

Articles of Association of Industrial Bank Co., Ltd.

(Considered and adopted at the first Extraordinary General Meeting
of Industrial Bank of China of 2021 on 15 November, 2021;
approved by China Banking and Insurance Regulatory Commission
(CBIRC [2022] No. 621) on 26 August, 2022 to take effect)

Contents

Chapter I General Provisions	4
Chapter II Purpose and Scope of Business	9
Chapter III Shares	11
Section 1 Issuance of Shares	11
Section 2 Increase, Reduction and Repurchase of Shares	13
Section 3 Transfer of Shares	16
Section 4 Special Provisions on Preference Shares	19
Chapter IV Party Organization	25
Chapter V Shareholders and Shareholders' General Meetings	28
Section 1 Shareholders	28
Section 2 General Provisions on General Meetings	43
Section 3 Convening of General Meetings	47
Section 4 Proposals And Notices of General Meetings	51
Section 5 Holding of General Meetings	55
Section 6 Voting and Resolutions at General Meetings	63
Chapter VI Directors and Board of Directors	74
Section 1 Directors	74
Section 2 Independent Directors	87
Section 3 Board of Directors	102
Section 4 Secretary to the Board of Directors	127
Chapter VII President and Senior Management	130

Chapter VIII Supervisors and Board of Supervisors	137
Section 1 Supervisors	137
Section 2 External Supervisors	143
Section 3 Board of Supervisors	145
Chapter IX Financial and Accounting System, Profit Distribution and Audit	160
Section 1 Financial and Accounting System	160
Section 2 Internal Audit	168
Section 3 Engagement of Accounting Firms	169
Chapter X Notices and Announcements	170
Section 1 Notices	170
Section 2 Announcements	172
Chapter XI Mergers, Divisions, Capital Increases and Reductions, Dissolution and Liquidation	172
Section 1 ... Mergers, Divisions, Capital Increases and Reductions	172
Chapter XII Amendment to the Articles of Association	181
Chapter XIII Supplementary Provisions	183

Chapter I General Provisions

Article 1 These Articles of Association are 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"), the Commercial Banking Law of the People's Republic of China (hereinafter referred to as "Commercial Banking Law"), as well as other relevant laws, regulations and rules for the purposes of protecting the legitimate rights and interests of Industrial Bank Co., Ltd. (hereinafter referred to as the "Bank"), its shareholders and creditors and to regulate the organization and activities of the Bank.

Article 2 The Bank is a joint-stock commercial bank established in accordance with the "Reply of the State Council to the Request of Fujian Province to Deepen Reform, Expand Opening up and Speed up the Development of Export-oriented economy" (approved by the State Council on April 11, 1988), approved by the People's Bank of China on July 20, 1988. The Bank was registered with the Administration for Industry and Commerce of Fujian Province on August 22, 1988, and obtained its business license.

The Bank has regulated and complied with the re-registration procedures in accordance with the Company Law, the Commercial Banking Law and other relevant laws, regulations and rules.

The Bank is a financial institution with legal personality currently holding the Financial License No. B0013H135010001 issued by the Banking regulatory authority under the State Council and the Business License for Enterprise Legal Person with the unified social credit code of 91350000158142711F issued by the Administration for Industry and Commerce of Fujian Province.

Article 3 The Bank was approved by the China Securities Regulatory Commission (CSRC) on 12 January 2007 in accordance with the Document No. 10 issued by CSRC to issue 1,001 million ordinary shares to the public for the first time and was listed on the Shanghai Stock Exchange on 5 February 2007. The Bank was approved by the CSRC on 21 November 2014 with CSRC License No. 1231 in 2014 to issue not more than 260 million preference shares. The first issue of 130 million shares commenced transfer on the Shanghai Stock Exchange on 19 December 2014 and the second issue of 130 million shares commenced transfer on the Shanghai Stock Exchange on 17 July 2015.

Article 4 Registered name of the Bank

Full name in Chinese: 兴业银行股份有限公司

Full name in English: INDUSTRIAL BANK CO., LTD.

Chinese abbreviation: 兴业银行

Article 5 Domicile of the Bank: No. 398 Jiangbinzhong Avenue, Taijiang District, Fuzhou City, Fujian Province, the People's Republic of China, Postcode: 350014.

Article 6 The registered capital of the Bank is RMB 20,774,190,751.

Article 7 The Bank shall be a perpetually existing joint stock limited company.

Article 8 According to the relevant provisions of the Constitution of the People's Republic of China, the Company Law and the Constitution of the Communist Party of China (hereinafter referred to as "CPC"), the Bank shall set up an organization of the CPC. The CPC committee shall play the role as the core of leadership and the political nucleus, providing direction, managing the overall situation and ensuring implementation. Meanwhile, the working organs of the CPC shall be established to implement the duty of construction of the CPC, and shall be equipped with sufficient staff to deal with CPC affairs, provided with sufficient

funds to operate the CPC organization provided with and necessary conditions for the activities of the party organization.

Article 9 The chairman of the board of directors of the Bank shall be the legal representative of the Bank.

Article 10 The capital of the Bank shall be divided into shares and each share shall have equal value. The liability of the shareholders of the Bank shall be limited to the extent of their respective shareholdings in the Bank, and the Bank shall assume liability for its debts to the extent of all its assets.

Article 11 From the date on which the Articles become effective, the Articles shall become a legally binding document that regulates the organization and activities of the Bank and the rights and obligations between the Bank and its shareholders and among the shareholders. The Articles shall be binding on the Bank and its shareholders, directors, supervisors, and senior executives. Pursuant to the Articles, a shareholder may sue other shareholders, supervisors or senior executives of the Bank or the Bank, and the Bank may sue a shareholder, director, supervisor or senior executives.

Article 12 For the purpose of the Articles, the “members of the senior management of the Bank” shall include president (general manager, hereinafter referred to as president), executive vice

president (deputy general manager, hereinafter referred to as executive vice president), head of financial business and other senior professional management personnel; the “senior executives of the Bank” shall include the members of the senior management of the Bank and the secretary to the Board of Directors. The qualification of senior executives of the Bank and other persons whose qualifications are subject to review by the regulatory authorities shall be in compliance with relevant regulations issued by regulatory authorities and reviewed by them.

Article 13 The Bank operates a unified legal person with a head office and branch system. With the approval of the CBIRC, the Bank may establish branches within or outside the PRC in accordance with the laws and regulations of China and the relevant countries or regions. The Bank’s branches outside of the PRC may carry on banking or other business as permitted by the laws and regulations of the countries or regions where they are located.

The branches of the Bank shall not have the status of legal person (independent legal person), shall legally carry out their business management activities within the scope authorized by the Head Office, and their civil liabilities are borne by the Head Office.

Article 14 The Party Committee shall ensure the implementation of the Party's directions, guidelines, policies and national laws and regulations in the Bank, implement the instructions and decisions of the Party Committee at higher levels, study and discuss major issues of the Bank and serve as a pre-procedure for the Board of Directors and senior management to make decisions on major issues.

Chapter II Purpose and Scope of Business

Article 15 The purpose of the Bank is to implement the strategy of managing the Bank strictly, running the Bank with experts, thriving with technology and developing with services, to adhere to the policy of lawful, stable and service-oriented operation, to carry out various commercial banking businesses independently, to coordinate efficiency, safety and liquidity, to seek maximum economic benefits for shareholders and promote environmental friendliness, economic development and social progress under the premise of sustainable development of the Bank.

Article 16 With the approval of People's Bank of China, the banking regulatory authority under the State Council, the securities regulatory authorities under the State Council, the State Administration of Foreign Exchange, other regulatory authorities, and the Bank's registration authorities, the business scope of the

Bank covers: taking public deposits; offering short-term, mid-term and long-term loans; arranging domestic and overseas settlements; conducting acceptance and discounting of negotiable instruments; issuing financial bonds; acting as agents for issuance, honoring and underwriting of government bonds; trading government bonds and financial bonds; issuing securities excluding stocks as agents, trading securities excluding stocks as a principal or on an agency basis; undertaking asset custody; undertaking interbank borrowing and lending; trading foreign exchanges and trading foreign exchanges as a principal or on an agency basis; trading in and selling foreign exchange, conducting bank card business; providing letter of credit service and guarantees; handling receipts and payments and insurance business as agents; providing safe-deposit box service; engaging in financial advisors, credit investigation, consultation and certifying business; any other businesses as approved by the banking regulatory authority under the State Council; Insurance agency business; import and export of gold and its products; sales of public offering securities investment funds; custody of securities investment funds. (Projects approved by law shall be approved by the relevant departments before operating activities can be carried out; specific operating projects shall be subject to the approval of the relevant departmental documents or licenses.)

Chapter III Shares

Section 1 Issuance of Shares

Article 17 The Bank shall have ordinary shares and preference shares. According to the provisions of relevant laws and administrative regulations, the Bank may have other classes of shares upon approval by the approval authorities authorized by the State Council.

For the purpose of the Articles, preference shares refer to the other classes of shares governed separately under the Company Law as compared to the ordinary shares governed by the general provisions. Shareholders of preference share shall participate in the distribution of profits and residual assets of the Bank in priority to ordinary shareholders, but their rights in respect of participating in decision making and management of the Bank shall be subject to restriction.

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

Unless otherwise specified, share(s), share certificate(s), share capital and shareholder(s) in Chapters V to XI of the Articles shall refer to ordinary share(s), ordinary share certificate(s), ordinary share capital and ordinary shareholder(s).

Article 18 The shares of the Bank shall take the form of stocks.

Article 19 The Bank shall issue shares based on the principles of openness, fairness and justness. Each share of the same class shall carry equal rights and benefits.

Each share of the same class shall be issued under the same conditions and at the same price in each issuance. The same price shall be paid for each share subscribed by any entity or individual.

Article 20 The shares issued by the Bank shall be denominated in RMB.

Article 21 The shares issued by the Bank shall be centrally deposited with the China Securities Depository and Clearing Corporation Limited Shanghai Branch.

Article 22 Promoters of the Bank are: Fujian Province Fuxing Finance Company, Fujian Investment Group and Fujian Venture Investment Corporation Limited. The method and time of capital contribution are as follows: the method of capital contribution of Fujian Province Fuxing Finance Company is asset discounted shares,

and the method of capital contribution of Fujian Investment Group and Fujian Venture Investment Corporation Limited is cash contribution; the time of capital contribution is July 15, 1988.

Article 23 The shareholding structure of the Bank is as follows: 20,774,190,751 ordinary shares, each shall bear a par value of 1; 560 million preference shares, each shall bear a par value of RMB¥100.

Article 24 The Bank and the Bank's subsidiaries and branches (including the Bank's subsidiary undertakings) shall not provide any financial assistance in the form of grants, advances, guarantees, compensation or loans for the purchase or proposed purchase of the Bank's shares.

Section 2 Increase, Reduction and Repurchase of Shares

Article 25 In light of operation and development needs and in accordance with relevant laws and regulations, after obtaining resolutions made at the general meeting and approval by the relevant State competent authorities, the Bank may adopt the following methods to increase its registered capital:

- (1) public offering of ordinary shares;
- (2) non-public offering of shares;
- (3) distributing stock dividends to existing ordinary shareholders;

- (4) transferring capital reserve funds to increase registered capital;
- (5) transferring preference shares to ordinary shares; and
- (6) other circumstances required or permitted by laws and administrative regulations or approved by relevant competent authorities.

If the conversion of convertible bonds issued by the Bank results in registered capital increase, it shall be handled in accordance with applicable laws, administrative regulations, departmental rules, the prospectus of convertible bonds and other relevant documents.

