total number of the voting shares of the Bank;
2. The convening date and venue of the meeting;
3. Name of the chairman of the meeting, agenda of the meeting and the name of the convener;
4. Key points of the speech by each speaker on every item for resolution;
5. The voting result on each item for resolution;

6. The resolutions regarding the proposals raised by shareholders shall list out the name or trade name of the shareholders, the shareholding percentage and the content of such proposals;
7. Shareholders' enquiries and suggestions, and the answers and explanation of board of directors and the board of supervisors;
8. Names of lawyer, tally clerk and scrutineer;
9. Other contents deemed as necessary by shareholders' meeting and stipulated under the Articles to be recorded in minutes of shareholders' meeting.

Article 110 Minutes of shareholders' meeting shall be signed by the chairman of the meeting, attending directors, supervisors, the secretary of the board of directors, the convener or its representative and the recorder, and filed by the board secretary at the Bank's domicile for the Bank's record at the Bank's domicile, together with the signature book of the attending directors and proxy letters of the proxies.

Article 111 Shareholders may examine photocopies of the minutes of meetings during the Bank's office hours free of charge. If any shareholder demands from the Bank a photocopy of relevant minutes of meetings, the Bank shall send such photocopies within seven days since receiving payment of reasonable charges.

Article 112 Minutes of shareholders' meeting shall be kept permanently.

Article 113 The board of directors shall engage lawyers to issue legal opinions, and make announcement in respect of the following issues:

1. Whether the taking place of and the procedures for the shareholders' meeting is in compliance with the laws, regulations and this Article;
2. Whether the qualification of the person attending the shareholders' meeting and the person convening the shareholders' meeting are valid;
3. Whether the voting procedure and consequence are valid;
4. Other matters as required by the Bank.

Chapter 9 Special Voting Procedures for Shareholders of Different Categories

Article 114 Shareholders who hold different categories of shares shall be shareholders of different categories. Shareholders of different categories shall enjoy rights and assume obligations in accordance with laws, administrative regulations and the Bank's Articles of Association.

In addition to shareholders of other categories of shares, shareholders of domestic investment shares and foreign investment shares listed outside the People's Republic of China shall be deemed as shareholders of different categories of shares.

The shares of the Bank held by founding shareholders are common shares that are tradable both onshore and offshore and enjoy the same and equal rights with all other shares. After the Bank's IPO and public trading, upon the approval of the State Council or its authorized approving authorities, such common shares may be totally or partially converted to foreign investment shares and become publicly tradable on overseas stock exchange. The conversion of the Bank's shares held by the founding shareholders to foreign investment shares does not need the approval from the regulatory authorities of the place of listing or the approval of other shareholders of the Bank.

Article 115 If the Bank intends to change or abrogate the rights of shareholders of different categories, it may do so only after such change or abrogation has been approved by way of a special resolution of the shareholders' meeting and by a separate shareholders' meeting convened by the affected shareholders of different categories in accordance with Articles 117 to 121 of the Articles.

Any change or abolition of any rights of shareholders of a certain category resulted from a change of domestic or overseas laws, administrative regulations and the listing rules of the place of listing and as a result of any decisions or orders legally announced by domestic or overseas regulatory authorities shall not be subject to approvals of shareholders' meeting or meeting of categorized shareholders.

Article 116 The rights of shareholders of a certain category shall be deemed to have been changed or abrogated in the following conditions:

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

6. a removal or reduction of rights to receive amounts payable by the Bank in a particular currency attached to shares of such category;
7. a creation of a new category of shares with voting rights, distribution rights or other privileges equal or superior to those of the shares of that category;
8. an imposition of restrictions or additional restrictions on the transfer or ownership of shares of such category;
9. an issuance of rights to subscribe for, or convert into, shares of such category or other categories;
10. an increase in the rights and privileges of shares of other categories;
11. restructuring of the Bank causes shareholders of different categories to bear liability to different extents during the restructuring; or
12. an amendment or cancellation of the provisions of this Part.

Article 117 Shareholders of the affected category, whether having the right to vote at shareholders' meeting, shall have the right to vote at meetings of shareholders of different categories in respect of matters referred to in Items (2) to (8) and (11) to (12) of the preceding article, except that interested shareholders shall not have the right to vote at meetings of shareholders of different categories.

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

1. if the Bank has made a repurchase offer to all shareholders in the same proportion or has bought back its own shares through open transactions on a stock exchange in accordance with Article 30 hereof, the controlling shareholders as defined hereof shall be "interested shareholders";
2. if the Bank has bought back its own shares by an agreement outside a stock exchange in accordance with Article 30 hereof, shareholders of share in relation to such agreement shall be "interested shareholders"; or
3. under a restructuring proposal of the Bank, shareholders who will bear liability in a proportion smaller than that of the liability borne by other shareholders of the same category, or shareholders who have an interest in a restructuring proposal of the Bank that is different from the interest in such restructuring proposal of other shareholders of the same category shall be "interested shareholders".

Article 118 Resolutions of a meeting of shareholders of different categories may be passed only by at least two-thirds of the voting rights of that category represented at the meeting in accordance with the preceding article.

Article 119 When the Bank is to convene a meeting of shareholders of different categories, it shall issue a written notice 45 days prior to the meeting informing all the registered shareholders of that category of the matters to be examined at the meeting as well as the date and place of the meeting. Shareholders that intend to attend the meeting shall, within 20 days prior to the day of the meeting, deliver a written reply to the Bank on meeting attendance.

If the number of share carrying the right to vote at the meeting represented by the shareholders intending to attend the meeting is at least half of the total number of shares of that category carrying the right to vote at the meeting, the Bank may hold the meeting of shareholders of different categories. If not, the Bank shall within five days inform the shareholders once again of the matters to be examined at the meeting and the date and place of the meeting in the form of a public announcement. Upon notification by public announcement, the Bank may hold the meeting of shareholders of different categories. Relevant public announcement shall be published in newspapers in compliance with relevant provisions.

Article 120 The notice of a meeting of shareholders of different categories needs to be delivered only to the shareholders entitled to vote thereat.

The procedures according to which a meeting of shareholders of different categories is held shall, to the extent possible, be identical to the procedures according to which a shareholders' meeting is held. Provisions of the Articles relevant to procedures for the holding of a shareholders' meeting shall be applicable to meetings of shareholders of different categories.

Article 121 The special voting procedures for shareholders of different categories shall not apply in the following circumstances:

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

Chapter 10 Board of Directors

Section 1 Directors

Article 122 Directors of the Bank shall be natural persons, and shall be elected or replaced by the shareholders' meeting. Directors are not required to hold shares of the Bank. Directors of the Bank are composed of Executive Directors and Non-executive Directors that include Independent Directors. The term "Executive Director" shall refer to a director who serves as the president, vice-president or holds positions of other managerial positions in the Bank. The term "Non-executive Director" shall refer to a director who does not serve as the president, vice-president or holds other managerial positions in the Bank. Independent directors shall refer to persons specified in Article 132 of the Articles.

The Executive Directors shall, in the course of managing the business proactively provide advice and information to the board of directors so as to facilitate the decision making by the board of directors. The Executive Directors shall also, in the course of managing the business, explain and clarify the resolutions adopted by the board of directors to the management team so that the management team can manage the business in accordance with the decisions approved and adopted by the board of directors.

The number of directors who serve as the president, executive vice president and holds other senior management positions of the Bank shall not exceed one third of the total number of directors of the Bank.

Article 123 Directors shall be elected by the shareholders' meeting and serve a term of office of three (3) years calculated from the day approved by the China Banking Regulatory Commission. A director may serve consecutive terms if re-elected upon the expiration of his/her term. The shareholders' meeting may remove by ordinary resolution any directors (but without prejudice to any claims for damages under any contracts) prior to the expiry of the term of office of such directors. Prior to the expiration of the term of the directors, the shareholders' meeting shall timely reelect the succeeding directors.

Where re-election is not carried out promptly after the expiry of the term of office of a director, then the former director shall still perform the duties of a director and exercise the director's power pursuant to laws, administrative regulations and the Articles before the re-elected director begins to serve the position.

Article 124 The directors are entitled to be aware of all the business operation conditions, financial status and material issues of the Bank, and are entitled to supervise the performance of other directors and senior management personnel.

Three or more directors are entitled to jointly move a motion to the board of directors.

Article 125 The directors bear the fiduciary duty and duty of diligence to the Bank and all the shareholders, and shall perform the authority conferred by the Bank in the manner of prudence, earnest and diligence, and ensure that:

1. the commercial activities of the Bank are in compliance with laws, regulations and economic policies of the State, and not beyond the business scope stipulated in the business license;
2. all the shareholders shall be treated fairly and equally;
3. the directors shall carefully review all the business and financial reports of the Bank, and be aware of the business operation and management status of the Bank in a timely manner;
4. the directors personally exercise the Bank's authority of management and disposal legally conferred to them, not to be manipulated by other persons and not to delegate the exercise of such discretion to other parties unless permitted by laws and regulations or with the consent of shareholders' meeting that has been informed;
5. the directors take an active interest in the Bank's affairs and follow up anything untoward that comes to their attention; and
6. the directors accept lawful supervision over their performance of duties by the board of supervisors and accept reasonable suggestions.

Article 126 A director shall not represent the bank or the board of directors in his/her own name, unless otherwise provided in the Articles or legally authorized by the board of directors. When a director acts in his/her own name, if there is a possibility that a third party may reasonably believe that the director is representing the Bank or the board of directors, the director shall announce his/her stand and role in advance.

Article 127 A director shall attend personally at least two thirds of the meeting of the board of directors' each year.

The director shall be deemed to be incapable of fulfilling his/her duty if he/she fails to attend the board meeting either personally or by entrusting other directors to attend on his/her behalf twice consecutively, the board of directors shall propose to the shareholders' meeting to replace such directors.

If an independent director fails to attend the board meeting personally for three times consecutively, the board of directors shall propose to the shareholders' meeting to replace such independent director.

Article 128 A director may resign prior to the expiry of his/her term. When a director resigns, he/she shall submit a written resignation to the board of directors in which he/she shall provide information to all shareholders, board of directors and board of supervisors regarding any circumstance related to his/her resignation or any circumstance that he/she believes as necessary to draw the attention of the Bank's shareholders and creditors.

Article 129 If the resignation of a director causes the number of directors on the Bank's board of directors to fall below the minimum number of directors required by law, the resignation of such director shall only become effective after his/her successor fills the vacancy of director caused by such resignation. If the resignation of an independent director causes the number of independent directors on the Bank's board of directors to fall below the minimum number of independent directors required by law, the written resignation of such independent director shall only become effective after his/her successor fills the vacancy of independent director caused by such resignation.

Unless the resignation falls within the circumstances stated above, the resignation becomes effective when the resignation report is submitted to the board of directors.

Board of directors shall convene an extraordinary shareholders' meeting at the earliest opportunity to elect a director to fill the vacancy.

Article 130 Within the scope permitted under applicable laws, administrative regulations and the Articles, the Bank may purchase and maintain any liabilities insurance for the Bank's past and present directors.

The Bank will indemnify every past and present director out of its own assets against any liability incurred when he/she served as director of the Bank to the maximum extent permitted by law and administrative regulations or alternatively to the extent that it is not prohibited by law and administrative regulations unless it is established that the director has not acted honestly or in good faith in performing his duties.

Section 2 Independent Director

Article 131 The Bank shall have independent directors. Independent directors shall especially pay attention to the interests of depositors and medium and minority shareholders when performing their duties.

Unless otherwise provided in this Section, the qualifications and obligations of independent directors shall meet the requirements for directors as specified in Section 1 of this Chapter and Chapter 14.