Article 26 The Bank may reduce its registered capital in accordance with the provisions of the Articles and approved by relevant competent authorities. 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 27 If permitted under applicable laws, administrative regulations departmental rules and the Articles and subject to the approval of the relevant competent authorities, the Bank may purchase shares of the Bank in the following circumstances:

- (1) for the purpose of reducing the registered capital of the Bank;

- (2) merging with another company which holds shares of the Bank;
- (3) using shares for the employee stock ownership plan or equity incentive of the Bank;
- (4) being requested to repurchase the shares of the Bank from shareholders who vote against resolutions adopted at the shareholders' general meeting concerning merger or division of the Bank;
- (5) for the purpose of the redemption of preference shares;
- (6) using shares for the conversion into corporate bonds issued by the Bank which are convertible to shares; and
- (7) requisite for the Bank to safeguard its value and the shareholders' rights and interests.

The Bank shall not trade in the Bank's shares except in the circumstances of the preceding paragraph.

Article 28 The Bank may purchase its shares in any one of the following ways:

- (1) purchasing through centralized competitive bidding on a stock exchange;
- (2) making a pro rata general offer to all of its shareholders;
- (3) purchasing through redemption of preference shares; and

(4) any other methods approved by the securities regulatory authorities of the State Council.

Where the Bank purchases its shares because of circumstances (3), (6) and (7) referred to in Article 27, it shall be conducted through public centralized trading.

Article 29 Where the Bank purchases its shares because of circumstances (1) and (2) referred to in Article 27, a resolution shall be passed at a general meeting; Where the Bank purchases its shares because of circumstances (3), (6) and (7) referred to in Article 27, a resolution shall be passed at a meeting of the Board attended by at least two-thirds of the Directors.

Where the Bank has purchased its shares in accordance with the provision of Article 27, under the circumstance set out in (1), the shares shall be canceled within 10 days from the date of purchase. Under the circumstances set out in (2) and (4), the shares shall be transferred or canceled within six (6) months. The shares purchased by the Bank in the circumstances set out in (3), (6) and (7) shall not exceed 10% of the total number of issued shares of the Bank, and shall be transferred or canceled within three years.

Section 3 Transfer of Shares

Article 30 The shares of the Bank may be transferred in

accordance with the law.

According to the Commercial Banking Law, changes in shareholders holding more than 5% of the total of ordinary shares shall be approved by the banking supervisory authority under the State Council. The transfer of preference shares and change of shareholders of preference shares shall be in accordance with the laws, administrative regulations, departmental regulations and the Articles.

Article 31 The Bank shall not accept any shares of the Bank as the subject of pledge.

Article 32 Directors, supervisors and senior executives of the Bank shall declare to the Bank their shareholdings in the Bank and any changes in such shareholdings. They shall not transfer more than 25% of the total ordinary shares or preference shares held in the Bank in any particular year during their tenure. They shall not transfer the ordinary shares of the Bank held by them within one (1) year from the date that the shares of the Bank are listed and traded. The shares of the Bank held by the aforesaid personnel shall not be transferred within six (6) months after their termination of employment.

Article 33 If the directors, supervisors, senior executives, and shareholders holding more than 5% of shares of the Bank sell the shares of the Bank or other securities of an equity nature held by them within 6 months of the date of purchase or purchase the shares of the Bank within six (6) months of the date of sale, the earnings arising therefrom shall belong to the Bank and the Board shall collect such earnings, except where the securities company holds more than 5% of the shares as a result of the purchase of the remaining shares after the sale of the package, and where there are other circumstances as prescribed by the securities regulatory authorities under the State Council.

The shares or other securities of an equity nature held by directors, supervisors, senior management or natural shareholders referred to in the preceding paragraph include shares or other securities of an equity nature held by their spouses, parents or children and those held using the accounts of others.

If the Board of the Bank fails to act in accordance with the provisions of the preceding paragraph, the shareholders shall have the right to require the Board to act within thirty (30) days. If the Board fails to act within the aforesaid period, the shareholders shall have the right to directly institute legal proceedings to the people's court in their own names for the interest of the Bank.

If the Board fails to act in accordance with the provisions in the first paragraph, the responsible directors shall bear joint liability in accordance with laws.

Section 4 Special Provisions on Preference Shares

Article 34 Unless otherwise specified in this Section, the rights and obligations of preference shareholders and the management of preference shares shall be governed by the provisions relating to ordinary shares in laws, administrative regulations, departmental rules, and the Articles.

Article 35 Preference shareholders of the Bank shall be entitled to the following rights:

- (1) to receive distribution of profits in priority to ordinary shareholders;
- (2) to receive distribution of residual assets of the Bank on liquidation in priority to ordinary shareholders;
- (3) to attend and vote at general meetings upon the occurrence of the circumstances provided in Article 38 and 39 of the Articles;
- (4) to inspect the Articles, register of members, record of bondholders, minutes of general meetings, resolutions of meetings of the Board of Directors and meetings of the Board of Supervisors,

and financial accounting reports; and

(5) other rights conferred to preference share shareholders by laws, administrative regulations, departmental rules and the Articles.

Article 36 Preference shareholders shall rank in priority to the ordinary shareholders in terms of distribution of the Bank's profits and the preference shares shall be entitled to the coupon dividend yield in accordance with the agreed terms. The Bank shall pay dividends to preference shareholders in cash. Before the agreed dividends to preference shares are distributed in full, no profit may be distributed to the ordinary shareholders.

The preference shares issued by the Bank shall be subject to a fixed dividend yield or a floating dividend yield. The level of the fixed dividend yield and the method of calculating the floating dividend yield shall be determined by the Bank in accordance with the relevant provisions of laws, administrative regulations and departmental rules.

The Bank shall have the right to cancel the dividend payments on the preference shares and the Bank may freely use the canceled proceeds to pay other debts as they fall due. If the Bank decides to cancel the dividend payments on the Preference Shares, it will notify investors at least ten (10) business days prior to the interest payment date.

Preference shares issued by the Bank are paid by way of non-cumulative dividends, i.e. the dividends not distributed in full to preference shareholders do not be accrued to the next interest-bearing year.

Upon distribution of dividends based on the agreed coupon dividend rate, preference share shareholders are not entitled to any further distribution of the remaining profits of the Bank which are distributed to ordinary shareholders.

Article 37 In the event of liquidation due to dissolution, bankruptcy or any other reasons, the remaining property of the Bank after liquidation in accordance with the laws, administrative regulations, departmental rules and regulations and the Articles shall be paid in priority to the preference shareholders in respect of the dividends not canceled and not paid in the current year. Where insufficiency of repayment occurs, the distribution shall be made on pro rata basis based on the proportion to the shareholding of the preference shareholders.

Article 38 The preference shareholders shall not attend any general meeting of the Bank nor do the preference shares carry any voting rights in general meetings other than in the following circumstances:

- (1) amendment to the contents of the Articles that relate to preference shares;
- (2) reduction of the registered capital of the Bank by more than 10% either on single or aggregate basis;
- (3) merger, division, dissolution or change of corporate form of the Bank;
- (4) issuance of preference shares by the Bank; and
- (5) any other circumstances stipulated by laws, administrative regulations, departmental rules and the Articles.

If the Bank convenes a general meeting of shareholders involving the consideration of the above circumstances, the Bank shall notify the preference shareholders following the notice procedures to ordinary shareholders as stipulated in the Company Law and the Articles. The preference shareholders shall be entitled to attend the general meeting and vote as a separate class with respect to the above matters. Each preference share shall have one vote. However, preference shares held by the Bank do not entitle the Bank to vote.

Resolutions relating to the above matters shall be approved by more than two-thirds ($\frac{2}{3}$) of the votes held by ordinary shareholders present at the meeting (including preference shareholders with restored voting rights) and by more than two-thirds ($\frac{2}{3}$) of the votes

held by preference shareholders present at the meeting (excluding preference share shareholders with restored voting rights).

Article 39 In the event that the Bank fails to pay the prescribed dividend to the preference shareholders for three financial years in aggregate or two consecutive financial years, the preference shareholders shall have the right to attend and vote at the general meetings together with ordinary shareholders from the day immediately after the general meeting resolves that the Bank will not pay the prescribed dividend for the current dividend period, and the voting rights enjoyed by each preference share shall be determined in accordance with the provisions of laws, administrative regulations and departmental rules or as agreed at the time of such preferred share issue.

The voting rights of the preference shareholders will remain restored until the Bank pays the current period dividend in full.

Article 40 Subject to the approval of the relevant competence authorities of the State, the Bank shall be entitled to redeem issued preference shares under the conditions agreed at the time of issue of such preference shares; preference shareholders shall be entitled to request the Bank to redeem the preference shares.

The total number of outstanding preference shares shall be written

down accordingly upon redemption of preference shares.

Article 41 In accordance with the provisions of relevant laws, administrative regulations and departmental rules, the bank may issue preference shares that are mandatorily converted into ordinary shares upon the occurrence of a mandatory conversion trigger event. Upon the occurrence of a trigger event stipulated by laws, administrative regulations or departmental rules or agreed upon when the preference shares are issued, the preference shares issued by the Bank are mandatorily converted into ordinary shares upon approval by the relevant competent authorities of the State.

Article 42 Only votes of ordinary shares and votes of preference shares with voting rights restored shall be counted when the following event occurs in computation of the percentage and amount of shareholders' shareholdings:

- (1) shareholders entitled to request an extraordinary general meeting;
- (2) shareholders entitled to convene and chair a general meeting;
- (3) shareholders entitled to table interim proposals to an extraordinary general meeting;
- (4) to identify controlling shareholder(s) in accordance with relevant articles of the Company Law and the Articles;

- (5) to identify the top ten largest shareholders of the Bank and their numbers of shares held in accordance with the Securities Law;
- (6) to identify the shareholder(s) holding 5% or more of the shares of the Bank in accordance with the Securities Law; and
- (7) any other circumstances stipulated by laws, administrative regulations, departmental rules and the Articles.

In addition to the foregoing matters, ordinary and preference shares shall be counted separately for the purpose of calculating the number of shareholders and the percentage of shareholdings.

Chapter IV Party Organization

Article 43 In the Bank, the Committee of the Communist Party of Industrial Bank Co., Ltd. (hereinafter referred to as the Party Committee) is established. The chairman of the Board shall concurrently serve as the secretary to the Party Committee. Eligible members of the Party Committee may assume the position of directors, supervisors and members of the senior management of the Bank through legal procedures, and eligible Party members who are directors, supervisors and members of the senior management may join the Party Committee in accordance with relevant rules and procedures. Meanwhile, the Bank shall establish the Discipline

Committee in accordance with relevant regulations.

Article 44 The Party Committee of the Bank shall perform the following duties according to the Constitution of the Communist Party of China and other regulations of the CPC:

(1) to ensure and supervise the implementation of the principles and guidelines of the CPC and the State in the Bank, and implement major strategic decisions of the Central Committee of the CPC and the State Council, as well as important work arrangements of higher-level Party organizations;

(2) to strengthen the leadership and gatekeeping role in the management of the process of selection and appointment of personnel by focusing on standards, procedures, evaluation, recommendation and supervision, and uphold the integration of the principle that the CPC manages the officials with the function of the Board in the lawful selection of the senior management and with the lawful exercise of authority of appointment, promotion and demotion of personnel by the senior management;

(3) to research and discuss the reform, development and stability of the Bank, major operation and management issues and major issues concerning employees' interests, and provide comments and suggestions in this regard. To support the shareholders' general

meeting, the Board of Directors, the Board of Supervisors and the senior management in performing their duties in accordance with laws; to support the Congress of Employees in carrying out its work;

(4) to assume the principal responsibility of pushing forward strict Party discipline, lead the Bank's ideological and political work, the United Front work, the cultural and ethical progress, corporate culture cultivation as well as the work of groups such as the Labor Union of the Bank and the Communist Youth League. The Party Committee shall play a leading role in promoting the construction of a clean and honest Party, and assist the Discipline Inspection Committee in earnestly performing supervision responsibility;

(6) to strengthen the building of the Bank's grassroots Party organizations and its Party member teams, give full play to the role of Party branches as strongholds and to the role of Party members as pioneers and fine examples, and unite and lead officials and employees bank-wide to devote themselves into the reform and development of the Bank; and

(7) the relevant and important matters that fall within the duty of the Party Committee.

The Bank shall continue to improve the democratic management system under the leadership of the Party Committee with the

Employee Representative Congress as the basic form. The views of the employees shall be taken into consideration when making major decisions. Major issues of immediate interest to the employees shall be considered by the Employee Representative Congress. The orderly participation of staff representatives in corporate governance shall be ensured in accordance with the law.

Chapter V Shareholders and Shareholders' General Meetings

Section 1 Shareholders

Article 45 A shareholder of the Bank is a person who lawfully holds shares in the Bank.

A shareholder shall enjoy rights and assume obligations according to the class of shares held by them. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations. The Bank shall ensure that all shareholders, especially small and medium-sized shareholders, enjoy equal status, protect the legitimate rights and interests of shareholders and treat all shareholders fairly.

Article 46 The Bank maintains a register of shareholders according to the certificate provided by the securities registration

authority. The register of shareholders shall constitute sufficient evidence for a shareholder's holding of the Bank's shares,

Article 47 When the Bank convenes a shareholders' general meeting, distributes dividends, undergoes liquidation or engages in other acts requiring the confirmation of shareholders' identities, the Board or the convener of the general meeting shall stipulate the record date. Shareholders who are recorded in the register after market close on the record date shall be the shareholders enjoying relevant rights and interests.

Article 48 The shareholders of the Bank shall be entitled to the following rights:

- (1) to receive dividends and other kinds of distributions in proportion to the number of shares held;
- (2) to lawfully request, convene, chair, attend and vote in person or appoint a proxy to attend and vote on their behalf at a general meeting;
- (3) to supervise the Bank's business operations, and to put forward suggestions and raise inquiries;
- (4) to transfer, donate, or pledge shares held in accordance with the laws, administrative regulations and provisions of the Articles;

- (5) to inspect the Articles, the register of shareholders, record of bonds, minutes of general meetings, resolutions of meetings of the Board and resolutions of meetings of the Board of Supervisors, and financial accounting reports;
- (6) to participate in the distribution of the remaining properties of the Bank in proportion to their shareholding held in the event of the Bank's dissolution or liquidation;
- (7) to demand the Bank to acquire the their shares if they vote against the resolutions adopted at the general meeting concerning merger or division of the Bank;
- (8) to safeguard their legitimate rights and interests through civil litigation or other legal means and report the situation to the supervisory authority in accordance with laws and regulations; and
- (9) to perform other rights prescribed in laws, administrative regulations, other regulations of ministries and commissions, and the provisions of these Articles of Association.

Article 49 Where requesting access to the information mentioned in the preceding Article, or asking for the relevant documents, the shareholders shall provide the Bank with written documents evidencing the kinds of Bank's shares they hold and the number of such shareholdings, and the Bank, after verifying the

identity of the shareholders, shall provide them with the said information and relevant documents as per the requirements of the shareholders according to the law.

Article 50 In the event that a resolution of the general meeting or the Board of Directors violates the laws or administrative regulations, a shareholder is entitled to apply to a People's Court to declare it as invalid.

In the event that the procedure for convening a general meeting or board meeting, or the method of voting at such meeting violates the laws, administrative regulations or the Articles, or if the content of a resolution violates the Articles, a shareholder is entitled to apply to a People's Court for revocation of such resolution within sixty (60) days upon the date of adopting such resolution.

Article 51 Where directors and senior executives violate any laws, administrative regulations or the Articles when performing their duties and thereby cause losses to the Bank, shareholders individually or jointly holding 1% or more of the Bank's shares for one hundred and eighty (180) consecutive days or more is entitled to request in writing the Board of Supervisors to bring a legal action in the People's Court. Where the Board of Supervisors violates any laws, administrative regulations or the Articles when fulfilling its

duties and thereby causes losses to the Bank, the aforementioned shareholders may request in writing the Board of Directors to file a suit with the People's Court.

The shareholders referred to in the preceding paragraph are entitled to directly bring a legal action in the People's Court in his/her own name for the interest of the Bank in the event that the Board of Supervisors or the Board of Directors refuses to initiate legal proceedings after receiving the aforesaid written request of shareholders in the preceding paragraph or fails to initiate such legal proceedings within thirty (30) days from the date of receiving such request, or in case of emergency where failure to initiate such legal proceedings immediately will result in irreparable damages to the interest of the Bank.

Shareholders referred to in the first paragraph of this Article may initiate legal proceedings in the People's Court in accordance with provisions of the first two paragraphs in the event that any other person infringes upon the legitimate rights and interests of the Bank and causes damage to the Bank.

Article 52 Shareholders may bring a legal action in the People's Court against any director or senior executives for violation of any laws, administrative regulations or the Articles to the detriment of

the interests of shareholders.

Article 53 Shareholders in the Bank have the following obligations:

(1) to subscribe shares with self-owned funds of legal sources (Subscription with non-self-owned funds like entrusted funds and debt finance shall be stipulated by laws, regulations or regulatory systems);

(2) to comply with laws, administrative regulations and the Articles, perform fiduciary duties to the Bank in accordance with the law, and truthfully inform the Bank of financial information, shareholding structure, source of capital for investment, controlling shareholder, de facto controller, related parties, persons acting in concert, ultimate beneficiaries, and investment in other financial institutions;

(3) to make the payment in respect of the shares subscribed for and the method of subscription; The shareholding ratio and the number of institutions invested by a shareholder shall meet regulatory requirements; A shareholder may not entrust or accept others to hold his/her shares of the Bank;

(4) not to withdraw the shares unless required by the laws, administrative regulations, and other rules and regulations; ;

(5) to timely inform, in written form, the Bank of changes on

holding shareholder, de facto controller of the shares, related parties, persons acting in concert, or ultimate beneficiaries as stipulated by laws, regulations and regulatory requirements;

(6) to timely inform, in written form, the Bank of related information according to laws, regulations, and regulatory requirements, if a shareholder institution is: merged or divided; ordered to take rectification, designated custody, business takeover, revocation and other measures; under procedures of dissolution, liquidation or bankruptcy; or under changes of legal representative, company name, business premise, business scope or other major matters;

(7) to timely inform, in written form, the Bank of related information according to laws, regulations, and regulatory requirements, if the shares of the Bank are involved in litigation or arbitration, under legal coercive measures given by judicial organs, or pledged or discharged;

(8) not to harm the interests of other shareholders and the Bank when a shareholder transfers or pledges the shares of the Bank, or conducts connected transactions with the Bank according to laws, regulations and regulatory requirements;

(9) not to seek improper interests; Any shareholder and its controlling shareholder or de facto controller may not interfere with

the decision-making and management rights enjoyed by the Board of Directors and senior management in accordance with the Articles, bypass the Board of Directors and senior management to directly interfere with the operation and management of commercial banks, or abuse the shareholders' rights or related-party relationship to the detriment of the interests of the Bank or other shareholders and stakeholders; Any shareholder may not abuse the Bank's status as an independent legal entity and shareholders' limited liability to the detriment of the interests of the creditors of the Bank;

Where the shareholders of the Bank abuse the shareholders' rights to the detriment of the Bank or other shareholders, they shall be liable for compensation according to law;

Where the shareholders abuse the Bank's status as an independent legal person and the limited liability of the shareholders and evade the repayment of debts, resulting in material damage to the interests of the creditors of the Bank, such shareholders shall be jointly and severally liable for the debts of the Bank;

(10) Shareholders who fail to apply to the regulatory authority for approval or fail to report to the regulatory authority, despite being required to do so, are not permitted to exercise the right to request convening of a shareholders' general meeting, the voting right, right

of nomination, right of submitting proposals, and right of disposition, etc.

(11) For a shareholder that makes any false statement, abuses shareholders' rights or otherwise damages the interests of the Bank, the banking regulatory authority under the State Council or its local offices may restrict or prohibit connected transactions between the Bank and the shareholder, restrict the limit of equity held in the Bank, and equity pledge ratio, etc., and restrict its right to request convening of a shareholders' general meeting, the voting right, right of nomination, right of submitting proposals, and right of disposition, etc.

(12) Where a risk event or major violation occurs to the Bank, a shareholder shall cooperate with the supervisory authority to carry out investigation and risk disposal;

(13) A shareholder shall perform other obligations stipulated by laws, administrative regulations and the Articles.

Major shareholders of the Bank shall make and perform, in accordance with relevant laws, regulations and regulatory rules, commitments that are accurate, standardized and enforceable, and effectively fulfil their responsibilities and obligations. If major shareholders violate their commitments, the Bank may take

corresponding restrictive measures to their shareholders' rights in accordance with the relevant regulatory rules on equity management of commercial banks and the Articles.

The term "major shareholder" in this Chapter refers to a shareholder who directly, indirectly or jointly holds or controls more than 5% of the Bank's shares or voting rights, or holds less than 5% of the Bank's shares but has a significant impact on the Bank's operation and management.

The "significant impact" in the preceding paragraph refers to events where a shareholder has the right to participate in the decision-making of the Bank's financial and operating policies, but cannot control or jointly control the formulation of these policies with other parties, including the event where dispatched directors, supervisors or senior executives affect the Bank's financial and operational management decisions through agreements or other means, and other circumstances as determined by the Bank and China Banking and Insurance Regulatory Commission or its local offices.

Article 54 When the Bank's capital adequacy ratio falls below the statutory standard, shareholders shall support the measures proposed by the Board of Directors to increase the capital adequacy

ratio. Shareholders shall support the Board of Directors in formulating reasonable capital planning. Major shareholders shall not prevent other shareholders from replenishing capital to commercial banks or entering qualified new shareholders, Major shareholders shall make long-term capital replenishment commitments to the Bank in writing and as part of its capital planning.

Article 55 When the Bank is under liquidity risks, shareholders who have borrowed from the Bank shall promptly repay the loans that are due in accordance with relevant laws and regulations, and unmatured loans shall be repaid in advance.

Liquidity risk of the Bank refers to situations in which the Bank, despite its solvency, is unable to obtain adequate funds in a timely manner or at a reasonable cost to respond to asset growth or to repay matured debts.

Article 56 The conditions for the Bank to conduct related transactions with its major shareholders and their related parties shall not be superior to those for similar transactions with non-related parties. The ratio of the credit balance of a major shareholder to the net capital of the Bank may not exceed the limit prescribed by relevant state regulatory authorities. When calculating the ratio, the

credit balance of a major shareholder shall include that of his/her related parties. The margin deposit and pledged deposit receipts and treasury bonds can be deducted in the calculation of credit balance of related parties.

When the credit granted to a shareholder is overdue, the voting rights of the shareholder at the general meeting of shareholders and voting rights of his/her dispatched directors at the Board of Directors shall be suspended.