Article 132 The term “independent director of the Bank” means a director who does not hold any position in the Bank other than as a director and who has no relationship with the bank and its principal shareholders (the shareholders who individually or jointly with others holding 5% or more of the total voting shares of the Bank) that may impair his/her independent decision making and objective judgments. Independent directors shall be elected and appointed from domestic and overseas well-known persons who are professionally qualified with a good creditability and reputation, and shall also satisfy the following conditions:

1. satisfy the qualification requirements set forth by laws, administrative regulations and other relevant stipulations for persons holding the position of director in a listed company;
2. independently perform the duties and responsibilities without any interference of the principal shareholders or any person who has de facto control of the Bank, or other entities or individuals that have a material interest in the Bank;
3. have a bachelor degree or above, or intermediate or higher titles of relevant professions;
4. have basic knowledge related to the operation of a listed company and are familiar with relevant laws, administrative regulations and rules;
5. have no less than five-year experiences in law, economics, financial, accounting or other working experiences required for performing the duties and responsibilities of an independent director;
6. be familiar with laws and administrative regulations related to the operation and management of commercial banks;
7. be able to read, understand and analyze credit report and financial report of commercial banks; and
8. undertake to have sufficient time and energy to effectively perform duties of an independent director.

Article 133 The following persons shall be prohibited from holding the position of an independent director:

1. persons holding a position in the Bank or entities in which the Bank controls majority shares or is the de facto controller;
2. shareholders who hold 1% or more of all the voting shares of the Bank, or such shareholders’ controlling shareholder or de facto controller, or any persons holding a position in the aforesaid entity shareholders (excluding the position of independent director);

3. persons who hold a position (excluding the position of independent director) in the Bank or entities in which the Bank controls majority shares or has de facto control in a three-year period prior to being appointed to such position;
4. persons who hold a position in enterprises owing overdue loans to the Bank;
5. persons who hold a position in entities that have business connection or interests with the Bank in areas of law, accounting, audit and management consultation, etc.;
6. other persons who may be controlled or materially influenced through various ways by the Bank;
7. the close relatives of the above persons (the term “close relatives” refers to spouses, parents, children, grandparents and siblings);
8. other persons specified or determined by China Banking Regulatory Commission, the regulatory authorities of the place of listing and other regulatory authorities.

Article 134 At least three (3) of the members of the board of directors shall be independent directors, and the independent directors shall account for at least one third of the total board members. When an independent director fails to satisfy the independence requirements or there are other circumstances that he/she is not fit to continuously perform the duty as an independent director, causing the number of independent directors fail to meet the requirement hereof, the Bank shall elect supplementary independent directors in accordance with relevant stipulations.

Article 135 Independent Director shall be elected through methods set forth below:

1. The Bank’s board of directors, board of supervisors and shareholders who severally or jointly hold no less than 1% of the voting shares in the Bank may nominate candidates for independent director. The independent directors shall be decided through election by shareholders’ meeting;
2. The consent of the nominees shall be obtained before nominating such persons as independent directors. The nominator shall be fully aware of such details of the nominee as his/her occupation, educational background, professional title, career details, and all concurrent positions, etc., and shall declare his/her opinion on the nominee’s qualification and independence for holding the position as an independent director. The nominee shall make a public statement that no relationship between himself and the Bank will affect his/her independent decision making and objective judgment.
3. The Bank’s board of directors shall make the afore-mentioned information public in accordance with applicable regulations and stipulations before the

convening of the shareholders' meeting at which the independent directors is to be elected.

4. The Bank shall simultaneously submit relevant materials of all the nominees to China Banking Regulatory Commission after the convening of the shareholders' meeting at which the independent director is to be elected.

Article 136 The appointment of independent directors shall be submitted to the China Banking Regulatory Commission for a qualification review and be examined and verified as per the requirements of the securities regulatory authorities at the place where listing is to be made before the independent shareholders take the posts. Independent directors shall make a statement to the board of directors of the Bank before taking the posts, undertaking to have sufficient time and energy to perform their duties in the manner of due diligence.

Article 137 The term of office of independent directors shall be three (3) years. An independent director may serve no more than two consecutive terms if re-elected upon the expiration of his/her term.

Article 138 In addition to the functions and powers granted to the directors of the Bank, independent directors shall be granted the following special functions and powers:

1. significant connected transactions shall be submitted to the board of directors for discussion after the approval of the independent directors. Before rendering their judgments, independent directors may engage intermediary agents to issue independent financial report as a basis for their judgment;
2. they may independently engage external auditing and consulting organizations such as law firms and accounting firms for assistance;
3. if the independent directors, during the performance of their duties and functions, discover any violation of laws, administrative regulations or any circumstances provided herein by the board of directors of the Bank, any directors, senior management personnel or other staffs of the Bank, they shall request such violations to be timely corrected and report to China Banking Regulatory Commission;
4. independent directors shall especially pay attention to the following issues when giving independent opinions:
 - (1) the plan of profit distribution and the amendment to the profit distribution policy;

- (2) the appointment and dismissal of senior management personnel;
- (3) events which may cause severe damage to the Bank;
- (4) events which may cause damage to the interest of depositors and medium and minority shareholders;
5. to exercise other functions and powers granted by laws, administrative regulations, relevant regulatory authorities or the Articles of the Bank.

Independent directors shall obtain the consent of more than half of independent directors to exercise the functions and powers under item (1) above.

If the independent directors engage any of the aforesaid external institutions when he/she is performing his/her special functions and powers, any cost incurred thereof shall be borne by the Bank.

Article 139 Independent directors shall obtain the consent of at least half of all the independent directors before exercising the functions and powers set forth in the preceding Article. If any afore-mentioned proposal is not accepted or any of the afore-mentioned functions and powers can not be normally exercised, the Bank shall publicly disclose relevant situations thereof.

Section 3 Board of Directors

Article 140 The Bank shall establish a board of directors. The board of directors shall be accountable to the shareholders' meeting.

Article 141 The board of directors shall be composed of five (5) to seventeen (17) directors, including one chairman of the board and one vice chairman of the board.

Article 142 The board of directors shall exercise the following functions and powers:

1. to be responsible for convening shareholders' meeting and to report its work to shareholders' meeting;
2. to implement the resolutions of shareholders' meeting;
3. to decide on strategic policies, business plans and material investment plans of the Bank except for those material investment plans that are subject to shareholders' meeting approval as specified in this Articles;
4. to formulate the proposed annual financial budgets and final accounts of the Bank;

5. to formulate the plans for profit distribution, loss making-up of the Bank and risk capital distribution;
6. to formulate plans for the increase or reduction in the registered capital of the Bank, the issuance of other securities, public listing and for the issuing of bonds;
7. to draft plans for substantial acquisition, repurchase of the Bank's stocks or plans for merger, division, dissolution or change of incorporation nature of the Bank;
8. to examine and approve connected transactions which require board approvals under laws, administrative regulations and other relevant governing rules;
9. to review and decide on the establishment of the Bank's basic administrative system, internal management framework and important sub-entities;
10. to appoint or dismiss the Bank's president, the board secretary and the chairmen of the special committees; to appoint or dismiss the Bank's executive vice president, executive assistant president, chief financial officer, chief risk officer and other senior management personnel according to the president's nomination; to appoint or dismiss the chief audit officer according to the nomination of the Audit Committee and decide on his/her remuneration and awards and punishment; to appoint or dismiss members of the special committees according to the nomination by the Personnel and Remuneration Committee;
11. to develop and review corporate governance policies of the Bank;
12. to examine and approve the policies regarding laws and regulation compliance and the relative basic management system of the Bank;
13. to formulate proposals for amendment of the Articles of the Bank, and report to the shareholders' meeting for approval;
14. to examine the Bank's human resources and remuneration strategies, review and determine the remuneration strategies for the Bank's senior management personnel; to be responsible for performance evaluation of senior management personnel; to decide on the material rewards and punishment matters for senior management personnel;
15. to review and approve the information disclosure policy and system of the Bank;
16. to propose to shareholders' meeting to appoint, re-appoint or change the accounting firm that audits the Bank;
17. to hear work report from the President and the management team of the Bank and examine their work;
18. to report the rectification opinion regarding the Bank issued by relevant regulatory authorities and the execution status of rectification by the Bank;
19. to hear the report by external auditors on a regular or irregular basis;

20. to review and approve the Bank's annual report;
21. to exercise other functions and powers prescribed by laws, administrative regulations or the Articles of the Bank, and those granted by shareholders' meeting.

Under necessary, reasonable and legal circumstances, the board of directors may authorize the President or the management team to decide on specific matters that are related to board matters but cannot or are not necessary to be determined in the board meetings immediately.

Regarding the authorization by the board of directors to the President and the management team, if the authorized matters shall be approved by ordinary resolutions, such authorization shall be adopted by at least a majority of all directors; if the matters shall be approved by special resolutions, such authorization shall be adopted by at least two-third of all directors. The authorization shall be clear and specific.

Article 143 The board of directors of the Bank shall provide explanations to the shareholders' meeting with respect to any audit report submitted by the certified public accountant regarding the Bank's financial reports that contains qualified opinions, negative opinions or opinions being unable to be issued.

Article 144 The board of directors shall formulate the procedures of the board of directors in order to ensure work efficiency and scientific decision making of the Board.

Article 145 The scope of authorization to the board of directors regarding decision power on equity investment, bond investment, assets purchase, assets disposal, assets write-off, mortgage or other non-commercial-banking-business regarding security interest matters shall be determined by the shareholders' meeting. The board of directors shall establish stringent examination and decision making procedure in respect of its exercise of the aforesaid authorization.

The Strategic Development Committee shall organize relevant experts and professionals to examine and evaluate material equity investment, bond investment, assets purchase, assets disposal, assets write-off, mortgage or other non-commercial-banking-business regarding security interest matters and report to shareholders' meeting for approval in accordance with laws, administrative regulations and the listing rules of the place of listing.

Article 146 When the board of directors disposes of fixed assets, and the sum of the expected value of the consideration for the proposed disposal and the value of the consideration for disposed fixed assets in the four months period immediately

preceding the proposed disposal exceeds 33% of the value of the fixed assets shown in the last balance sheet presented at the general shareholders' meeting, the board of directors may not dispose or agree to dispose the fixed assets without the prior approval of the general shareholders' meeting.

For the purposes of this Article, the term "disposal of fixed assets" shall include the assignment of certain interest in assets other than by way of providing security interest by using fixed assets as collaterals.

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

Article 147 The chairman and the vice chairman of the board shall be directors of the Bank. They shall be elected and removed by more than half of all the directors. The legal representative or the principal personnel of the controlling shareholder(s) shall not serve as the chairman of the board of directors. The vice chairman shall assist the chairman in his/her work.

Article 148 The chairman of the board shall exercise the following functions and powers:

1. to preside over shareholders' meeting and to convene and preside over meetings of the board of directors;
2. to convene and preside over the special board meetings;
3. to supervise, urge and examine the work of the special committees and nominate the candidates for chairmen of the special committees;
4. to supervise, urge and examine the implementation of resolutions of the board of directors;
5. to sign stocks, bonds and other security certificates issued by the Bank;
6. to sign important documents of the board and other documents that shall be signed by the legal representative of the Bank;
7. to exercise the legal representative's functions and powers;
8. to exercise part of the board's functions and powers under the authorization of the board of directors when the board is not in session; and
9. other functions and powers granted by the board of directors.

Article 149 If the chairman of the board is unable or fails to perform his/her functions and powers, the vice chairman shall exercise such functions; if the vice chairman is unable or fails to do so, a director shall be recommended by half or more directors

jointly to exercise such functions and powers on his/her behalf.

Article 150 Meetings of the board of directors shall be held at least four times a year. Meetings of the board of directors shall be convened by the chairman of the board. Meeting notice shall be served in writing fourteen (14) days and other relevant documents shall be served ten (10) days before the meeting is held to all the directors and supervisors.

Article 151 The chairman of the board shall convene and preside a special board meeting within five (5) working days under one of the following circumstances:

1. shareholders representing one tenth or more voting rights so propose;
2. the chairman of the board considers necessary;
3. at least one third of the directors so propose jointly;
4. at least half of the independent directors so propose;
5. the board of supervisors so proposes;
6. the president of the Bank so proposes;

Article 152 The notification for the board to convene a special board meeting shall be made by the methods specified under Article 251 of this Articles (except for Item 4 of Article 251); the notification and other relevant documents shall be served to all the directors within a reasonable period before the opening of the meeting.

Article 153 The notice for a board meeting shall include the following items:

1. the date and venue of the meeting;
2. the term of the meeting;
3. the reason and subject matters for discussion;
4. the date of issuing the notice.