Article 57 The Bank may not provide financing guarantees for the debts of shareholders and their related parties, except where the shareholders provide countervailing guarantees in forms of deposit receipts or treasury bonds worth of no less than the aforementioned amount of financing guarantees.

The “financing guarantee” in the preceding paragraph refers to the guarantee provided by the Bank for the financing behavior of its shareholders and their related parties.

Guarantees provided by the Bank to its shareholders or their de facto controllers shall be passed by the general meeting in resolutions.

Shareholders specified in the preceding paragraph or those at the disposal of de facto controllers specified in the preceding paragraph shall not participate in the voting on the matters of the preceding

paragraph. The decision of this matter shall be made by a majority of the voting rights of other shareholders present at the general meeting.

Article 58 In case of providing guarantee for themselves or others with their equity interest in the Bank, the shareholders shall strictly comply with laws, regulations and the requirements of regulatory bodies and give a prior notice to the Board of Directors.his/her. The department designated by the Board of Directors is responsible for the daily collecting, sorting and submitting the Bank's share pledge information.

Where shareholders serving as directors or supervisors of the Bank or shareholders directly, indirectly, or jointly holding or controlling more than 2% of the shares or voting rights of the Bank wish to pledge the shares of the Bank, they shall apply to the Board of Directors for filing in advance, and indicate the reasons for the pledge, number of shares to be pledged, term of pledge, pledgee and other basic information. Where the Board considers there exists a material adverse effect on the Bank's equity stability, corporate governance, risk and related party transaction control etc., such pledge shall not be filed. When the Board considers relevant filings, the directors appointed by the shareholders proposing such pledge shall abstain from voting.After completing the registration of share

pledge, the shareholders shall timely provide the Bank with relevant information about the share pledge in accordance with the Bank's risk management and information disclosure requirements

If the outstanding balance of the loans borrowed by a shareholder from the Bank exceeds the audited net book value of the shares held by his/her in the previous year, such shareholder shall not pledge the Bank's shares.

When a shareholder wishes to pledge over 50% of his/her shares in the Bank, the voting rights of such a shareholder at the general meeting and of directors designated by such a shareholder at the Board of Directors shall be restricted..

Article 59 The Bank's controlling shareholders and de facto controllers shall not use their association to harm the Bank's interests. Those who violate the provisions shall be liable for compensation if they cause losses to the Bank.

The Bank's controlling shareholders and de facto controllers have an obligation of good faith to the Bank and the Bank's public shareholders. The controlling shareholder shall strictly exercise the rights of the investor according to law, and shall not use profit distribution, asset reorganization, foreign investment, capital occupation, loan guarantee, etc., to harm the legitimate rights and

interests of the Bank and the shareholders of the public shares, and shall not use its controlling position to harm the interests of the Bank and other shareholders.

Article 60 “Controlling shareholder” in this Chapter means a shareholder who meets one of the following conditions:

(1) shareholders holding more than 50% of the Bank’s total share capital; and

(2) shareholders who hold less than 50% of the shares but whose voting rights are sufficient to have a significant impact on the resolution of the Bank’s general meeting.

The “de facto controller” mentioned in the Articles refers to a person who, although not a shareholder of the Bank, can actually control the Bank’s behavior through investment relationships, agreements or other arrangements.

“Related-party relationship” means the relation between the controlling shareholder, de facto controller, directors, supervisors, senior executives of the Bank and the enterprises under their direct or indirect control, and any other relationships that may lead to the transfer of interest of the Bank, provided however that there should be no related-party relationship between state-controlled enterprises solely because they are under the common control of the State.

Section 2 General Provisions on General Meetings

Article 61 The general meeting is the organ of power of the Bank and shall exercise the following duties and powers:

- (1) to decide on the business plan and investment plan of the Bank;
- (2) to elect and replace the posts of the directors and supervisors that are not taken by the representatives of the staff and workers, and to decide on the remunerations of such directors and supervisors;
- (3) to examine, deliberate and approve the Board of Directors' report;
- (4) to examine, deliberate and approve the Board of Supervisors' report;
- (5) to examine, deliberate and approve the procedures of the general meeting, the Board of Directors and Board of Supervisors;
- (6) to examine, deliberate and approve the annual financial budget and final financial report of the Bank;
- (7) to examine, deliberate and approve the Bank's profit distribution plan and loss recovery plan;
- (8) to examine, deliberate and make changes to the use of funds raised;

(9) to examine, deliberate and approve related transactions that shall be deliberated and approved by the general meeting as stipulated by laws, administrative regulations, regulations and securities regulatory bodies;

(10) to make a resolution on increase or reduction of registered capital of the Bank;

(11) to a resolution on the listing of the Bank;

(12) to adopt resolutions on issuance of the Bank bonds;

(13) to adopt resolutions on the merger, division, change of business form, dissolutions and liquidation of the Bank;

(14) to amend the Articles;

(15) to make resolutions on the appointment or dismissal by the Bank of an accounting firm;

(16) to examine, deliberate and approve the guarantee particulars prescribed in Article 57 hereof;

(17) to examine, deliberate matters regarding the purchase and sales within one (1) year by the Bank of major assets which exceed 30% of the latest audited total assets of the Bank;

(18) to examine, deliberate and approve equity incentive scheme and employee ownership scheme;

(19) to make a resolution on acquisition of shares in the Bank in accordance with; and

(20) to examine and deliberate other matters which shall be decided by the general meetings according to the laws, administrative regulations, regulations of ministries and commissions or provisions hereof.

Article 62 There are the annual general meeting and the interim general meeting. The annual general meeting shall be held once a year, and within six (6) months from the end of the last fiscal year.

Article 63 The interim general meeting shall be held by the Bank within two (2) months of when one of the following circumstances occurs:

- (1) the number of directors is less than ten (10) directors;
- (2) when written request by a shareholder holding more than 10% of the total voting shares of the Bank alone or jointly;
- (3) when more than one-half (1/2) and not less than two (2) independent directors propose to convene;
- (4) The Board of Directors deems it necessary to hold an interim general meeting;
- (5) The Board of Supervisors proposes to hold an interim general

meeting;

(6) Unrecovered Bank losses have reached one-third (1/3) of the total amount of the paid-up capital; and

(7) other circumstances prescribed in laws, administrative regulations, regulations of ministries and commissions or the Articles.

The number of shares held in the aforementioned item (3) shall be calculated on the basis of the number of shares held on the date of the written request of the shareholders.

Where the Bank is unable to convene a general meeting of shareholders within the above-mentioned period, it shall report in writing to the banking regulatory agency under the State Council, the local office of the China Securities Regulatory Commission where, and the stock exchange where the Bank's shares are listed for trading, explaining the reasons and making an announcement.

Article 64 The general meeting shall be convene at the premise of the Bank on-site. The Bank shall also provide safe, economic and convenient online method to facilitate the shareholders in attending the meeting. If shareholders attend the meeting by the aforesaid means, they shall be deemed to have been present.

Article 65 The Bank shall engage a law firm to issue legal

opinions on the following matters when holding the general meeting:

(1) whether the convention of the meeting and holding procedures are in line with laws, administrative regulations, and the provisions hereof;

(2) whether the qualifications of the attendees and convener are lawful and effective;

(3) whether the voting procedures and results of the meeting are lawful and effective; and

(4) legal opinions issued upon the request of the Bank on other relevant issues.

The Bank's Board of Directors can also employ notaries at the general meeting.

Section 3 Convening of General Meetings

Article 66 The Board of Directors shall convene general meetings in accordance with the provisions of this Section.

Article 67 The independent directors shall have the right to propose the convening of the interim general meeting to the Board of Directors. Regarding such proposal, the Board of Directors shall, in accordance with the provisions of the laws, administrative regulations, and provisions of the Articles, provide its feedback in

writing on approval or disapproval within ten (10) days from the date of the receipt of the said proposal.

Where the Board of Directors approves the convening of the interim general meeting, it shall give notice thereof within five (5) days after the approval resolution of the Board of Directors; Otherwise, the reasons for such disapproval shall be stated and announced.

Article 68 The Board of Supervisors shall have the right to propose the convening of the interim general meeting and shall submit its proposal to the Board of Directors in writing. The Board of Directors shall, in accordance with the provisions of the laws, administrative regulations and the Articles, provide feedback in writing on approval or disapproval within ten (10) days from the date of the receipt of the said proposal.

Where the Board of Directors approves the convening of interim general meetings, it shall send a notice thereof within five (5) days after the approval resolution of the Board of Directors. Where the notice changes the original proposal, the approval of the Board of Supervisors shall be required.

Where the Board of Directors disapproves the convening of the interim general meeting or fails to provide its feedback within ten (10) days from the date of the receipt of the said proposal, it shall be

deemed incapable or fail to fulfill the obligation of convening the general meeting; the Board of Supervisor may thereby convene and preside over the meeting on its own.

Article 69 The shareholders singly or jointly holding more than 10% of the shares of the Bank shall have the right to propose in writing to the Board of Directors the convening of the interim general meeting. The Board of Directors shall, in accordance with the provisions in laws, administrative regulations and Articles, provide feedback in writing on the approval or disapproval within ten (10) days from the date of the receipt of such proposal.

Where the Board of Directors approves the convening of the interim general meeting, it shall, within five (5) days after the approval resolution of the Board of Directors, give notice thereof. Where the notice alters the original proposal, the approval of the relevant shareholders shall be required.

Where the Board of Directors disapproves the convening of the interim general meeting or fails to provide feedback within ten (10) days from the date of the receipt of the said proposal, the shareholders which singly or jointly hold more than 10% of the shares of the Bank shall have the right to propose in writing the convening of the interim general meeting to the Board of

Supervisors and shall raise their request in writing to the Board of Supervisors.

Where the Board of Supervisors approves the convening of the interim general meeting, it shall within five (5) days from the date of the receipt of the said written request give notice thereof. If the notice changes the original proposal, the approval of the relevant shareholders shall be required.

Where the Board of Supervisors fails to provide said notice within the prescribed time limit, shareholders who have held more than 10% of the Bank's shares individually or in total for more than ninety (90) consecutive days may convene and preside over it on their own. At general meeting convened by the shareholders themselves, the number of voting shares represented by the shareholders present at the meeting must reach more than one-half ($1/2$) of the total number of voting shares of the Bank in order to form a general meeting resolution. An extraordinary general meeting of shareholders requesting convening or convening on their own may not consider and vote on specific matters for which the Bank's general meeting has already made a resolution.

Article 70 Where the Board of Supervisors or the shareholders decide to convene the general meeting independently, they shall

notify the Board of Directors in writing to such effect and file with the CSRC local office in the place where the Bank is located and the stock exchange.

Prior to the announcement of the resolution of the general meeting, the total shares of the convening shareholders shall not be less than 10%.

The convening shareholders shall, upon sending the notice of the general meeting and announcing the resolutions of the general meeting, submit related certificates to CSRC.

Article 71 The Board of Directors and the secretary to the Board of Directors shall give their cooperation shall cooperate in general meetings independently convened by the Board of Supervisors or the shareholders. The Board of Directors shall provide the register of shareholders of equity registration date.

Article 72 Where the general meeting is held independently by the Board of Supervisors or shareholders, all necessary costs and expenses of the meeting shall be borne by the Bank.

Section 4 Proposals And Notices of General Meetings

Article 73 Proposals for general meeting shall meet the following conditions:

- (1) The content does not contradict the provisions of the laws, administrative rules and regulations and the Articles of the Bank, and falls within the scope of the Bank's operations and the terms of reference of the general meeting;
- (2) have clear topics for discussion and detailed resolution matters; and
- (3) submitted or served in writing.

Article 74 Where the Bank holds the general meeting, the Board of Directors, the Board of Supervisors and the shareholders that singly or jointly hold more than 3% of the Bank's shares shall have the right to raise proposals to the Bank.

The shareholders that singly or jointly hold more than 3% of the Bank's shares may raise the interim proposals and submit them in writing to the convener ten (10) days prior to the convention of the shareholders' meeting. The convener shall, within two (2) days after receipt of such proposals, issue a supplementary notice of the general meeting, and announce the contents of the interim proposals.

Except for the circumstances prescribed in the preceding paragraph, the convener, after having issued the notice of the general meeting, shall not amend proposals which have been expressly set out or add new proposal to the notice.

Proposals which are not listed in the notice or are inconsistent with Article 73 of the Articles shall not be voted on or resolved on the general meeting.

Article 75 For the annual general meeting, the convener shall notify all the shareholders twenty (20) days prior to the convention of the said meeting by announcement. For the interim general meeting, the convener shall notify all the shareholders fifteen (15) days in advance by announcement. When calculating the notice period, the day when the meeting is held shall not be included.

Article 76 The notice of the general meeting shall include the following contents:

- (1) date, venue and term of the general meeting;
- (2) matters and proposals submitted to the general meeting for its examination and deliberation;
- (3) clearly written explanation: shareholders who have the right to attend the general meeting may entrust their proxies in writing to attend the meeting and participate in votes. The proxies of the shareholders may not necessarily be the shareholders of the Bank;
- (4) equity registration date of any shareholder entitled to attend the general meeting; and

(5) name and telephone number of the contact person in charge of general meeting matters.

There should be no more than seven (7) working days between the equity registration date and the meeting date, and the equity registration date shall not be changed once confirmed.

Article 77 Where the general meeting intends to discuss matters related to the election of directors and supervisors, the notice of the general meeting shall fully disclose detailed information about such directors and supervisors, including at least the following contents:

- (1) such personal information as the education background, working experience, part-time job and so on;
- (2) whether the candidates for directors or supervisors have affiliated relationship with the Bank or its controlling shareholders and the actual controllers;
- (3) disclose the number of the Bank shares held by the candidates for directors or supervisors; and
- (4) whether candidates for directors or supervisors have received punishments by the CSRC or other departments or warning reprimands from the stock exchange.

Except for the election of directors and supervisors by means of a

cumulative voting system, each director or supervisor candidate shall be nominated in a single proposal.

Article 78 Once the notice of the general meeting is issued, the general meeting shall not be postponed or canceled without justifiable cause, nor shall the proposals set out in the general meeting notice be canceled. In the case of the said postponement or cancellation, the convener shall make an announcement stating reasons for such postponement or cancellation at least two (2) working days in advance of the original date for holding the general meeting.

Section 5 Holding of General Meetings

Article 79 The Board of Directors and other conveners of the Bank shall take necessary measures to ensure the normal order of the general meetings. The Board of Directors and other conveners of the Bank shall take measures to prevent acts which interfere with the general meeting, cause disturbance or infringe on the lawful rights of the shareholders, and shall promptly report such acts to the relevant departments for investigation and punishment.

Article 80 All shareholders recorded in the register of shareholders on the equity registration date or their proxies shall have the right to attend the general meeting and exercise their voting

rights in accordance with the relevant laws, rules and these Articles of Association.

Article 81 Where the individual shareholders personally attend the general meeting, they shall present their identification cards or other valid certificates which verify their identities, and their stock account cards; where the individual shareholders entrust their proxies to attend the meeting on their behalf, said proxies shall present their valid identity certificates and the power of attorney from the shareholder.

In the case of legal person shareholders, their legal representatives or proxies entrusted by such legal representatives shall attend the meeting. The legal representatives, if attending the meeting, shall present their identification cards and valid certificates which verify their qualifications as legal representative; where proxies are entrusted by such legal representatives to attend the meeting, such proxies shall present their identification cards, and the written power of attorney as issued legally by the legal representatives of the legal person shareholders.

Article 82 The proxy letter issued by a shareholder to entrust proxy to attend general meetings shall contain the following contents:

- (1) the name of each proxy;
- (2) whether each proxy has voting rights;
- (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) the issuing date of proxy letter and its effective period; and
- (5) signature (or seal) of the principal. Where the principal is a legal person shareholder, the official seal of the legal person shareholder shall be affixed.

Article 83 The proxy letter shall clarify whether the shareholders' proxies may act at their discretion without specific instructions from the shareholders.

Article 84 Where the proxy letter granted for voting is signed by a person entrusted by the principal, the proxy letter or other authorization documents shall be notarized. The notarized proxy letter or other authorization documents, as well as the proxy letter for voting shall be kept at the premise of the Bank or at any other venue prescribed in the Notice for convening the general meeting.

Where the principal is the legal person, it shall be represented at the shareholders' meeting of the Bank by its legal representative, or any

other person as authorized by the Board of Directors or any other decision-making organ.

Article 85 The register of attendants of the general meeting shall be prepared by the Bank. The register shall expressly record such matters as the name of the attendant (or of the unit thereof), the identification card number, address of the attendant, the number of voting shares held or represented by the attendant, and the name of the principal (or the unit thereof).

Article 86 The convener and the lawyer engaged by the Bank shall, in accordance with the register of shareholders provided by securities depository and clearing agencies, jointly verify the legality of the qualification of each shareholder, and register the full name of and number of voting shares held by each shareholder. Prior to the announcement by the presider of the total number of shareholders who attend the on-site general meeting and the total number of the voting shares held by the attending shareholders and proxies, the registration shall be ceased.

Article 87 During the general meeting, all the directors, supervisors and the secretary of the Board of Directors of the Bank shall attend the meeting, and President and other senior executives shall sit on the meeting.

Article 88 The general meeting shall be presided over by the chairperson of the Board of Directors. Where the chairperson is unable to or fails to perform his/her duties, the vice chairperson shall perform his/her duties. Where the vice chairperson is unable to or fails to perform his/her duties, a director jointly elected by the Strategy Committee of the Board shall perform the duties. And where the Strategy Committee of the Board do not elect one director, the general meeting shall be presided over by a director jointly elected by the majority of all the directors.

If independently convened by the Board of Supervisors, the general meeting shall be presided over by the chairperson of the Board of Supervisors. Where the chairperson of the Board of Supervisors is unable to or fails to perform his/her duties, the vice chairperson of the Board of Supervisors perform his/her duties. Where the vice chairperson of the Board of Supervisors is unable to or fails to perform his duties, the general meeting shall be presided over by a supervisor jointly elected by the majority of all the supervisors.

General meetings independently convened by the shareholders shall be presided over by a representative elected by the convener.

When a shareholders' general meeting is held and the chairperson violates the rules of procedures which makes the meeting unable to

proceed, a person may be elected at the shareholders' general meeting to act as the chairperson, subject to the approval of more than half of the attending shareholders having the voting rights.

Article 89 The Bank formulates the rules of procedure of the shareholders' general meeting to specify in detail the procedures for convening and voting at the general meeting, including notice, registration, consideration and approval of proposals, voting, counting of votes, announcement of voting results, formation of meeting resolutions, meeting minutes and signing of the meeting minutes, announcements, as well as principles of authorization from the general meeting to the Board. The authorizations shall be specific and clear. The rules of procedures of the general meeting shall be attached as an appendix to the Bank's Articles and shall be drafted by the Board of Directors and approved by the general meeting.

Article 90 The Board of Directors and the Board of Supervisors shall report their work for the last year to the annual general meeting. Each independent director shall also report his/her work.

Article 91 Directors, supervisors, and senior executives shall give explanations and clarifications on the inquiries and recommendations raised by the shareholders at the general meeting.

Article 92 The chairperson of the general meeting shall, prior to voting, announce the total number of attending shareholders and proxies, and the total voting shares held by them, which shall be in line with the registration before the general meeting.

Article 93 The secretary to the Board shall be responsible for minutes of the shareholders' general meeting of the Bank. The minutes shall contain the following items:

- (1) date, venue, agenda, and name of the convener of the meeting;
- (2) name of the chairman and each of the directors, supervisors, governor and any other senior executive who attend the meeting with voting right or sit on the meeting;
- (3) number of shareholders or their proxies present at the meeting, the total number of voting shares held by them and its proportion relative to the total voting shares of the Bank;
- (4) examination and deliberation procedure, main speech points and voting result of each proposal by shareholders;
- (5) number of shareholders or their proxies present at the meeting, the total number of voting shares held by them and its proportion relative to the total voting shares of the Bank;
- (6) name of lawyers, vote counters and vote supervisors; and

(7) other items that shall be recorded in the meeting minutes in accordance with the provisions hereof.

Article 94 The convener shall ensure the authenticity, accuracy and completeness of the minutes of the general meeting. The attending directors, supervisors, secretary of the Board of Directors, convener or representative thereof, and the chairperson of the meeting shall sign the meeting minutes. Meeting minutes shall, together with the register of the present shareholders and proxy letter for attendance, and valid materials concerning votes through the internet and other means shall be kept together for a period of no less than ten (10) years.

Article 95 The convener shall ensure the continuity of the general meeting until the final resolutions are formed. Where such specific reasons as force majeure or other special causes result in the suspension of the general meeting or the failure to adopt a resolution at the meeting, the necessary measures shall be taken to resume the general meeting as soon as possible or to directly close the meeting and make an immediate announcement. At the same time the convener shall report to the CSRC office in the place where the Bank is located and the stock exchange.

Section 6 Voting and Resolutions at General Meetings

Article 96 Ordinary and special resolutions at general meetings.

An ordinary resolution shall be passed by over 50% of voting rights held by ordinary shareholders (including preference shareholders with restored voting rights) present at the general meeting.

A special resolution shall be passed by over two-thirds (2/3) of voting rights held by ordinary shareholders (including preference shareholders with restored voting rights) present at the general meeting. In the event of preference shareholders (excluding preference shareholders with restored voting rights) attend and exercise their voting rights at the general meeting according to laws, regulations and the Articles, the pass of a special resolution also requires over two-thirds (2/3) of votes in favor by preference shareholders (excluding preference shareholders with restored voting rights) present at the general meeting.

Article 97 The following matters shall be approved by the general meeting through ordinary resolutions:

- (1) work reports of the Board of Directors and the Board of Supervisors;
- (2) profit distribution plans and loss recovery plans formulated by

the Board of Directors;

(3) appointment and dismissal of members of the Board of Directors and members of the Board of Supervisors, their remuneration, and manner of payment;

(4) the Bank's annual financial budget program and final account program;

(5) the Bank's annual report;

(6) deliberation of significant transactions between the Bank and related parties that account for over 5% of the Bank's latest audited net assets, or that shall be deliberated and approved by the general meeting according to laws, administrative regulations, rules, and securities regulators;

(7) significant external investment, acquisition, and disposal of the Bank; and

(8) matters that shall be passed by special resolutions other than those stipulated by laws, administrative regulations, rules, and the Articles.

Article 98 The following matters shall be approved by special resolutions of the general meeting:

(1) the increase or decrease of registered capital of the Bank;

- (2) issuance or listing of bonds;
- (3) division, merger, changes to company form, dissolution, and liquidation of the Bank;
- (4) modification to the Articles;
- (5) purchase and sales of major assets within one year, or the amount of guarantee exceeding 30% of the Bank's latest audited total assets;
- (6) equity incentive plan;
- (7) dismissal of independent directors; and
- (8) other matters that shall be approved by special resolutions according to laws, administrative regulations, or the Articles, and determined by ordinary resolutions of the general meeting to have significant influence on the Bank.