Article 154 Meetings of the board of directors may be held only if more than half of the directors (including proxies) attend. Resolutions of the board of directors shall be adopted by the affirmative votes of more than half of all the directors.

Each director shall have one vote on the resolution of the board of directors.

Article 155 A board meeting may be convened in the form of physical on the spot meeting or through telecommunication methods such as telephone conference, video

conference and adoption of written resolutions.

A board meeting convened by telephone conference or video conference shall ensure each attending director can hear other directors' speech clearly and can communicate with each other. The board meeting convened by such means shall be recorded or taped and the relevant record or video tape shall be properly maintained forever. Should any director not be able to timely sign the meeting minutes during such meeting, such director shall attend voting orally and complete the signature in writing as soon as possible. The oral vote by the director shall have equal effect as the written signature, provided the later signature shall comply with the oral vote during the meeting. Should such later signature become different from the oral vote, the oral vote shall prevail.

If a board meeting is convened by means of a written resolution, i.e. by delivering the resolution for review severally in counterparts or by circulating the resolution for review in turn among the directors in adopting such resolution, the directors shall clearly write "agree" or "object" on the resolution.

Besides the provisions specified in Article 156 of this Articles, in order for written resolutions to become legal and effective, they shall be signed by a majority of directors or their proxies who are entitled to receive the notice of board meeting. The written notice confirming such written resolution signed by relevant directors or their proxy directors shall be deemed as their signature on such written resolution. Such written resolution may be composed of several documents, each of which shall be signed by one or more directors or their proxy directors. A resolution signed by the directors or their proxy directors and delivered through telegram, fax, telex or other electronic means shall be deemed as having been signed by the directors.

Article 156 Resolutions by the board of directors may be passed by the affirmative vote of more than half of the directors except for the following matters which shall require the affirmative votes of at least two-thirds of the directors and may not be voted by means of written resolutions:

1. profit distribution or loss make-up plans;
2. risk capital distribution plan;
3. the increase or reduction of registered capital of the Bank or the issuance or public listing plans of other securities or issuance of bonds;

4. material acquisition, repurchase of the Bank's shares or merger, division and dissolution;
5. substantial investment or disposal of substantial assets;
6. the annual financial budgets and final accounts of the Bank;
7. the amendments to this Articles;
8. proposal to shareholders' meeting in respect of the appointment, re-appointment or replacement of the accounting firm who performs audit for the Bank;
9. recruitment or dismissal of senior managers, etc.;
10. the remuneration strategy of the senior management personnel of the Bank, the performance evaluation of the senior management personnel and material awards and punishment thereof;
11. other affairs that the board deems as in conflict with the material interest of shareholders or directors.

Article 157 Meetings of the board of directors shall be attended by the directors personally. If a director cannot attend a meeting for any reason, he/she may entrust in writing other director to attend the meeting on his/her behalf.

The written proxy shall specify the proxy's name, entrusted matters, the scope of authorization and the valid term, and be signed by or affixed with the seal of the entrusting director.

A director who attends a meeting on behalf of another director shall exercise the rights of that director within the scope of entrusted authority. If a director fails to attend a meeting of the board of directors and also fails to entrust a proxy to attend on his/her behalf, he/she shall be deemed to have waived his/her voting rights at that meeting.

Article 158 The voting on resolutions of the board in the board meeting shall, in principle, be made by poll. Upon the approval by two-thirds of all the directors, the voting may also be made orally.

Article 159 The board of directors shall keep minutes of its decisions on the matters examined at the board meetings. Directors and clerks attending the meeting shall sign their names on the minutes. Directors attending the meeting shall have the right to request to add to the minutes the descriptive contents of their statements made at the meeting. The minutes of board meetings shall be kept by the board secretary as the Bank's archives. Decisions, resolutions and minutes of board meetings shall be filed to China Banking Regulatory Commission within the shortest possible time after the end of the meeting. Minutes of directors' meeting shall be kept permanently.

Article 160 The minutes of a board meeting shall include the following:

1. The date, venue and name of the convener of the meeting;
2. The names of directors and the names of other entrusted directors (proxies) attending the board meeting;
3. Agenda of the meeting;
4. The key points of directors' speeches; (including any doubt or objections raised by directors);
5. The voting method and result of each resolution (the voting result of a resolution shall state the numbers of votes for and against the resolution and the number of votes having been abstained);
6. Other contents as required by laws, administrative regulations and regulatory documents.

Article 161 Directors shall sign the resolutions of a board meeting and be responsible for the resolutions made at the meeting. Directors who participate in adopting a resolution in violation of laws, administrative regulations or the Articles, resolutions of the general shareholders' meeting and causing severe damages suffered by the Bank as a result shall be held liable to the Bank for such severe damages, provided that, if the above directors can prove that they have objected to the resolution during the voting therefor, as recorded in the minutes of the meeting, such directors shall not be held liable for the damages caused hereto.

Section 4 Special Committees under Board of Directors

Article 162 Special committees are set up under the board of directors, which shall assist the board of directors to fulfill its functions under the authorization of the board. The special committees set up under the board of directors include without limitation: Strategic Development Committee, Audit Committee, Risk Policy Committee,

Personnel and Remuneration Committee, and Connected Transactions Control Committee, etc. Each special committee is responsible to the board of directors and is composed of at least three members who must be directors. The president of the Audit Committee, Personnel and Remuneration Committee and Connected Transactions Control Committee shall be served by independent directors. The board of directors can establish other committees or make adjustment to the existing committees according to its needs. The board of directors will make procedures of all special committees.

Article 163 The main duties of the Strategic Development Committee are:

1. To draft the Bank's strategic development plans and advise the board;
2. To evaluate factors possibly affecting the Bank's strategies and its implementation in accordance with international and domestic economic and financial circumstances and market trends, and advise the board in regard to the strategy adjustments;
3. To review and examine the Bank's annual budget in accordance with the strategic development plan and advise the board;
4. To review and examine the strategic capital allocation (capital structure, capital adequacy rate and risk-profit balancing policy) and assets-debts management target and advise the board;
5. To perform strategic adjustment to the general development in various financing businesses and advise the board;
6. To perform strategic adjustment to the development of overseas and domestic branches and advise the board;
7. Be responsible for the design and formulation of significant investment and financing plans of the Bank, review and examine plans submitted by management and advise the board;
8. Be responsible for the design and formulation of merger and acquisition plans of the Bank, review and examine plans submitted by management and advise the board;
9. To review and examine substantial internal reorganization and adjustment plans of the Bank and advise the board;
10. To review and examine the development of information technology and other special strategic development plans of the Bank in accordance with the demand of strategic development, and advise the board; and
11. Other duties authorized by the board of directors.

Article 164 The main duties of the Risk Policy Committee are:

1. To review and formulate the Bank's risk management strategies, substantial risk management policies and procedures and system, and to advise the board so as to make sure that the risk management policies and procedures are uniformly abided by in the Bank internally;
2. To formulate the scope of responsibilities of the chief risk officer by specifying the position and function of the chief risk officer, performing operation evaluation to the chief risk officer and advise the board;
3. To examine the significant risky activities of the Bank and exercise veto power regarding the commitments exposing the Bank to credit and/or market risk exceeding individual risk limits approved by the Risk Policy Committee or the board of directors or causing approved aggregate limits to be exceeded;
4. To supervise the implementation status of the Bank's risk management strategy, policy and procedure, and advise the board;
5. To examine the risk management status; regularly evaluate implementation status of risk management and internal control by the management group, functional departments and entities; regularly hear the reports from the aforesaid departments and propose requests for improvement;
6. To supervise the status of the Bank's compliance with laws and regulations; review and examine relevant administrative systems related to law compliance and make suggestions; decide on whether submitted to the board for examination and approval, and to hear and examine the report of implementation status of the legal compliance of the Bank; and
7. Other duties authorized by the board of directors.

Article 165 The main duties of the Audit Committee are as follows:

1. To recommend for approval by the board of directors the appointment, renewal and replacement of the external auditor, and the related audit fees; evaluate the external auditor's performance and oversee their independence, work process, quality and results;
2. To review the external auditor's annual report, the audited annual financial statements, management's discussion and analysis and any interim financial statements; prepare a judgmental report regarding the truthfulness, completeness and correctness of the financial information contained in the audited annual financial statements of the Bank and submit such judgmental report to the board of directors for review and discussion; review the external auditor's findings and recommendations relating to the financial management and control processes; review with the external auditor significant issues regarding the application of accounting principles and the preparation of

financial statements; review the annual plan and scope of work of the external auditor; review and examine significant accounting and auditing policies and important auditing regulations; review and examine the disclosure of financial information of the Bank;

3. To review and approve the Internal Auditing Charter and organizational structure of the audit department; review the annual plan and scope of work of the internal audit department; approve the annual budget of the internal audit department and ensure its independence; evaluate the effectiveness of the internal audit department;
4. To recommend to the board of directors the appointment and, when appropriate, termination and replacement of the chief audit officer, who shall report directly to the Committee; review the qualifications, performance and independence of the chief audit officer and approve his/her compensation; review and approve the appointment and dismissal of the person in charge of the internal audit department, who shall report to and be evaluated by the chief audit officer, subject to the review of the Committee;
5. To have oversight of the Bank's internal controls; review the significant findings of reports to management prepared by the internal audit department and management's response thereto; review management's plans to address significant deficiencies and material weaknesses in the design or operation of internal controls and financial reporting; discuss the adequacy of the Bank's internal controls with the chief audit officer and the external auditor, and any special audit steps adopted in light of material control deficiencies; review fraud cases;
6. To review employee reporting system and urge the Bank to conduct fair investigation and to take appropriate measures regarding the matters reported by the employees; and
7. Other duties authorized by the board of directors.

Article 166 The main duties of the Personnel and Remuneration Committee are:

1. To examine the Bank's human resources and remuneration strategies and advise the board in respect to the approval hereto; supervise the implementation of relevant strategies;
2. To review the structure, size and composition of the board of directors on an annual basis, and make suggestions to the board regarding the scale and composition of the board of directors in accordance with the Bank's strategic plan, operation situation, size of assets and shareholding structure;
3. To examine on the selection standards, nomination and recruitment process of directors, members in each special committee and senior management personnel and advise the board;

4. To identify individuals suitably qualified to become directors and making recommendations to the board of directors on the selection of individuals nominated for directorships;
5. To perform preliminary review of the qualification and conditions of candidates for directors and independent directors nominated in accordance with relevant articles stipulated in the Articles, and submit qualified candidates to the board of directors for examination; perform preliminary review of the candidates for president of the Bank, board secretary and the chairmen of the special committees nominated by the chairman of the board in accordance with the selection standards and nomination process; perform preliminary review of the candidates for vice-president of the Bank, the assistant president, Chief Financial Officer, chief risk officer and other senior management personnel nominated by the President of the Bank; perform preliminary review of the candidate for Chief Audit Officer nominated by the Audit Committee; and advise the board in respect of the results of the aforesaid preliminary review;
6. To select and nominate the candidates for the members of each special committees in accordance with the capability of the candidates for the directors, members of each committee and senior management personnel and the selection standards and submit to the board for approval;
7. To hear and examine, urge and supervise the remuneration and incentive policies; hear and examine the remuneration distribution plan and incentive plan of directors, supervisors and senior management personnel, and advise the board accordingly; establish the evaluation standards for the evaluation of senior management personnel; appraise the directors' implementation of their duties; and
8. Other duties authorized by the board of directors.

Article 167 The main duties of the Connected Transactions Control Committee of the board of directors are as follows:

1. To administer the connected transactions of the Bank in accordance with the provisions of laws and regulations, and formulate a corresponding administration system of connected transactions;
2. To be responsible for the confirmation of the connected parties of the Bank in accordance with the provisions of laws and regulations, and report to the board of directors and the board of supervisors;
3. To define the connected transactions of the Bank in accordance with the provisions of the laws, regulations and the Articles of the Bank;
4. To examine the connected transactions pursuant to the provisions of the laws and regulations and based on the business principles of justice and fairness;

5. To issue, by the member who is an independent director, a written report on the fairness of significant connected transactions and the performance of the internal approval procedure;
6. After examined by the Connected Transactions Control Committee and accepted by the independent director, the significant connected transactions of the Bank shall be submitted to the board of directors or otherwise to the shareholders' meeting by the board of directors for approval based on the transaction amount;
7. To examine and approve the matters of information disclosure of the significant connected transactions of the Bank; and
8. Other duties authorized by the board of directors.

Article 168 Each special committee may engage intermediate agencies to issue professional opinions and the relevant cost will be borne by the Bank.

Chapter 11 Secretary to the Board of Directors

Article 169 The board of directors shall establish the position of the board secretary. The board secretary is a senior management personnel of the Bank and is appointed by the board of directors and is responsible to the board of directors.

Article 170 The board secretary shall be a natural person with bachelor or higher educational degree who have engaged in such work as the work of an executive secretary or management personnel or the work relating to equity shares for at least three years. The board secretary shall have necessary professional knowledge and experiences in such areas as accounting, tax, law, finance and business management and have good moral standards and working ethics. The board secretary shall strictly abide by all relevant laws, administrative regulations and rules, be able to fulfill his / her duties honestly and have good ability to handle public affairs.

The provisions specifying persons that cannot serve as directors of the Bank shall also apply to the board secretary.

Article 171 The major duties of the board secretary shall be:

1. To assist the directors in dealing with daily work of the board; to be responsible for communications between the directors and relevant departments of the Bank; to ensure the directors be provided necessary information and documents for

their fulfillment of their authority and functions; to continuously advise, remind and ensure the directors to acquaint with the regulations, policies and requirements by relevant regulatory authorities regarding bank operations; to assist directors and the president to abide by laws, regulations, rules, relevant provisions by the securities regulatory authorities of the place of listing, this Articles and other relevant provisions in their exercise of authority and functions;

2. To be responsible for relevant organization and preparation work for the board of directors meeting and the shareholders' meeting; to be responsible for taking minutes of the meetings; to ensure the resolution and the decisions made in the meeting in compliance with legal procedures; to proactively monitor the implementation of the board resolutions and to reply to directors in respect of questions concerning relevant meeting procedures and applicable rules;
3. To ensure that the Bank keeps complete organizational documents and records;
4. To ensure that the Bank prepares and submits according to law the documents and reports required by relevant authorities;
5. To keep the list of shareholders, the seal of the board of directors and other relevant information and to handle matters related to management of the equity shares of the Bank and registration of trusteeship; to ensure that the Bank's register of shareholders is properly established and that persons entitled to relevant records and documents of the Bank could obtain such records and documents in a timely manner;
6. To be responsible for information disclosure of the Bank and to assure the Bank's information disclosures are timely, accurate, legal, true and complete;
7. To assist the special committees established under the board of directors to exercise their delegated authorities;
8. To be responsible for organization of market promotion; to coordinate with visits and reception work; to deal with investors' relationship; to maintain relationship with regulatory authorities, investors and intermediate agencies; to coordinate public relationship;
9. To consult and advise on significant strategic decisions of the Bank;
10. Other duties set forth in the Articles.

Article 172 The Bank's directors or senior management personnel may hold the position of the board secretary concurrently. Nevertheless, the supervisors of the Bank cannot hold the position of the board secretary concurrently. No certified accountant from the accounting firm or lawyer from the law firm as engaged by the Bank may concurrently hold the position of the board secretary.

Article 173 The board secretary shall be nominated by the chairman of the board of directors and appointed or dismissed by the board of directors. If a director of the Bank holds the position of the board secretary concurrently, in the case that any action needs to be taken by the director and the board secretary respectively, such person holding the positions of director and the board secretary concurrently shall not take such action in both of his/her capacities.

Chapter 12 Board of Supervisors

Section 1 Supervisors

Article 174 The board of supervisors shall be composed of representatives of employees, external supervisors and supervisors designated by shareholders. The supervisors represented by employees of the Bank shall account for no less than one-third of all the supervisors of the Bank, and the board of supervisors shall have at least two (2) external supervisors.

The external supervisor shall mean a supervisor who does not hold any position in the Bank other than supervisor and who has no relationship with the Bank and its principal shareholders that may impair his/her independent decision making and objective judgments. The provisions in Chapter 10 of the Articles regarding the qualification, nomination, election and replacement of independent directors shall also apply to external supervisors.

The supervisors shall diligently perform their supervisory functions in accordance with laws, administrative regulations and the Articles.

Article 175 Directors, president and other senior management personnel may not serve as supervisors concurrently.

Article 176 The term of office of each supervisor shall be three (3) years. A supervisor may serve consecutive terms if reelected upon the expiration of his/her term. Shareholder's representative supervisors and external supervisors shall be elected and replaced by the shareholders' meeting and supervisors who are representatives of employees shall be elected and replaced by the employees' representative congress. The qualification of supervisor shall be subject to the examination and approval of China Banking Regulatory Commission.

Article 177 A supervisor can attend the board meetings as a non-voting attendee and shall have the right to express his/her opinions. A supervisor can attend the meetings of senior management as a non-voting attendee.

Article 178 A supervisor may resign prior to the expiration of his/her term of office. The provisions in Chapter 10 hereof regarding resignation of a director shall also apply to resignation of a supervisor.

Article 179 The Bank may establish necessary insurance coverage for supervisors' liabilities to reduce the risks possibly resulted from the ordinary performance of supervisors' duty and functions.

Section 2 Board of Supervisors

Article 180 The Bank shall have a board of supervisors. The board of supervisors shall be composed of 5 to 9 supervisors, one of whom shall be elected as the chairman of the board of supervisors. The chairman of the board of supervisors shall be elected and replaced by two thirds or more of all the supervisors. The chairman of the board of supervisors shall be a full-time employee, and shall at least have professional knowledge and working experience in one of such areas as finance, auditing, banking and law. Offices shall be set up under the board of supervisors in charge of coordination and implementation of work of board of supervisors.

Article 181 The board of supervisors is the supervisory authority of the Bank, and shall be responsible to the shareholders' meeting and perform the following duties:

1. to examine and supervise the financial activities of the Bank;
2. to supervise the performance of duties by the directors and senior management personnel of the Bank, and to propose the employment and dismissal of the directors and senior management personnel who violate laws, administrative regulations, the Articles or resolutions of the general shareholders' meeting;
3. to require the directors, the president, and other senior management personnel to correct any act that is harmful to the Bank's interests;
4. to audit the directors and senior management personnel who intend to leave their posts, if necessary;
5. to audit the business decision-making, risk management and internal control of the Bank if necessary;
6. to verify financial information such as financial reports, business reports, profit distribution plans, etc. that the board of directors intends to submit to the shareholders' meeting and, if in doubt, to be able to appoint, in the name of the Bank, a certified accountant or practicing auditor to assist in reviewing such information;
7. to make enquiries of the directors, the chairman of the board of directors, and senior management personnel;

8. to propose to convene an extraordinary shareholders' meeting, and to convene and preside over a shareholders' meeting when the board of directors fails to perform its duty of convening and presiding over such meeting under the Company Law;
9. to make proposals to the shareholders' meetings;
10. to represent the Bank in negotiating with or instituting legal proceedings against a director or senior management personnel; and
11. other duties provided for in laws, administrative regulations and the Articles or authorized by the shareholders' meetings.

The directors, senior management personnel shall honestly provide and also cause relevant personnel to honestly provide to the board of supervisors relevant information and documents and shall not disturb the performance of functions by the board of supervisors or any supervisors.

Article 182 The Duty Performance and Due Diligence Supervision Committee and Finance and Internal Control Supervision Committee are set up under the board of supervisors. The board of supervisors may set up new special committees and restructure existing committees when needed. All special committees under the board of supervisors shall be responsible to the board of supervisors and assist the board of supervisors in performing its duties. The board of supervisors will formulate procedural rules for each special committee under the board of supervisors.

The Duty Performance and Due Diligence Supervision Committee shall be responsible for supervising the duty performance and due diligence of the board of directors and senior management and their members.

Chief of the Finance and Internal Control Supervision Committee shall be assumed by an external supervisor. The committee is responsible for the supervision of the Bank's financial management, internal control, risk management and compliance management, etc.

The internal audit departments of the Bank shall, in a timely manner, submit to the board of supervisors the complete results of auditing and examination of the internal functional departments and the branches of the Bank.

Article 183 The board of supervisors may engage such professional entities as law firms and accounting firms for assistance in its performance of duties, with all relevant expenses incurred therefrom borne by the Bank.

Article 184 The chairman of the board of supervisors shall perform the following

responsibilities:

1. convene and preside at the supervisors' meeting;
2. convene a supervisors' meeting when he/she deems as necessary; and
3. sign the resolutions of supervisors' meeting.

When the chairman of board of supervisors is unable or fails to perform his/her duty, a supervisor shall be jointly recommended by half or more supervisors to perform his/her duty on his/her behalf.

Article 185 The board of supervisors shall hold at least one (1) meeting every six months and four (4) meetings per year.

Article 186 The chairman of the board of supervisors shall be responsible for convening a special meeting of the board of supervisors within five (5) working days if such a meeting is deemed necessary by him/her or if other supervisors propose.

Article 187 A written notice of and other documents relating to a meeting of the board of supervisors shall be given to all supervisors five (5) working days before the intended commencement of the meeting. A notice of and other documents relating to a special meeting of the board of supervisors shall be delivered within a reasonable period before the intended commencement of the meetings.

Article 188 A notice of the meeting of the board of supervisors shall specify:

1. the date and venue of the meeting;
2. the term of the meeting;
3. the matters and topics to be proposed to the meeting for discussion;
4. the date of the notice.

Article 189 At least half of the supervisors shall constitute the legal quorum of any meeting of the board of supervisors.

Article 190 A supervisor shall attend meetings of the board of supervisors personally. If a supervisor fails to attend a meeting for any reason, he/she may entrust by a written proxy another supervisor to attend the meeting on his/her behalf. An external supervisor may also entrust other external supervisor to attend the meeting on his/her behalf.

The proxy shall specify the name of the proxy supervisor, entrusted matters, scope of

authority and term, and shall be signed by and affixed with the seal of the entrusting supervisor.

A supervisor who attends a meeting on behalf of another supervisor shall exercise the rights of that supervisor within the scope of entrusted authority. If a supervisor fails to attend a meeting of the board of supervisors and to appoint a proxy to attend on his/her behalf, he/she shall be deemed to have waived his/her voting rights at that meeting.

Article 191 Should a supervisor fail to attend two consecutive meetings of the board of supervisors personally and to appoint other supervisors to attend on his/her behalf, the supervisor shall be deemed to be incompetent to perform his/her duties.

Section 3 Resolutions of Board of Supervisors

Article 192 The board of supervisors shall perform its duties by holding meetings of the board of supervisors.

Article 193 The voting on proposals discussed at a meeting of board of supervisors shall be conducted in the one-after-another way, namely the voting on a proposal shall be commenced after review of such proposal and the voting on any other proposal shall not be commenced until the voting on such proposal has been completed. Each supervisor shall have one vote.

Article 194 Supervisors may vote and adopt resolutions at a meeting of the board of supervisors by telecommunication means, subject to the full and adequate expression of opinions by each supervisor and the signature on such resolutions by all supervisors attending such meeting.

Article 195 Each supervisor shall vote at the meetings of the board of supervisors by open ballot or telecommunication means. Resolutions shall be announced and it shall be reported on whether a resolution has been adopted according to the voting result. The voting result for any resolution shall be recorded in the minutes of the meetings.

Article 196 Any relevant resolution or report of the board of supervisors shall be subject to the approval by at least two thirds of all the supervisors.

In case that any supervisor disagrees in principle with any resolution or report, such disagreement shall be included in the relevant resolution or report.

Article 197 Each supervisor shall sign his/her name on each resolution of the board of

supervisors and shall be responsible to the board of supervisors therefore, provided that, if a supervisor can prove to have raised objection to such resolution, as recorded in the minutes of the meeting, the supervisor may be released from his/her above responsibility.

Article 198 Minutes shall be made for each meeting of the board of supervisors and shall be signed by each supervisor attending and the clerk of the meeting. Supervisors attending the meeting shall have the right to request to add in the minutes the descriptive contents of their statements made at the meeting. The minutes of meetings of the board of supervisors shall be kept by the board of supervisors as the Bank's archives.