Article 99 A shareholder (including the proxy of a shareholder) shall exercise voting rights according to the number of shares held. Each share held shall represent the equivalent of one voting right.

When the general meeting considers major matters affecting the interests of small and medium-sized investors, the votes of small and medium-sized investors shall be counted separately. The results of the separate vote count shall be publicly disclosed in a timely manner.

Shares held by the Bank do not have voting rights and shall not be included into the total amount of shares with voting rights present at the general meeting.

The Board of Directors, independent directors, shareholders with more than 1% of the voting rights or investor protection agencies established in accordance with laws, administrative regulations or the regulations of the securities regulatory authorities under the State Council may act as solicitors to publicly solicit shareholders' voting rights. The solicitor, or securities companies and securities service institutions entrusted by the solicitor, may publicly request the proxy right from the shareholders of a listed company of attending the general meeting and exercising the shareholders' rights, such as the right to propose and the right to vote. The solicitor shall fully disclose to the solicited person the voting intention and other specific information. The solicitation of shareholders' voting rights by way of remuneration or disguised remuneration is prohibited. The Bank shall not impose minimum shareholding restrictions on the solicitation of voting rights, except for statutory conditions.

Article 100 When connected transactions are examined in a general meeting, affiliated shareholders shall abstain from voting, and the voting shares held by them shall not be counted into valid votes. The announcement of the resolutions of the general meeting

shall fully disclose the non-affiliated shareholders voting.

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

Article 101 Online voting shall be adopted to facilitate shareholders at the general meeting.

In general meeting on the issuance of preference shares, online voting and other voting means recognized by China Securities Regulatory Commission can be adopted to facilitate voting.

Article 102 Without the prior approval of the general meeting by means of special resolution and under non-special cases like crisis, the Bank may not conclude any contract with any person other than a director or other senior executives 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 103 Methods and procedures of the nomination of directors and supervisors are as follows:

(1) List of candidates for directors (to be appointed from shareholders and senior executives) 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. Any shareholder who holds by himself or jointly with others three percent 3% or more of the total number of voting shares of the Bank and the Nomination Committee of the Board of Directors may recommend candidates for directors; any shareholder who holds by himself or jointly with others three 3% or more of the total number of voting shares of the Bank and the Board of Supervisors may recommend 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.

Any shareholder and his/her related parties may not recommend candidates for directors and supervisors at the same time. Any shareholder may not recommend candidates for directors and supervisors again if the previous candidates recommended by this shareholder or his/her related parties have been appointed as directors/supervisors of the Bank and are within the term or not replaced. The number of candidates for directors recommended by any shareholder and his/her related parties may not, in principle, exceed one-third (1/3) of the size of the Board of Directors.

The Nomination Committee of the Board of Directors shall exercise the nomination right independently and prudently without being

influenced by shareholders.

(2) The Nomination Committee of the Board of Directors and the Nomination, Remuneration and Examination Committee of the Board of Supervisors shall preliminarily review the qualifications and conditions of candidates for directors and supervisors, and refer those qualified candidates to the Board of Directors and the Board of Supervisors for further examination. With the approval of the Board of Directors and the Board of Supervisors in form of resolutions, the lists of candidates shall be submitted to the general meeting in written form.

The Board of Directors and the Board of Supervisors shall provide CVs and basic information of the candidates for directors and supervisors to the shareholders prior to the general meeting, to make the voting informative.

(3) Prior to the general meeting, candidates for directors and supervisors shall deliver to the Bank written documents on the acceptance of the nomination, the guarantee for the authenticity and integrity of the disclosed materials of the candidates, and the promise of fully performing the obligations and duties of directors and supervisors once being elected.

(4) The election and appointment of independent directors and

external supervisors shall be carried out in line with the procedures in the second section of Chapter 6 of the Articles.

(5) Supervisors to be appointed from the employees shall be nominated by the Board of Supervisors or the labor union, and be elected through the employee representative meeting of the Bank.

(6) When directors and supervisors need to be added or filled temporarily, the Board of Directors or the Board of Supervisors shall raise the proposal and suggest the general meeting to elect or replace.

Article 104 The list of candidates for directors and supervisors shall be referred to the general meeting in proposals for voting.

Cumulative voting may be adopted, according to the Articles and the resolutions of the general meeting, at the general meeting to select directors and supervisors.

In cumulative voting at the general meeting, each share has the voting rights equivalent to the number of directors and supervisors that should be elected. The voting rights held by the shareholders may be exercised collectively. The Board of Directors shall provide the CVs and basic information of the candidates for directors and supervisors to the shareholders.

Article 105 Except for the cumulative voting, the voting on

proposals discussed on the general meeting shall be conducted one by one. Different proposals on the same matter shall be voted in chronological order. The general meeting will not set aside or refuse to vote on proposals, unless the meeting is unable to conclude resolutions due to suspension caused by force majeure or other special reasons.

Article 106 No changes to the proposals will be allowed during the deliberation at the general meeting. Otherwise, the changed proposals shall be regarded as new proposes and may not be examined and voted in the current general meeting.

Article 107 Each voting right is valid only once, be it exercised on-site, online, or in other means of voting. The first voting result of any voting right, if it is repeatedly exercised through different means of voting, shall be regarded as the final decision of voter .

Article 108 The voting on the general meeting is based on open ballot.

Article 109 Two (2) recommended representatives of shareholders shall participate in the vote counting and scrutinizing. Shareholders with interests in the matters discussed and their proxies may not participate in the vote counting and scrutinizing.

During the voting on proposals at the general meeting, lawyers and

representatives of shareholders and supervisors shall count the votes and scrutinize the process together, and announce the voting results on the spot. The results shall be recorded in the meeting minutes.

Shareholders of the Bank or their proxies who vote online or through other voting methods have the right to check their voting results through corresponding voting systems.

Article 110 The on-site general meeting may not conclude before the ending of its online edition or other voting channels. The chair of the meeting shall announce the voting conditions and results of each proposal and whether the proposal is passed according to the voting results.

Prior to the official announcement of the voting results, relevant parties involved in the voting, be it on-site, online, or in other voting methods, bear confidentiality obligation to the voting conditions, including the Bank, tally clerk, scrutineers, major shareholders, and internet server providers.

Article 111 Shareholders attending the meeting shall choose to agree to, object to or abstain from voting the proposals, except the securities registration and clearance institution. The institution, as the nominal holder of shares traded under the interconnection mechanism between the stock markets in the Chinese mainland and

Hong Kong, China, shall make declaration based on the intentions of the actual holders.

Any vote which is incomplete, incorrectly completed, illegibly completed or not cast shall be deemed to be from a voter abstaining from voting, and the voting result of such shares shall be counted as “abstention”.

Article 112 If the chair of the meeting has any doubt on the voting result of resolutions, he/she may double count the votes. If the chair does not re-count the votes and the attending shareholders or their proxies challenge the voting result announced by the chair, the shareholders or their proxies can request for a re-count immediately after the announcement of the result, and the chair shall re-count the votes immediately.

Article 113 The resolutions of the general meeting shall be announced in a timely manner and clarify the number of attending shareholders and proxies, the total number of their voting shares, the proportion of their voting shares in the Bank’s total number of voting shares, voting methods, voting results of every proposal, and the detailed content of every resolution that has been passed by the general meeting.

Article 114 The public announcement of resolutions of the

general meeting shall make special notice on the proposals that fail to pass, or the modification of resolutions made in the previous general meetings.

Article 115 If the general meeting passes proposals on cash dividend, share bonus or capitalization of capital reserve, the Bank will implement the specific proposal within two (2) months after the general meeting.

Chapter VI Directors and Board of Directors

Section 1 Directors

Article 116 Directors of the Bank shall be natural persons and are not necessary to hold shares of the Bank. The Board of Directors of the Bank is comprised of executive directors and non-executive directors that include independent directors.

The term “executive director” shall refer to a director who holds senior operational and managerial positions other than director. Executive directors shall give full play to their characteristics and advantages to fulfill the following tasks: uphold the core role of the Board of Directors in strategy formulation and decision making; facilitate the work of the Board of Supervisors; ensure timely report of matters within the scope of duties of the Board of Directors for

deliberation; promote senior executives to report to the Board of Directors; fully inform other directors about the operation, management, and risks of the Bank; ensure effective implementation and timely feedback of the resolutions made by the Board of Directors.

The term “non-executive director” shall refer to a director who does not hold operational or managerial positions in the Bank. The term “independent director” 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 that may impair his/her independent decision making and objective judgments.

Article 117 The directors of the Bank shall meet the following basic requirements:

- (1) above twenty-five (25) years old and with good health conditions;
- (2) have a bachelor degree or above, or intermediate or higher titles of relevant professions;
- (3) have no less than five-year experiences in law, economics, finance, accounting or other working experiences required for performing the duties and responsibilities of a director;

(4) have basic knowledge related to the operation of a listed company and are familiar with relevant laws, administrative regulations and rules;

(5) have enough time and energy to effectively perform the duties of a director;

(6) be familiar with the laws, administrative regulations and rules relevant to the operation and management of commercial banks; and

(7) be able to read, understand and analyze statement and financial report of commercial banks;

Article 118 None of the following persons may serve as directors 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 lapsed following the date of completion of such bankruptcy or liquidation;

(4) the legal representatives of companies or enterprises that had their business licenses revoked and companies shut down for breaking the law and bear individual liability, where three years have not lapsed following the date of revocation of such business licenses;

(5) persons with relatively heavy individual debts that have not been settled upon maturity;

(6) persons who are banned from the market by the banking regulatory authority and the securities regulatory authority of the State Council and have not been released yet;

(7) 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;

(8) shareholders or employees of shareholders that have loans borrowed from the Bank (excluding loans in forms of bank deposit receipts or pledge guarantee of national bonds) exceeding the audited net book value of the shares held by them in the previous year;

(9) individuals or employees of enterprises that have failed to repay their overdue loans to the Bank; and

(10) persons who may not serve as directors by virtue of laws, administrative regulations, and department rules;

Selection and appointment of directors that are in violation of this Article shall be invalid. The Board of Directors shall restrict directors who violate this Article during their term of office from performing their duties since the date the Board knows the conditions, and shall advise the general meeting to dismiss and replace such directors.

Article 119 Directors shall be elected or replaced by the general meeting and serve a term of office of three (3) years following the date approved by the banking regulatory authority of the State Council. A director may serve consecutive terms, if re-elected upon the expiration of his/her term, since the general meeting passes the resolution. The general meeting may not dismiss any directors without reasons within their term of office.

Senior executives of the Bank may serve as directors, but the number of directors appointed from senior management may not exceed one-third (1/3) of the total number of directors.

The Board of Directors of the Bank does not appoint directors from the employees.

Article 120 The Bank shall enter into engagement contracts with

directors to clarify the following details of appointment: the rights and duties of the directors to the Bank; the term of office; the liability of the directors if they violate laws, administrative regulations, rules and the Articles; and compensation on premature termination of the contracts for any reason.