Article 199 The minutes of the meetings of the board of supervisors shall contain the following contents:

1. the date and venue of the meetings and the names of supervisor who convenes the meeting;
2. the names of supervisors who attend the meeting and the proxy supervisors who attend the meeting on behalf of other supervisors;
3. the agenda of the meeting;
4. the key points of the supervisors' speeches;
5. the voting method and result for each resolution (the voting result shall state the numbers of votes for and against the resolution and the number of votes abstained).

Article 200 The decisions, resolutions and meeting minutes of the board of supervisors shall be submitted to the China Banking Regulatory Commission for record.

Chapter 13 President

Article 201 The Bank shall adopt a president responsible system under the leadership of the board of directors, in which the president shall be a member of the board of directors, accountable to and be appointed or dismissed by the board of directors. The Bank shall have one president, and may have other senior management personnel to assist the president's work if necessary.

The term of each president is three (3) years and may serve consecutive terms if being so engaged.

Article 202 The president shall have the right to carry out business activities and management of the Bank in compliance with laws, administrative regulations, rules, the Articles and authorizations of the board of directors. The president shall have the right to exercise the following powers:

1. in charge of daily administration, business operation and accounting management, and report to the board of directors;
2. organize the implementation of Bank's annual business plans and investment plans;
3. organize the implementation of resolutions of the board of directors;
4. submit operation and significant investment plans to the board of directors on behalf of senior management personnel, and carry out implementation of such plans upon the approval of the board of directors;
5. formulate the annual financial budget plan and final accounts of the Bank and propose to the board of directors;
6. formulate the plans for profit distribution and loss make-up plan of the Bank and propose to the board of directors;
7. formulate plans for the increase or reduction in the registered capital of the Bank, the issuance of other securities, public listing and the issuing of bonds of the Bank and propose to the board of directors;
8. formulate the draft of the basic administrative system, internal management framework and important sub-entities establishment structure of the Bank and report to the board of directors for approval;
9. draft the legal and compliance policy of the Bank and relevant basic management rules and report to the board of directors for approval; formulate the basic rules and regulations of the Company;
10. propose to the board of directors for the appointment or dismissal of executive vice president, executive assistant president, chief financial officer, chief risk officer and other senior management personnel of the Bank;
11. appoint or dismiss officers of all internal departments and branches; however, the engagement or dismissal of the in-charge person of the Bank's audit department shall be reviewed and approved by the Audit Committee under the board of directors of the Bank;
12. review and determine wages, welfares, rewards and punishment plan of employees; decide on or authorize subordinated officers according to their power and authorization scope to appointment and dismissal of employees;
13. propose the convening of special meeting of board of directors;
14. authorize senior management personnel, officers in-charge of internal

departments and branches to conduct business activities under the authorization of the board of directors;

15. actively cooperate with special committees under the board of directors, implement decisions made by special committees in accordance with the Articles;
16. exercise the special authority at his disposal in relation to the Bank's affairs in accordance with laws and the Bank's interests upon the occurrence of significant contingency situations or other urgent circumstances, and report to the board of directors and shareholders' meeting thereafter.
17. other powers authorized by the Articles or the board of directors.

Article 203 On a regular basis or upon the requirements of the board of directors or the board of supervisors, the president and the management team shall report to the board of directors or the board of supervisors regarding the Bank's business performance, important contracts, financial status, risk exposures, business outlook and significant events, etc. The president and the management team shall warrant the authenticity of the report.

The reasonable performance of duties and functions within the authorized scope by the president and the management team in accordance with relevant laws, administrative regulations and the Articles shall not be disturbed by shareholders and directors.

Article 204 The president and the management team shall abide by laws, administrative regulations and the Articles, and perform his duties faithfully, honestly and diligently.

Article 205 The president may resign before his/her term of office expires. Detailed procedures and rules regarding resignation of the president shall be set forth in the engagement contract between the president and the Bank. The president shall be subject to audit before he/she leaves his/her posts.

Article 206 The Bank may establish necessary insurance system for president's liabilities and management team liabilities to reduce the risks possibly resulted from the ordinary performance of duty and functions by the president and the management team.

Article 207 When the Bank is reviewing and approving policies and by-laws related to the employees' interest such as employees' salary, welfare, production safety, labor protection, labor insurance, employment (or dismissal) of employees of the Bank, it shall consult the labor union for its opinions and suggestions and also hear employees'

opinions and suggestions through employee representative meeting or other forms in advance.

Chapter 14 Qualifications and Obligations of the Bank's Directors, Supervisors, President and Other Senior Management Personnel

Article 208 In accordance with relevant regulations of the China Banking Regulatory Commission, the qualifications of the Bank's directors, supervisors, president and other senior management personnel shall be examined and approved by the China Banking Regulatory Commission.

Article 209 None of the following persons may serve as a director, supervisor, president or other senior management personnel of the Bank:

1. persons without capacity or with limited capacity for civil acts;
2. persons who have been sentenced for crimes for corruption, bribery, encroachment or embezzlement of property or disruption of the social or economic order where five years have not lapsed following the serving of the sentence, or persons who were deprived of their political rights for committing a crime where five years have not lapsed following the serving of the sentence;
3. directors, or factory directors or managers who bear personal liability for the bankruptcy or liquidation of their companies or enterprises due to mismanagement where three years have not lapse of following the date of completion of such bankruptcy or liquidation;
4. the legal representatives of companies or enterprises that had their business licenses revoked for breaking the law, where such representatives bear individual liability therefor and three years have not lapsed following the date of revocation of such business licenses;
5. persons that have been removed from office by any other commercial banks or institutions for failure to perform their fiduciary duty and to honestly and diligently perform their duties;
6. persons that used to serve as principal officers of high-risk financial institutions and that are unable to prove they are not liable for the cancellation or loss of assets of such financial institutions;
7. individuals or employees of enterprises that have failed to repay their overdue loans to the Bank;
8. persons with relatively heavy individual debts that have not been settled upon maturity;

9. persons whose cases have been established for investigation by the judicial authorities as a result of violation of the criminal law, and have not been closed;
10. persons who may not act as leaders of enterprises by virtue of laws and administrative regulations;
11. non-natural persons;
12. persons who are banned by China Banking Regulatory Commission to serve as a director, supervisor, president or other senior management personnel of banking and financial entities;
13. persons who are currently banned from the market by the securities regulatory authority of the State Council and have not been released yet; and
14. persons who have been ruled by relevant competent authority as having violated securities laws and administrative regulations, where such violation involved fraudulent or dishonest acts and five years have not lapsed following the date of the ruling.

Selection and appointment of directors and supervisors or engagement of senior management personnel that are in violation of the preceding paragraph of this Article shall be invalid. The Bank shall dismiss any directors, supervisors or senior management personnel from their posts the conditions set out in the preceding paragraph of this Article become applicable to them during their term of office.

Directors and supervisors of the Bank who encounter the conditions set out in Item 7 of paragraph 1 of this Article shall abstain from reviewing transactions between the Bank and the enterprises with overdue loans.

Article 210 The validity of an act of a director the president and other senior management personnel of the Bank on behalf of the Bank towards a bona fide third party shall not be affected by any irregularity in his/her current position, election or qualifications.

Article 211 In addition to obligations imposed by laws, administrative regulations or listing rules of the stock exchange(s) on which shares of the Bank are listed, the Bank's directors, supervisors, president and other senior management personnel shall have the following obligations to each shareholder in the exercise of the functions and powers granted to them by the Bank:

1. not to cause the Bank to act beyond the scope of business stipulated in its business license;
2. to act honestly in the best interests of the Bank;

3. not to deprive the Bank of its property in any way, including (but not limited to) any opportunities that are favorable to the Bank; and
4. not to deprive any shareholders of their individual rights or interests, including (but not limited to) rights to distributions and voting rights, unless pursuant to a restructuring of the Bank submitted to and adopted by the shareholders' general meeting in accordance with the Articles.

Article 212 The Bank's directors, supervisors, president and other senior management personnel shall have an obligation, in the exercise of their rights or discharge of their obligations, to perform their acts with due care, diligence and skills as a reasonable and prudent person should do under similar circumstances.

Article 213 The Bank's directors, supervisors, president and other senior management personnel must, in the exercise of their duties, abide by the principles of honesty and credibility and shall not place themselves in a position where there is a conflict between their personal interests and their duties. This principle shall include (but not limited to) the fulfillment of the following obligations:

1. to act honestly in the best interests of the Bank;
2. to exercise powers within the scope of their functions and powers and not to act beyond such powers;
3. to personally exercise the discretion invested to him/her, not to allow himself/herself to be manipulated by another person and, not to delegate the exercise of his/her discretion to another party unless permitted by laws and administrative regulations or with the consent of the shareholders' general meeting that has been informed;
4. to be impartial to shareholders of the same category and fair to shareholders of different categories;
5. not to conclude a contract or enter into a transaction or arrangement with the Bank except as otherwise provided in the Articles or with the consent of the shareholders' general meeting that has been informed, except for those falling within the Bank's ordinary business scope and in compliance with the Bank's rules for management of related-party transactions;
6. not to use the Bank's property for his/her own benefit in any way without the consent of the shareholders' general meeting that has been informed;
7. not to use his/her functions and powers as a means to accept bribes or other forms of illegal income, and not to illegally appropriate the Bank's property in any way, including (but not limited to) any opportunities that are favorable to the Bank;

8. not to accept commissions in connection with the Bank's transactions without the consent of the shareholders' general meeting that has been informed;
9. to abide by the Articles, perform his/her duties faithfully, protect the interests of the Bank and not to seek personal gain with his position, functions and powers in the Bank;
10. not to compete with the Bank in any way without the consent of the shareholders' general meeting that has been informed;
11. not to embezzle the Bank's funds or lend them to others in violation of applicable regulations, not to deposit the Bank's assets in accounts opened in his/her own or in another's name, not to use the Bank's assets to provide security interest for the debts of the Bank shareholders or other individuals; and
12. not to disclose confidential information relating to the Bank that was acquired by him/her during his/her term of office without the consent of the shareholders' general meeting that has been informed, and not to use such information except for the interests of the Bank; however, such information may be disclosed to the court or other government authorities if:
 - (1) required by law;
 - (2) required in the public interest; or
 - (3) required in the own interest of such director, supervisor, president or other senior management personnel.

All income obtained by a director and senior management personnel in violation of the said provisions shall be accountable to the Bank.

Article 214 A director, a supervisor, the president or other senior management personnel of the Bank may not procure the following persons or organizations ("Connected Persons") to do what such director, supervisor, president or other senior management personnel may not do:

1. the spouse or minor children of such director, supervisor, president or other senior management personnel of the Bank;
2. the trustee of a director, supervisor, president or other senior management personnel of the Bank or of any person referred in Item 1 hereof;
3. the partner of a director, supervisor, president or other senior management personnel of the Bank or of any person referred in Items 1 and 2 hereof;
4. a company over which a director, supervisor, president or other senior management personnel of the Bank, individually or jointly with any person referred to in Items 1, 2 and 3 hereof or any other director, supervisor,

president or other senior management personnel of the Bank, has actual control; and

5. a director, a supervisor, the president or other senior management personnel of the company being controlled as referred to in Item 4 hereof.

Article 215 The obligation and credibility of the Bank's directors, supervisors, president and other senior management personnel does not necessarily cease with the termination of their term of office. Their confidentiality obligation in relation to the Bank's trade secrets shall remain upon termination of their term of office. The term for continuance of other obligations shall be decided upon in accordance with the principle of fairness, depending on the time lapse between the termination and the occurrence of the matter as well as the circumstances and conditions under which the relationship with the Bank terminates.

Article 216 A director, a supervisor, the president or other senior management personnel of the Bank may be relieved from liability for a specific breach of obligations by the shareholders' general meeting which has been fully informed, except the circumstances as specified in Article 58 hereof.

Article 217 In cases where a director of the Bank, a supervisor, the president and other senior management personnel has directly or indirectly vested a material interest in any contract, transaction or arrangement concluded or planned by the Bank (except his/her engagement contract with the Bank), he/she shall disclose the nature and extent of his/her interest to the board of directors and the board of supervisors at the earliest opportunity, whether or not the matter is normally subject to the approval of the board of directors.

A director, a supervisor, the president or other senior management personnel of the Bank shall be deemed to be connected with any contract, transaction or arrangement in which a Connected Person or contact person of such director, supervisor, president or other senior management personnel is connected or has a material interest with the Bank.

Any directors of the Bank who have a material interest relationship with the entities involved in the matters subject to the board resolution shall not exercise voting right over such resolution and shall not vote as proxy of other directors. Such a board meeting can be convened upon the presence of more than half uninterested directors, and the resolution shall be adopted by more than half of the uninterested directors. If the uninterested directors present at the board meeting is less than three (3) persons, such matter shall be submitted to the Bank's shareholders' meeting for approval.

Unless the interested director, supervisor, president or other senior management personnel of the Bank has disclosed such interest to the board of directors as required under the preceding paragraph hereof and the matter has been approved by the board

of directors at a meeting in which he/she was not counted in the quorum and had abstained from voting, the Bank shall have the right to void the contract, transaction or arrangement, except the other party is a bona fide party acting without knowledge of the breach of obligation by the director, supervisor, president or other senior management personnel concerned.

Article 218 If a director, a supervisor, the president or other senior management personnel of the Bank gives a written notice to the board of directors before the conclusion of the contract, transaction or arrangement is first considered by the Bank, stating that due to the contents of the notice, he/she has an interest in the contract, transaction or arrangement that may subsequently be made by the Bank, such director, supervisor, president or other senior management personnel shall be deemed for the purposes of the preceding articles of this Part to have declared his/her interest, insofar as attributable to the scope stated in the notice.

Article 219 A director, a supervisor, the president and other senior management personnel shall compensate for the losses sustained by the Bank caused by his/her willful dereliction of duty before the conclusion of his/her term of office.

Article 220 The Bank may not in any manner pay tax on behalf of its directors, supervisors, president or other senior management personnel.

Article 221 The Bank may provide loans, loan guarantee to its related parties, provided such provisions of loans and loan guarantees are preconditioned on ordinary commercial terms; the Bank shall not provide loans to its related parties on terms and conditions more favorable than the similar types of loans provided to other borrowers.

The related parties stated above shall mean:

1. the directors, supervisors, management personnel, credit/borrowing staffs of the Bank and their respective Lineal Relatives;
2. companies, enterprises and other economic entities in which the above mentioned persons invested in or hold senior management positions.

Article 222 If the Bank provides any loans in violation of the aforesaid article, the party receiving such loans shall repay it immediately regardless any provisions attached to such loans.

The Bank may not be compelled to perform a guarantee security provided by the Bank in violation of the preceding Article, except for the following circumstances:

1. when the loan is provided to a Connected Person of a director, a supervisor, the president or other senior management personnel of the Bank or its parent company, the loan provider is not aware of the condition; and
2. the guarantee provided by the Bank has been lawfully assigned by the loan provider to a bona fide purchaser.

Article 223 For the purposes of the preceding article, the term "guarantee" shall include any act whereby a guarantor assumes liability or provides property to guarantee or secure the performance of obligations by an obligor.

Article 224 If a director, a supervisor, the president or other senior management personnel of the Bank breaches his/her obligations to the Bank, the Bank shall, in addition to any rights and remedies provided by laws and administrative regulations, have a right to:

1. require the relevant director, supervisor, president or other senior management personnel to compensate for the losses sustained by the Bank as a consequence of his/her dereliction of duty;
2. rescind any contract or transaction concluded by the Bank with the relevant director, supervisor, president or other senior management personnel and contracts or with a third party (where such third party is aware or should be aware that the director, supervisor, president or other senior management personnel representing the Bank was in breach of his/her obligations to the Bank);
3. require the relevant director, supervisor, president or other senior management personnel to surrender the gains derived from the breach of his/her obligations;
4. recover any funds received by the relevant director, supervisor, president or other senior management personnel that should have been received by the Bank, including (but not limited to) commissions; and
5. require the relevant director, supervisor, president or other senior management personnel to return the interest earned or possibly earned on the funds that should have been given to the Bank.

Article 225 The Bank shall execute a written contract with each director and supervisor of the Bank concerning his/her emoluments. Such contract shall be approved by the shareholders' meeting before it is entered into. The above-mentioned emoluments shall include:

1. emoluments in respect of his/her service as a director, supervisor or senior management personnel of the Bank;

2. emoluments in respect of his/her service as a director, supervisor or senior management personnel of a subsidiary of the Bank;
3. emoluments otherwise in connection with the provision of management or other services to the Bank or any subsidiary thereof; and
4. funds as compensation for his/her loss of office or retirement to the aforementioned directors and supervisors.

A director or supervisor may not sue the Bank for his/her benefits due to him/her on the basis of the above-mentioned matters, except under a contract as mentioned above.

Article 226 The Bank shall specify in the contract concluded with a director or supervisor of the Bank concerning his/her emoluments that in the event of a takeover of the Bank, a director or supervisor of the Bank shall, subject to prior approval of the shareholders' general meeting, have the right to receive the compensation or other funds obtainable for loss of office or retirement.

For the purposes of the preceding paragraph, the term "a takeover of the Bank" shall refer to any of the following circumstances:

1. anyone makes a general offer to all the shareholders; or
2. anyone makes a general offer so that the offeror becomes a controlling shareholder as defined hereof.

If the relevant director or supervisor has failed to comply with this Article, any fund received by him/her shall belong to those persons that have sold their shares as a result of their acceptance of the above-mentioned offer, and the expenses incurred in distribution of such fund on a pro rata basis shall be borne by the relevant director or supervisor and may not be paid out of such fund.

Chapter 15 Accounting System, Distribution of Profits and Audit

Section 1 Accounting System

Article 227 The Bank shall formulate its accounting system in compliance with laws, administrative regulations and relevant stipulations in the general accepted accounting principles of China formulated by the financial regulatory authorities and the regulations promulgated by the China Banking Regulatory Commission.

Article 228 The Bank shall not establish any separate accounting books other than the statutory accounting books. The assets of the Bank shall not be put in any individual bank account.

Article 229 The Bank's fiscal year shall be the period from January 1st and end on December 31st of each calendar year.

Article 230 The Bank shall prepare financial reports at the end of each fiscal year. Such reports shall be examined and verified according to law.

The financial statements of the Bank shall be prepared not only in accordance with the PRC general accepted accounting principles, laws and regulations but also in accordance with international accounting standards or the accounting standards of the place(s) outside the People's Republic of China where shares of the Bank are listed. If there are major differences in the financial statements prepared in accordance with these two sets of accounting principles, such differences shall be stated in the notes appended to such financial statements.

For purposes of the Bank's distribution of after-tax profits in a given fiscal year, the smaller amount of after-tax profits shown in the above-mentioned two kinds of financial statements shall govern.

Article 231 The board of directors of the Bank shall submit to the shareholders at each shareholders' general meeting such financial reports as relevant laws, administrative regulations and normative documents promulgated by the local government and the authorities-in-charge require the Bank to prepare.

Article 232 The financial reports of the Bank shall be made available for inspection by shareholders 20 days prior to an annual shareholders' meeting. Each shareholder of the Bank shall have the right to obtain a copy of the financial reports referred to in this Chapter.

The Bank shall, no later than 21 days prior to a shareholders' general meeting, serve or send by prepaid mail

1. the report of the board of directors, the balance sheet (including all documents required to be attached by relevant rules) and the profit and loss statement or income statement; or
2. the financial summary report in compliance with relevant regulations

to each shareholder of foreign investment shares listed outside the People's Republic of China at the recipient's address shown in the register of shareholders by the delivery methods stipulated in the Articles of Association.

Article 233 The Bank shall publish two financial reports each fiscal year, namely an interim financial report within 60 days after the end of the first six months of the fiscal year and an annual financial report within 120 days after the end of the fiscal year.

Interim results or financial information published or disclosed by the Bank shall be prepared in accordance with China's general accepted accounting principles, laws and regulations as well as IFRS or the accounting standards of the place(s) outside the People's Republic of China where shares of the Bank are listed.

Article 234 The capital reserve shall include the following funds:

1. the premiums obtained from the issue of shares in excess of the par value; and
2. other revenue required by the financial regulatory authorities of the State Council to be included in the capital reserve.

Article 235 The Bank shall distribute the after-tax profit in accordance with the following order:

1. Make up the accumulated losses of the previous year;
2. Draw 10% of the after-tax profit as statutory reserve funds as required by law;
3. Draw general reserves;
4. Pay dividends to shareholders holding preference shares
5. Draw discretionary reserve funds;
6. Pay dividends to shareholders holding ordinary shares.

If the accumulative amount of the Bank's statutory reserve funds has reached 50% of the Bank's registered capital, the Bank is not required to draw further statutory reserve funds. After drawing the statutory reserved funds, it shall be subject to the shareholders' meeting's discretion to resolve whether to draw the discretionary reserve funds. The bank shall not distribute dividends to shareholders before making up the Bank's losses and drawing the statutory reserve funds and the general reserves.

Profits shall not be distributed to the Bank shares held by the Bank itself.

The Bank shall not distribute dividends or make other distribution of profits in other form of dividends before making-up losses and drawing statutory surplus reserves and statutory public welfare reserve.

The dividends of the Bank do not carry any interest, unless the Bank fails to pay the dividends to the shareholders on the dividends payment day.

Article 236 When the shareholders' meeting resolves to use the reserve funds to increase share capital, the new shares shall be distributed to its shareholders holding ordinary shares based on the original share-holding ratio after such capital increase has been approved by China Banking Regulatory Commission. However, the remaining amount of the legal reserved funds shall be no less than 25% of the Bank's registered

capital.

Article 237 After the Bank's shareholders' meeting adopts a resolution for a plan of using statutory reserve to increase share capital, the Bank's board of directors shall complete the share capital increase within two (2) months after the shareholders' meeting.

Article 238 Distribution of profits of the Bank should comply with the following principles:

1. the Bank shall take full account of the return to shareholders, and shall also take into account the long-term interests of the Bank, the overall interests of all shareholders and the sustainable development of the Bank;
2. the Bank shall make the profit distribution annually in accordance with the proportion stipulated in the Articles;
3. the Bank shall adopt cash dividend as the priority form of the profit distribution;
4. the profit distribution policy shall maintain continuity and stability.

The profit distribution policy of the Bank in connection with shareholders holding ordinary shares is as follows:

1. The Bank could adopt cash, shares, or the combination of cash and shares as the form of dividend distribution.
2. Except under special circumstances, the Bank shall adopt cash as the form of dividend distribution where there is profit in that year and the accumulated undistributed profit is positive, and the cash distribution of dividend shall not be less than 10% of the profit after tax attributable to the shareholders of the Bank holding ordinary shares. The special circumstances shall include the material investments of the Bank; the Bank's capital adequacy ratio is lower than the requirements of China Banking Regulatory Commission and other regulatory authorities, or the China Banking Regulatory Commission and other regulatory authorities take regulatory measures to limit the Bank's dividend; occurrence of war, natural disasters and other force majeure events which have a significant impact on the operation of the Bank.
3. When the Bank is operating in good condition, and the board of directors considers the share price of the Bank does not correlate with the scale of the Bank's share capital, and the share dividend is conducive to the overall interests of all shareholders of the Bank, the board of directors could propose the plan of share dividend distribution if the requirements of cash dividend above are satisfied. Dividend distribution by shares shall be adopted as a resolution at the shareholders' meeting and

reported to the China Banking Regulatory Commission for approval.

In case of the occurrence of force majeure events, such as war and natural disasters, significant changes in the regulatory policies, changes in the external operating environment of the Bank which have significant impact on the operation of the Bank, or significant changes in the Bank's own operation condition, the Bank could amend the profit distribution policy.

The board of directors shall make a special disquisition on amendments to the Bank's profit distribution policy, demonstrate the detailed reasons for the amendments and prepare a written report thereon, and shall at the same time seek opinion from the independent directors and then submit the amendments to the shareholders' meeting of the Bank for approval as a special resolution. If permitted under applicable laws, administrative regulations and the listing rules of the place of listing, while considering the amendments to the profit distribution policy, the Bank shall offer on-line voting to the shareholders.