Article 121 Directors shall perform the following responsibilities or duties:

(1) to require the senior management to provide, in a timely manner, comprehensive and accurate materials about, or make explanation to, the operation and management of the Bank;

(2) to participate in board meetings on time, fully examine the matters for deliberation, give independent, professional and objective opinions, and vote independently based on prudent judgement;

(3) to bear responsibility of the resolutions made by the Board of Directors;

(4) to supervise the senior management in the implementation of the resolutions passed by the general meeting or the Board of directions;

(5) to proactively take part in training organized by the Bank or regulatory institutions, understand the rights and duties of directors, be familiar with relevant laws and regulations, and possess expertise

and ability required for performing the duties as directors;

(6) to uphold excellent professional ethics and protect the legitimate rights of stakeholders; and

(7) to perform duties in a diligent and prudent manner, and ensure enough time and energy for performing duties.

Article 122 Directors shall observe laws, administrative regulations, rules and the Articles, and bear the following duties of loyalty to the Bank:

(1) not to use his/her duties and powers as a means to accept bribes or other forms of illegal income, and not to illegally appropriate the Bank's property;

(2) not to embezzle the Bank's funds;

(3) not to deposit the Bank's assets or funds in accounts opened in his/her own name or in the name of other individuals;

(4) not to lend the Bank's funds to others or use them to provide guarantee for other individuals in violation of the Articles and without the consent of the general meeting or the Board of Directors;

(5) not to enter into contracts or transactions with the Bank in violation of the Articles or without consent of the general meeting;

(6) not to abuse their power and skip the general meeting to seek

commercial opportunities that should belong to the Bank for themselves or others, or operate businesses of the same kind as the Bank's by themselves or for others.

(7) not to accept commissions in connection with the Bank's transactions for their own benefits;

(8) not to disclose confidential information about the Bank;

(9) not to use their affiliation to the detriment of the Bank's interests;
and

(10) perform other fiduciary duties stipulated by the laws, administrative regulations, department rules, and the Articles.

The income of the directors gained in violation of this Article shall be returned to the Bank. A director shall compensate for the losses of the Bank caused by his/her violation of this Article.

Article 123 Directors shall observe laws, administrative regulations and the Articles, and bear the following duties of diligence to the Bank:

(1) perform the authority conferred by the Bank in the manner of prudence, earnest and diligence, and ensure that 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) be responsible for the Bank and all its shareholders, and treat all shareholders fairly and equally when performing the duties;

(3) be aware of the business operation and management status of the Bank in a timely manner;

(4) sign the written documents on the confirmation of the Bank's regular report to ensure authenticity, accuracy and integrity of the information disclosed by the Bank;

(5) provide relevant information and materials to the Board of Supervisors according to the facts, and not to impede the Board of Supervisors or its members to perform their duties and powers; and

(6) perform other duties of diligence stipulated by laws, administrative regulations, department rules and the Articles.

Article 124 A director shall not represent the Bank or the Board of Directors in his/her own name, unless 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 125 In cases where a director of the Bank or the enterprise he/she is working for is directly or indirectly related to 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.

Unless the interested director 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 where the contractor is the bona fide party.

Interested shareholders may abstain from voting themselves or upon the request by other directors or their proxies attending the board meeting.

Article 126 If a director gives a written notice to the Board of Directors before the conclusion of the contract, transaction or arrangement that are considered by the Bank for the first time,

stating that due to the contents of the notice, he/she has or may have an interest in the contract, transaction or arrangement that may subsequently be made by the Bank, such director shall be deemed to have declared his/her interest, insofar as attributable to the scope stated in the notice.

Article 127 Directors shall devote sufficient time to perform their duties. A director shall attend personally at least two-thirds (2/3) of the on-site meetings of the Board of Directors each year. A director shall be deemed to be incapable of fulfilling his/her duty if he/she fails to attend two-thirds (2/3) of the board meetings or does not attend the board meetings twice consecutively either personally or by entrusting other directors to attend on his/her behalf. The Board of Directors shall propose to the general meeting to replace such directors. Attending via telephone or video conference shall be deemed to be present in person.

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, who shall disclose information about the resignation within two (2) days.

If the resignation of a director upon or prior to the expiration of his/her term may bring the number of directors below the minimum

number required by law or two-thirds (2/3) of the number stipulated herein, the Bank shall timely start election procedures and convene a general meeting to re-elect directors. The former director shall still perform the duties of a director pursuant to laws, administrative regulations, department regulations and the Articles before the re-elected director begins to serve the position. Any director may not resign when the Bank is responding to major risks, unless being approved by regulatory authorities.

During the term of the Board of Directors, the Bank shall request any director sent by a shareholder who has transferred all his/her shares to resign from the Board of Directors.

The resignation of directors comes into force when it is received by the Board of Directors, except for the second condition clarified in this Article.

If the number of directors is below the minimum number stipulated by the corporate law or the minimum number for voting required by the Board of Directors, as a result of the removal of directors by the general meeting, the death of directors, the resignation of independent directors due to the loss of independence, or other factors causing failure in performing the duties of directors, the general meeting shall take over the duties and powers of the Board

of Directors until the number of directors meet the requirements.

Article 129 A director shall complete all handover procedures to the Board of Directors when his/her resignation comes into force or when his/her term of office expires. The duties of loyalty of the directors to the Bank and the shareholders do not necessarily cease with the termination of their term of office, but shall remain in effect for a reasonable period of time as provided in the Articles. Their confidentiality obligation in relation to the Bank's trade secrets shall remain upon termination of their term of office until such secrets become public information. The continuance of other obligations shall be decided based fairness, in accordance to the time span between the termination and the occurrence of the event, and dependent on the circumstances and conditions under which the relationship between the director and the Bank terminates.

Article 130 A director shall compensate for the losses of the Bank caused by his/her willful dereliction of duty before the conclusion of his/her term of office, or by his/her violation of laws, administrative regulations, department regulations or the Articles during the performance of duties.

Article 131 The bank may, approved by the general meeting, purchase liabilities insurance for directors, except for liabilities

incurred by the violation of laws, administrative regulations, rules and the Articles.

The Bank shall bear the reasonable expenses such as travel and accommodation expenses incurred by the directors in attending board meetings or in connection with the work of the Bank.

Section 2 Independent Directors

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 that may influence his/her independent judgments. At least one-third (1/3) of the members of the Board of Directors shall be independent directors, which shall include at least one (1) professional accountant.

Article 133 The rules and regulations for the appointment of directors in the Articles also apply for independent directors. The following persons shall be prohibited from holding the position of an independent director:

- (1) shareholders or employees of shareholders who hold more than 1% of the Bank’s total shares;
- (2) natural persons among the Bank’s ten (10) largest shareholders or

- employees of the Bank's five (5) largest shareholders;
- (3) persons holding a position in the Bank or entities in which the Bank controls majority shares or is the de facto controller;
- (4) persons who hold a position 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;
- (5) persons who have or hold 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 direct relatives and primary social relations of the above persons; the term "direct relatives" refers to spouses, parents, children, etc.; the term "primary social relations" refers to parents-in-law, siblings, sons-and-daughters-in-law, grandparents, grandchildren, spouses of siblings, siblings of spouses, etc.;
- (8) persons who have been in one of the above circumstances within one (1) year;
- (9) other persons prohibited from holding the position of independent directors by relevant regulatory authorities or the

Articles; and

(10) other persons specified or determined by the banking and securities regulatory authorities of the State Council.

Article 134 Independent directors bear the fiduciary duty and duty of diligence to the Bank and all its shareholders. They shall, in compliance with relevant laws, administrative regulations, rules and the Articles, independently perform their duties and safeguard the collective interests of the Bank (especially the legitimate rights and interests of small and medium shareholders and financial consumers) without being influenced by shareholders, de facto controllers, senior managers, or other entities or individuals who have major interests with the Bank.

If an independent director of the Bank acts as an independent director in no more than five (5) domestic and foreign enterprises, and in banking and insurance institutions at the same time, relevant institutions shall have no correlation or conflict of interest. Any independent director of the Bank may not act as independent director at more than two (2) commercial banks at the same time.

Article 135 Independent directors shall work at the Bank for no less than fifteen (15) working days per year. Directors who serve as the chairs of the Risk Management and Consumer Rights Protection

Committee and the Audit and Related Transaction Control Committee shall work at the Bank for no less than twenty (20) working days per year. Independent directors may entrust other independent directors to attend the board meetings on their behalf, but they shall attend at least two-thirds (2/3) of the board meetings in person each year. Independent directors may not entrust non-independent directors to attend the board meetings on their behalf.

Article 136 The nomination, election and replacement of independent directors shall comply with laws and the provisions of the Articles, and shall observe the following rules:

(1) The Nomination Committee of the Board of Directors, the 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 the general meeting. One (1) shareholder may propose only one (1) candidate for independent director and may not nominate both independent directors and external supervisors. Shareholders and related parties who have already been nominated for directors shall abstain from the nomination of independent directors.

(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/herself and the Bank will affect his/her independent decision making and objective judgment. Before taking the posts, independent directors shall make statement to the Board of Directors to promise that sufficient time and energy will be invested in the performance of duties in a diligent manner. The Board of Directors shall disclose the above information to the shareholders prior to the general meeting on the election of independent shareholders.

(3) Prior to the general meeting on the election of independent shareholders, the Bank shall submit all relevant materials of the nominees to the related regulatory authorities, such as the banking regulatory authority of the State Council. When the Board of Directors dissent with the conditions of the nominees, written documents on the dissension of the Board of Directors shall be submitted to the regulatory authorities together with the

aforementioned materials.

Nominees may not become candidates for independent director if relevant regulatory authorities dissent with the nomination or their qualification to hold the position.

(4) Independent directors have the same term of office as other directors in the Bank and may not serve for more than six (6) years in aggregate. They may continue to serve as directors after exceeding the time limit, but may not remain as independent directors.

Article 137 The Board of Directors or the Board of Supervisors shall request the general meeting to remove independent directors upon the occurrence of any of the following events:

(1) fail to meet the qualifications for independent directors due to the change of position and failure in submitting resignation;

(2) fail to attend board meetings in person three (3) times consecutively, or fail to attend no less than two-thirds (2/3) of board meetings in person; and

(3) other circumstances that prohibit persons to take or remain the position of independent directors according to the laws, administrative regulations, rules or the Articles.

An independent director shall be deemed to fail his/her duties if he/she does not attend the board meeting personally for three (3) times consecutively. In such circumstances, the Bank shall convene a general meeting within three (3) months to remove such independent directors from their positions and elect new independent directors.

The Board of Directors and the Board of Supervisors may submit proposals for the removal of independent directors to the general meeting. However, the consent from more than two-thirds (2/3) of the total directors or supervisors in form of voting is required before such proposals are submitted to the general meeting for deliberation. If the one of the Board of Directors and the Board of Supervisors has submitted such a proposal, the other party may, after the submitted proposal has been passed, jointly submit the same proposal.

The independent directors may make representations and justification to the Board of Directors or the Board of Supervisors before the above proposals are submitted to the general meeting, and the Board of Directors or the Board of Supervisors shall convene an extraordinary Board meeting to hear the representations and justification of the independent directors before the general meeting. The Board of Directors and the Board of Supervisors shall report to the relevant regulatory authorities, such as the banking regulatory authority under the State Council one (1) month prior to the general

meeting for the removal of the independent director, and send a notice to the independent director whose removal is proposed. The notice shall contain all the contents of the proposal. The independent director whose removal proposal is made shall have the right to state his/her opinions orally or in writing before the general meeting, and shall have the right to report such opinions to the banking regulatory authority under the State Council five (5) days before the general meeting. The general meeting shall consider the opinions stated by the independent directors in accordance with the law and then vote on them.