The profit distribution plan of the Bank shall be formulated by the president and submitted to the board of directors and the board of supervisors for consideration. The board of directors shall have sufficient discussion on the rationale of the profit distribution plan, reach a resolution and submit it to the shareholders' meeting for approval. If permitted under applicable laws, administrative regulations and the listing rules of the place of listing, while considering the profit distribution plan, the Bank shall offer on-line voting to the shareholders.

In the event where the cash dividend does not reach the proportion stipulated in the Articles due to the aforesaid special circumstances, the board of directors shall explain the reasons therefor in the proposed resolution of the shareholders' meeting.

In the event where the Bank does not distribute cash dividend due to the aforesaid special circumstances, the board of directors shall make a special statement relating to non-distribution, the specific use of the reserved funds, the expected investment return and other related matters. Such statement shall be submitted to the independent directors for their opinion and then be submitted to the shareholders' meeting for approval. The aforesaid statement shall also be disclosed in such media chosen by the Bank.

After a resolution on distribution of dividends in cash is approved by the shareholders' meeting, the Bank shall complete the distribution of dividends within two (2) months after the shareholders' meeting. If the dividend is to be distributed in the form of shares, the distribution shall be completed within two (2) months after the resolution being adopted by the shareholders' meeting and approved by the China Banking Regulatory Commission. Any amount paid up in advance of calls on any shares by a shareholder may carry interest, but shall not entitle the shareholder to participate in

any dividend distribution declared prior to the due date of such amount in respect of such prepaid amount.

The profit distribution policy of the Bank in connection with shareholders holding preference shares is as follows:

The shareholders of the Bank holding preference shares shall be entitled to profit distribution at the stated dividend payout ratio as agreed, having priority over shareholders holding ordinary shares. The Bank shall pay dividends in cash to shareholders holding preference shares, and shall not distribute profits to shareholders holding ordinary shares until the Bank has fully paid the agreed dividends to shareholders holding preference shares.

The dividend rate of the preference shares issued by the Bank is determined through legally compliant price discovery methods. The dividend rate of the domestic non-public issuance of preference shares as approved at the 2013 Annual General Meeting of the Bank shall not change during its term. The dividend rate of the offshore non-public issuance of preference shares as approved at the 2013 Annual General Meeting of the Bank shall be the benchmark interest rate plus a fixed interest spread. The dividend rate shall not change in the first five years from the date of issuance, after which the benchmark interest rate will be reset every five years on the anniversary of the issuance. The stated dividend rate shall not change between any two consecutive reset dates. The stated dividend rate of the preference shares of the Bank issued under the non-public issuance shall not be higher than the Bank's average ratio of the annual weighted average return on equity for the two most recent financial years prior to the issuance.

The dividends on preference shares of the Bank shall not be cumulative, i.e. any shortfall in dividend which has not been paid to shareholders holding preference shares shall not be carried forward to the following year.

After dividends are paid at the agreed dividend payout ratio to shareholders holding preference shares which have been issued by the Bank, shareholders holding such preference shares shall not participate in distribution of the remaining profits with shareholders holding ordinary shares.

The Bank is entitled to cancel dividend payment on preference shares and such cancellation shall not constitute an event of default. The Bank may use the cancelled dividends to repay other due debts. Such cancellation shall not constitute other restrictions on the Bank except for profit distribution to shareholders holding ordinary shares.

Article 239 The payment of dividends or other amounts to the shareholders of domestic shares by the Bank shall be calculated, declared and paid in RMB; however,

such payment may also be paid in foreign currencies if in compliance with relevant laws, administrative regulations, listing rules of the place of listing and approved by relevant regulatory authorities; the payment of dividends or other amounts to the shareholders of foreign shares by the bank shall be calculated and declared in RMB but paid in foreign currencies.

The payment of foreign currencies to shareholders of foreign shares by the Bank shall be made in compliance with relevant provisions of foreign exchange administration of the state.

The Bank shall withdraw and make payment on behalf of individual shareholders the tax payables over the dividends income in accordance with China tax laws and regulations.

Article 240 The Bank shall appoint recipient agents for shareholders of foreign investment shares listed outside the People's Republic of China to collect on behalf of the relevant shareholders the dividends distributed and other funds payable in respect of foreign investment shares listed outside the People's Republic of China.

The recipient agents appointed by the Bank for shareholders of foreign investment shares listed in Hong Kong shall be a company which is registered as a trust company under the Trustee Ordinance of Hong Kong.

After complying with relevant PRC laws, administrative regulations and rules, the Bank may expropriate dividends no one claimed for, but such right of expropriation shall only be exercised upon the expiration of six years or longer period after the date of announcement of such dividends, or the expiration of any other shorter applicable statutory limitation.

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

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

1. The Bank has distributed dividends on such shares at least three times in a period of twelve years and no one claims for such dividends;
2. After the expiration of the twelve year period, the Bank makes a public announcement in one or more newspapers in the place of listing, stating its intention to sell such shares and notifies the securities regulatory authorities of the place of listing of the Bank's shares. Such public announcement shall be made in newspapers qualified for relevant rules.

Section 2 Internal Audit

Article 241 The Bank shall establish the system of internal audit and shall have full-time auditors to conduct internal audit and report on the Bank's operations and internal control.

Article 242 The internal audit policy and the function of the internal auditors of the Bank shall be implemented after being approved by the board of directors.

Chapter 16 Engagement of Accounting Firm

Article 243 The Bank shall engage an independent accounting firm that complies with relevant State regulations to audit the annual financial reports, financial statements and other financial reports of the Bank, and to perform net assets verification and to provide other relevant consultative services.

The first accounting firm of the Bank may be engaged by the inaugural meeting prior to the first annual shareholders' meeting. Such accounting firm shall hold office until the conclusion of the first annual shareholders' meeting.

If the inaugural meeting does not exercise its power under the preceding paragraph, the board of directors shall exercise such power. The term of engagement of an accounting firm engaged by the Bank shall be between the end of the annual shareholders' meeting of the Bank and the end of the next annual shareholders' meeting.

Article 244 The appointment, dismissal, refusal of or renewal of the appointment of an accounting firm shall be decided upon by the shareholders' general meeting and reported to the securities regulatory authorities of the State Council.

When a general shareholders' meeting passes a resolution to engage an accounting firm other than the incumbent one, to fill vacancy of an accounting firm, or to reappoint an accounting firm engaged by the board of directors to fill the vacancy, or to remove an accounting firm before the expiration of its term, the following provisions shall apply:

1. Before sending out notice of a shareholders' meeting, a copy of the engagement or dismissal proposal shall be sent to the accounting firm proposed to be engaged, to and the firm which is leaving its post or having left its post in the relevant fiscal year. Leaving includes leaving by removal, resignation and retirement.

2. If the leaving accounting firm makes a statement in writing and requests the Bank to disclose such statement to the shareholders, the Bank shall, unless the statement are received too late, take the following actions:
 - (1) in the notice sent out for the purpose of a resolution, state the fact that the leaving accounting firm has made the statement; and
 - (2) send a copy of the statement as appendix to such notice to every shareholder in the manner stipulated by the articles of association.
3. If the statement of the accounting firm is not sent by the Bank in accordance with subsection (2) above, the accounting firm may request the statement to be read out at the shareholders' meeting and may make further representations.
4. An accounting firm which is leaving shall be entitled to attend:
 - (1) the general shareholders' meeting at which its term of office would otherwise have expired;
 - (2) any general shareholders' meeting which will fill the vacancy caused by its removal; and
 - (3) any general shareholders' meeting which is convened due to its resignation;

and to receive all notices of, and other communications relating to, any aforesaid meeting, and to speak on any issues which concerns it as the former accounting firm of the Bank at any such meeting.

Article 245 The accounting firm engaged by the Bank shall have the following rights:

1. The right of access at all times to the financial books, records or vouchers of the Bank and the right to require directors, the president and other senior management personnel of the Bank to provide relevant materials and explanations;
2. The right to require the Bank to take all reasonable measures to provide materials and explanations of its subsidiaries necessary for the performance of duties by the accounting firm; and
3. The right to attend shareholders' meeting, to receive any notice or other information concerning the meeting which shareholders have rights to receive, and to speak at shareholders' meetings on matters related to its service scope and position as the accounting firm of the Bank.

Article 246 If a vacancy of the position of accounting firm arises, the board of directors may appoint an accounting firm to fill such vacancy before the holding of a shareholders' meeting. However, if there are other engaged accounting firms of the Bank while such vacancy still exists, such accounting firms shall continue to serve.

Article 247 The remuneration or method of remuneration of an accounting firm shall be decided upon by the shareholders' general meeting. The payment scheme to an accounting firm appointed by the board of directors shall be determined by the board of directors and approved by the shareholders' meeting.

Article 248 When the Bank dismisses or does not renew the engagement of an accounting firm, it shall give fifteen (15) days advance notice to the accounting firm. The accounting firm shall have the right to present its views at the shareholders' meeting. Where an accounting firm tenders its resignation, it shall explain to the shareholders' meeting whether there is any irregular matter in the Bank.

An accounting firm may resign its office by depositing at the Bank's registered address a notice in writing to that effect and containing:

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 that shall be disclosed.

Any such notice shall become effective on the date when it is deposited or on such later date as may be specified therein.

The Bank shall, within 14 days after receiving the said written notice, send a copy of the notice to the relevant regulatory authorities. If the notice contained a statement referred to in the above item (2), the Bank shall also deposit a copy of the said statement in the Bank for the shareholders' review. A copy of the said statement shall also be sent by prepaid mail or any other delivery methods stipulated in the Articles of Association to each shareholder of foreign investment shares listed outside the People's Republic of China and to each shareholder of domestic investment shares at the recipient's address shown in the register of shareholders.

Where the accounting firm's notice of resignation contains a statement of any circumstance stated above, it may require the board of directors to convene a special shareholders' meeting for the purpose of receiving an explanation of the circumstances connected with its resignation.

Article 249 The general shareholders' meeting may, by means of an ordinary resolution, dismiss any accounting firm prior to the expiration of its term of engagement, notwithstanding any provisions in the engagement contract between the accounting firm and the Bank, without prejudice to such accounting firm's right, if any, to claim damages from the Bank in respect of such dismissal.

Article 250 When the Bank engages a new accounting firm, the succession of the firms shall be conducted properly.

Chapter 17 Notices

Article 251 Notices, communications or any other written materials of the Bank may be sent out by following means

1. in person;
2. by mail;
3. by fax or email;
4. by making announcement in the Bank's website or the websites designated by Hong Kong Stock Exchange in compliance with laws, administrative regulations and listing rules of the place of listing;
5. by public announcements;
6. by other means recognized by the Bank, or agreed by the recipient of the notice in advance or recognized by the recipient of the notice after receiving such notice; or
7. through other means recognized by regulatory authorities or stipulated under the Articles.

Whether or not the Articles of Association has otherwise provided for the delivery methods of any notice, communication or any other written material, the Bank may publish its communications by the means specified in Item (4) of Section 1 of this clause to replace the means of sending written documents to each shareholder of foreign investment shares in person or by prepaid mail without prejudice to relevant regulations of securities regulatory authorities in the places of listing. The said communications refer to any documents sent or to be sent by the Bank to the shareholders for reference or taking action, including but not limited to report of the board of directors (together with balance sheet and income statement), annual report (including annual financial reports), interim report (including interim financial reports), meeting notice, listing documents, circulars, proxy forms and reply slips, etc.

Unless the context otherwise specifies, the "public announcements" used herein shall mean, with respect to announcements made to the shareholders of domestic investment shares or announcements that are required to be made within the People's Republic of China in accordance with relevant regulations and the Articles, the announcements published in Chinese newspapers designated by Chinese laws, administrative regulations or the securities regulatory authorities of the State Council; with respect to announcements made to the shareholders of foreign investment shares or announcements that are required to be made within Hong Kong in accordance with relevant regulations and the Articles, such announcements must be published on the website of the Bank, website of Hong Kong Stock Exchange and other means stipulated by the Listing Rules from time to time.

Article 252 Unless otherwise provided in this Articles, the means specified in the

preceding article shall apply to all notices of the general shareholders' meetings, the meetings of the board of directors and the board of supervisors held by the Bank.

Article 253 When a notice from the Bank is sent out in person, the recipient of the notice shall sign (or seal) on the return receipt of delivery. The date of the recipient's signature shall be deemed to be the delivery date. When the notice of the Bank is sent out via mail, the delivery date shall be forty-eight hours after such notice is delivered to the post office. When the notice of the Bank is sent out by fax or email or published on website, the delivery date shall be the date when the fax or email is sent out. When the notice of the Bank is sent out by public announcement, the delivery date shall be the first date of publication of such announcement. Relevant announcement shall be published in newspapers or websites that meet relevant requirements.

Article 254 A notice sent by the Bank may be made by way of an announcement; once announced, the notice is deemed as being received by all relevant parties.

Article 255 When the listing rules of the place of listing requires the Bank to send, mail, pass, deliver, issue or provide relevant documents of the Bank in both English and Chinese, if the Bank has made appropriate arrangement to ensure whether its shareholders expect to receive an English copy only or a Chinese copy only, the Bank may (based on the intention clearly presented by its shareholders) send an English copy or Chinese copy only to relevant shareholders within the scope permitted by applicable laws and regulations and in accordance with such applicable laws and regulations.

Chapter 18 Merger, Division, Dissolution and Liquidation

Section 1 Merger and Division

Article 256 The bank may conduct merger and division in compliance with relevant laws and regulations.

The Bank may undertake a merger in two ways: merger by absorption and merger by new establishment.

Merger or division of the Bank shall be in compliance with the relevant provisions stipulated under the Company Law and the Commercial Banking Law.

Article 257 Any merger or division of the Bank shall be conducted in accordance with the following procedures:

1. The board of directors shall propose a merger or division plan;
2. Shareholders' Meeting shall adopt a resolution of the merger or division in accordance with the Articles;
3. The parties involved in the merger or division shall enter into a merger or division agreement;
4. Certain approvals shall be obtained pursuant to relevant laws and regulations;
5. The Bank shall arrange all matters involved in the merger or division such as settlement of debts and credits; and
6. The Bank shall register the dissolution, or any other change caused by the merger or division with relevant government authorities.

Article 258 The parties involved in the merger or division shall execute merger or division resolutions, prepare balance sheets and lists of assets. The bank shall notify its creditors within ten (10) days from the date on which the merger or division resolution is passed by shareholders' meeting, and shall publish announcement at least three (3) times on newspapers within thirty (30) days.

Article 259 Any creditor of the Bank shall have the right to claim for debt settlement or relevant security interest to the Bank within thirty (30) days from the date on which the creditors receive the notice on the merger or division from the Bank, or within forty-five (45) days from the date on which the first announcement is published in case of not receiving the Bank's notice.

Article 260 The board of directors shall take necessary methods to protect the legal interest of shareholders who object to the merger or division of the Bank. Shareholders that oppose such proposal on merger or division of the Bank shall have the right to require the Bank or shareholders that are in favour of such proposal to purchase their shares at a fair price.

Article 261 The contents of resolutions approving the merger or division of the Bank shall be compiled in a special document for inspection by shareholders. The shareholders of foreign investment shares listed outside the People's Republic of China which are publicly listed in Hong Kong shall be served copies of the above-mentioned document by mail or other means stipulated by the Articles.

Article 262

Upon completion of the merger, the company that continues to exist or is newly established shall succeed to the claims and debts of all the parties involved in the

merger.

Article 263 If the Bank is to be divided, its property shall be divided accordingly.

The liabilities of the Bank prior to its division shall be severally and jointly born by its successor companies after such division, except for those liabilities on which the creditors have entered into written agreement regarding settlement and payment prior to the division.

Article 264 Where the merger or division of the Bank involves any change in registered matters, such change shall be registered with governing registrar according to law. The dissolution of the Bank shall be registered for cancellation according to law. The establishment of any new company shall be legally registered.

Section 2 Dissolution and Liquidation

Article 265 Should any of the following circumstances occur, the Bank shall be dissolved and liquidated pursuant to law:

1. if the shareholders' meeting resolves to dissolve the Bank;
2. if a dissolution is necessary as a result of the merger or division of the Bank;
3. if the Bank is declared bankrupt pursuant to law because it is unable to pay off matured debts;
4. if the Bank is dissolved by the court in accordance with Article 267 hereof; or
5. if the Bank is lawfully declared to be closed as a result of violation of laws and administrative regulations.

Dissolution and Liquidation of the Bank shall be in compliance with the relevant provisions stipulated under the Company Law and the Commercial Banking Law.

Article 266 Where the Bank is to be dissolved pursuant to item (1) of the preceding Article, a liquidation committee shall be established within fifteen (15) days. The members of the liquidation committee shall be determined by the shareholders' meeting in the form of general resolution.

Where the Bank is to be dissolved pursuant to item (2) of the preceding Article, the relevant liquidation matters shall be arranged by the parties of the merger or division in accordance with the agreement reached thereof.

Where the Bank is to be dissolved pursuant to item (3) or (4) of the preceding Article, the people's court shall, pursuant to relevant laws, arrange shareholders, relevant authorities and professionals to establish a liquidation committee to carry out the

liquidation process.

Where the Bank is to be dissolved pursuant to item (5) of the preceding Article, the relevant authorities in charge shall arrange the shareholders, relevant authorities and professionals to establish a liquidation committee to carry out the liquidation process.

Article 267 Where the Bank has serious difficulties in its operation and management, and its continued existence will cause great loss to the shareholders' interests, shareholders holding 10% or more of the Bank's total voting shares may request the court to dissolve the Bank if no other solutions can be pursued.

Article 268 If the board of directors decides that the Bank should be liquidated (except the liquidation as a result of the Bank's declaration of bankruptcy), the notice of the general shareholders' meeting convened for such purpose shall include a statement to the effect that the board of directors has made full investigation into the position of the Bank and that the board holds the opinion that the Bank can pay its debts in full within 12 months after the announcement of liquidation.

The functions and powers of the board of directors shall terminate immediately after the general shareholders' meeting has adopted a resolution to carry out liquidation.

The liquidation committee shall follow the instructions from the general shareholders' meeting, and report to the general shareholders' meeting at least once a year on the committee's income and expenditure, the business of the Bank and the progress of the liquidation. It shall make a final report to the general shareholders' meeting when the liquidation is completed.

Article 269 The liquidation committee shall exercise the following functions and powers during the period of liquidation:

1. notify creditors by notices or public announcements;
2. thoroughly examine the assets of the Bank and prepare a balance sheet and assets list respectively;
3. dispose of unfinished business of the Bank which is related to the liquidation;
4. pay off outstanding taxes and those taxes arising from liquidation;
5. clear up credits and debts;
6. dispose of and distribute the remaining assets after paying off all debts; and
7. participate in civil litigations on behalf of the Bank.

Article 270 The liquidation committee shall notify creditors within a period of ten (10) days from the date of its establishment and publish announcement at least three (3)

times on newspapers within the sixty (60) day period from the establishment date of the liquidation committee.

Article 271 Creditors shall claim their rights to the liquidation committee within the certain period specified under laws and administrative regulations and other regulatory documents. Creditors shall explain the matters related to their claim and provide relevant evidence of such claims. Claims shall be registered by the liquidation committee.

Article 272 After the liquidation committee has thoroughly examined the Bank's assets and prepared a balance sheet and assets lists, it shall formulate a liquidation plan and submit such plan to shareholders' meeting or relevant authorities for confirmation.

Article 273 The Bank shall pay off its debts in the following order of priority:

1. the liquidation expenses;
2. employee salary, social insurance cost and statutory compensation;
3. principal and interest of customer deposits;
4. outstanding taxes and the taxes and fees generated during the liquidation process;
5. the Bank's other debts; and
6. distribute the remaining assets to shareholders according to their class of shares and shareholding ratio.

Assets of the Bank shall not be distributed to shareholders before the items listed from 1 to 5 in this Article are paid off.

If the Bank is liquidated due to dissolution, insolvency or etc., the remaining assets arising after assets of the Bank have been used to discharge liabilities in accordance with applicable laws shall be used to firstly pay shareholders holding preference shares in respect of undistributed dividends and the par value of the preference shares; and in the case of insufficiency of payment, the remaining assets shall be distributed in proportion to the shareholding percentage of each shareholder holding preference shares.

During the process of liquidation, the Bank shall not conduct any new business operations.

Article 274 If the Bank is liquidated due to dissolution and the liquidation committee, having thoroughly examined the Bank's property and prepared a balance sheet and assets lists, discovers that the Bank's assets is insufficient to pay off its debts, the

committee shall immediately apply to the court for a declaration of bankruptcy. After the declaration of bankruptcy of the Bank by the court, the liquidation committee shall transfer all liquidation affairs to the people's court.

Article 275 Following the completion of liquidation, the liquidation committee shall formulate a liquidation report, revenue and expenditure statement and accounting books in respect of the liquidation period, and, after verification thereof by a PRC certified public accountant, submit the documents to the shareholders' meeting or relevant authorities for confirmation.

Within thirty (30) days from the date of confirmation of the above-mentioned documents by the shareholders' meeting or relevant authorities, the liquidation committee shall register for cancellation of the Bank in registrar authority of the Bank and publicly announce the Bank's termination. Relevant announcements shall be published in newspapers that meet relevant requirements.

Article 276 Members of the liquidation committee shall faithfully perform their duties, lawfully perform the liquidation responsibilities, not accept bribes or other illegal incomes by using their position, and not misappropriate the Bank's assets.

The members of the liquidation committee shall be liable for damages and losses if such damages or loss are caused by their intentional acts or gross negligence to the Bank or its creditors.

Chapter 19 Amendment of the Articles

Article 277 The Bank may amend the Articles in accordance with laws, administrative regulations and the provisions of the Articles.

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

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

Article 278 Amendments of the Articles passed by the resolution of shareholders' meeting shall be subject to the approval of the relevant authorities. Where an amendment involves matters provided for in the Prerequisite Clauses, it shall be subject to the approval of the approval authority for corporate matters authorized by the State

Council and the securities regulatory authority of the State Council. Where an amendment in the Articles shall be subject to registration, the Bank shall register the amendment according to law.

Article 279 The board of directors shall amend the Articles based on the resolution and authorization of the shareholders' meeting and the approval opinion issued by governmental authorities.

Chapter 20 Settlement of Disputes Involving Shareholders of Offshore-Listed Foreign Investment Shares

Article 280 The Bank shall abide by the following dispute settlement procedures:

1. If any disputes or claims related to the Bank's business based on the rights or obligations provided in the Articles, the Company Law and other relevant laws or administrative regulations arise between the shareholders of foreign investment shares listed outside the People's Republic of China and the Bank, between the shareholders of foreign investment shares listed outside the People's Republic of China and the directors, supervisors and other senior management personnel of the Bank or between the shareholders of foreign investment shares listed outside the People's Republic of China and other shareholders, the parties concerned may submit such dispute or claim for arbitration.

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

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

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

If the arbitration applicant opts for arbitration by the Hong Kong International

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

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

Chapter 21 Miscellaneous

Article 281 The Bank shall have the right to enact Procedures of meetings of the Shareholders, of the board of directors and of the board of supervisors. The board of directors shall have the right to enact implementation rules based on the Articles. The procedures of meetings of the shareholders, of the board of directors and of the board of supervisors and the implementation rules shall not be inconsistent with the Articles. Matters specified in neither the Articles nor the implementation rules shall be dealt with pursuant to laws, administrative regulations and listing rules of the place of listing based on the actual circumstances of the Bank. Should the Articles conflicts with any newly issued and implemented laws, administrative regulations and listing rules of the place of listing, the newly issued and implemented laws, administrative regulations and listing rules of the place of listing shall apply.

Article 282 The Articles are written in Chinese. Should any inconsistency occur between the Articles and the translation of the articles of associations in other languages or provided in other versions, the latest approved and registered Chinese Articles with the China Banking Regulatory Commission shall prevail.

Article 283 Unless otherwise provided herein, terms of “at least”, “within” and “no more than” shall include the number specified; however, terms of “more than”, “less than” and “excluding” shall exclude the number specified; “the total number of voting shares” shall include ordinary shares and preference shares with the recovered voting rights only.

Article 284 The board of directors shall be responsible for the interpretation of the Articles.