Article 138 An independent director who has been disqualified by the relevant supervisory authority for a serious dereliction of duty shall not serve as an independent director of the Bank. His/her duties shall be automatically removed from the office from the date of disqualification.

If the number or proportion of independent directors on the Board of Directors of the Bank falls below the minimum number or required proportion stipulated by relevant laws, administrative regulations, rules or the Articles due to the disqualification or removal of independent directors, or if the independent directors fail to meet the conditions of independence or other circumstances that make them unfit to perform the duties of independent directors, the Bank shall

convene a general meeting as soon as possible to elect and make up the full number.

Article 139 An independent director commits “serious dereliction of duty” as mentioned in the preceding article if he/she has any of the following circumstances:

- (1) to disclose the Bank’s trade secrets to the detriment of the Bank’s commercial interests;
- (2) to accept improper benefits in the course of performing duties or using the position of independent director for personal gain;
- (3) failure to raise objection to a resolution of the Board of Directors knowing that it is in violation of laws, administrative regulations, rules or the Articles;
- (4) The independent directors fail to exercise their veto power when the connected transactions result in significant losses to the Bank; or
- (5) other serious dereliction of duty as determined by the relevant regulatory authorities.

Article 140 An independent director may resign before the expiration of his/her term of office. An independent director shall resign by submitting a written resignation report to the Board of Directors. The Board of Directors will disclose the situation within two (2) days.

In the event that the number of independent directors of the Bank

falls below the quorum due to the resignation of independent directors, the former independent directors shall still perform their duties as independent directors in accordance with the laws, administrative regulations, departmental rules and regulations and the provisions of these Articles until the newly elected independent directors take office.

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

Article 141 In addition to the duties and powers of the Bank's directors, the independent directors shall have the following special duties and powers:

- (1) Significant connected transactions shall be approved by the independent directors and submitted to the Board of Directors for discussion; before making judgments on significant connected transactions, the independent directors may engage intermediaries to issue independent financial advisory reports as the basis for their judgments;
- (2) to request to the Board of Directors the engagement or dismissal of the accounting firm;
- (3) to propose to the Board of Directors the convening of an extraordinary general meeting;

- (4) to propose the convening of a meeting of the Board of Directors;
- (5) to independently engage external auditors and consultants; and
- (6) to publicly solicit voting rights from shareholders without compensation before the general meeting.

The independent directors shall obtain the consent of at least one-half (1/2) of all independent directors to exercise the above-mentioned duties and powers. If the above proposals are not adopted or the above duties and powers are not exercised properly, the Bank shall disclose the relevant information.

Article 142 The “significant connected transactions” referred to in this Article refers to the significant connected transactions as defined by the applicable laws, administrative regulations and regulatory provisions of the Bank.

Article 143 The independent directors shall express independent opinions to the Board of Directors or the general meeting on the following significant matters:

- (1) nomination, engagement and removal of directors;
- (2) engagement or dismissal of senior executives;
- (3) the remuneration of directors and senior executives of the Bank;
- (4) significant connected transactions of the Bank;
- (5) profit distribution plan;
- (6) profit distribution program;

- (7) adjustment of profit distribution policy;
- (8) engagement or dismissal of external auditors;
- (9) other matters that may have significant impact on the legitimate rights and interests of the Bank, minority shareholders and financial consumers; and
- (10) other matters as stipulated by laws, regulations, supervision or the Articles.

The independent directors shall express one of the following types of opinions on the above matters: concurrence; qualified opinions and reasons therefor; dissenting opinions and reasons therefor; unable to express an opinion and obstacles thereto.

If the matter in question is a matter requiring disclosure, the Bank shall announce the opinions of the independent directors. In the event that the independent directors disagree and cannot reach agreement, the Board of Directors shall disclose the opinions of each independent director separately.

All independent directors may elect an independent director who shall be responsible for convening a special meeting attended by independent directors to study issues related to the performance of their duties.

Article 144 If, in the course of performing their duties, the independent directors find that the Board of Directors, directors,

members of the senior management and institutions and personnel of the Bank have violated the laws, administrative regulations, rules and regulations and the provisions of the Articles, they shall promptly request rectification and report to the relevant supervisory authorities.

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

Article 145 If the resolution of the Board of Directors violates laws, administrative regulations, rules or the Articles, causing the Bank to suffer serious losses, and the independent directors do not express an opposing opinion, they shall be liable for compensation in accordance with the law.

Article 146 In order to ensure the effective exercise of the duties and powers of the independent directors, the Bank shall provide the following necessary working conditions for the independent directors:

(1) The Bank shall ensure that the independent directors enjoy the same right to information as other directors. The Bank shall notify

the independent directors in advance of any matters subject to decision by the Board of Directors in accordance with the statutory time and provide sufficient information at the same time, and the independent directors may request additional information if they consider the information insufficient. When two (2) or more independent directors consider that the information is insufficient or the arguments are unclear, they may jointly propose in writing to the Board of Directors to postpone the meeting of the Board of Directors or the consideration of the matter, and the Board of Directors shall accept the proposal.

The information provided by the Bank to the independent directors shall be kept by the Bank and the independent directors themselves for at least five (5) years.

(2) The Bank shall provide the working conditions necessary for the independent directors to perform their duties. The secretary of the Board of Directors shall actively provide assistance to the independent directors in performing their duties, such as introducing information and providing materials. If the independent directors' independent opinions, proposals and written explanations should be announced, the secretary of the Board of Directors shall go to the stock exchange for the announcement in a timely manner.

(3) When the independent directors exercise their duties and powers,

the relevant personnel of the Bank shall actively cooperate and shall not refuse, hinder or conceal them, nor interfere with their independent exercise of duties and powers.

(4) The Bank shall bear the expenses of intermediaries engaged by the independent directors and other reasonable expenses incurred in the exercise of their duties and powers.

(5) The Bank shall grant appropriate allowances to the independent directors. The criteria for the allowances shall be formulated by the Board of Directors and approved by the general meeting, and disclosed in the Bank's annual report. In addition to the above allowances, independent directors shall not receive additional, undisclosed benefits from the Bank and the Bank's major shareholders or interested institutions and personnel.

Article 147 The evaluation report of the Board of Directors on the independent directors shall be submitted to the general meeting for consideration. The evaluation report of the independent directors for consideration at the general meeting shall include at least the number of meetings of the Board of Directors attended by such independent directors in person, the main circumstances of the previous meetings of the Board of Directors attended, the objections raised by the independent directors and the treatment made by the Board of Directors.

Article 148 In addition to the special provisions on independent directors in this section, independent directors shall also follow the general provisions on directors in these Articles, and where the general provisions are inconsistent with the special provisions, the special provisions shall apply.

Article 149 The provisions of this section regarding the qualifications and conditions for engagement of independent directors, nomination, election, replacement and removal of independent directors, assumption of office and resignation, basic obligations, working hours and minimum number of meetings attended, working conditions, allowances and fees, evaluation reports, etc. shall apply to the external supervisors of the Bank.

Section 3 Board of Directors

Article 150 The Bank shall have a Board of Directors, which shall be responsible to the general meeting.

Article 151 The Board of Directors shall be composed of ten (10) to fifteen (15) directors, of which the number of independent directors shall in principle be not less than one-third (1/3) of the total number of members of the Board of Directors; there shall be a chairman of the Board of Directors and a vice chairman as needed. The structure of the members of the Board of Directors shall comply

with the laws, administrative regulations, rules and regulations of the relevant regulatory authorities.

Article 152 The Board of Directors shall exercise the duties and powers set forth below:

- (1) to be responsible for convening the general meeting and reporting to the general meeting;
- (2) to implement the resolutions of the general meeting;
- (3) to decide on the Bank's business development strategies, business plans and investment programs;
- (4) to formulate the annual financial budget and final accounts of the Bank;
- (5) to formulate the Bank's risk capital allocation plan, profit distribution plan and loss recovery plan;
- (6) to formulate the Bank's proposals for the increase or reduction of registered capital, the issuance of bonds or other securities and the public listing plans;
- (7) to draw up plans for major acquisition or repurchase of the Bank's shares or for merger, division, dissolution and change of corporate nature of the Bank;
- (8) to decide on the Bank's foreign investments and the acquisition and sale of assets within the scope of the authorization of the general meeting;

- (9) to consider and approve significant connected transactions that should not be considered by the general meeting;
- (10) to consider and approve the disposal and write-off of assets, mortgage, data governance and other matters in accordance with laws and regulations, regulatory requirements and the Articles;
- (11) to decide on the establishment of internal management bodies of the Bank and the planning of the establishment of branches of the Bank;
- (12) to decide on the engagement or dismissal of the president of the Bank, the Secretary of the Board of Directors and their remuneration, and to decide on the engagement or dismissal of the vice president, the Head of Financial Business and other senior executives of the Bank and their remuneration, rewards and punishments upon nomination by the president;
- (13) to formulate capital planning and assuming ultimate responsibility for capital or solvency management;
- formulate risk tolerance, risk management and internal control policies, consider and approve the Bank's compliance policies and supervise their implementation, conduct regular studies and evaluations of the soundness, reasonableness and effectiveness of internal controls, and assume ultimate responsibility for the overall risk management and compliance of the Bank's business activities;

- (14) to formulate the basic management system of the Bank, formulate risk tolerance, risk management and internal control policies, consider and approve the Bank's compliance policies and supervise their implementation, conduct regular studies and evaluations of the soundness, reasonableness and effectiveness of internal controls, and assume ultimate responsibility for the overall risk management and compliance of the Bank's business activities;
- (15) to assume ultimate responsibility for the establishment, operation and maintenance of the internal audit system, as well as the independence and effectiveness of internal audit; special committees of the Board of Directors;
- (16) to formulate amendments to these Articles, establish the rules of procedure of the general meeting and the rules of procedure of the Board of Directors, and to consider and approve the rules of work of the special committees of the Board of Directors;
- (17) to be responsible for the Bank's information disclosure and to assume the ultimate responsibility for the truthfulness, completeness, accuracy and timeliness of the Bank's accounting and financial reporting system;
- (18) to request the general meeting to engage or replace the accounting firm auditing for the Bank;
- (19) to receive reports from and inspecting the work of the president

of the Bank; to supervise the performance of the senior management and ensure that the senior management performs its management responsibilities effectively;

(20) to assume the ultimate responsibility for the management of the Group's consolidated statements, be responsible for formulating various policies on the management of the Group's consolidated statements, approve significant matters related to the management of the consolidated statements and supervise their implementation;

(21) to decide on the Bank's strategic planning, major policies and basic systems for social responsibility and sustainable development such as green and low-carbon development, ESG (environment, society and governance, hereinafter referred to as ESG), assume ultimate responsibility for ESG management, approve the sustainable development goals set by the senior management and the sustainability reports submitted, receive reports on the Bank's ESG management and external ratings, and supervise, inspect and evaluate social responsibility and implementation of sustainable development and ESG strategies;

(22) to assume ultimate responsibility for consumer rights and interests protection; to formulate strategies, policies and targets for the Bank's consumer rights and interests protection work, receive regular reports from the senior management on consumer rights and

interests protection work, guide, monitor and evaluate consumer rights and interests protection work, and safeguard the legitimate rights and interests of consumers and other stakeholders;

(23) to regularly evaluate and improve the Bank's corporate governance;

(24) to establish mechanisms for the identification, review and management of conflicts of interest between the Bank and its shareholders, especially major shareholders;

(25) to assume management responsibility for shareholders' affairs;

(26) to establish the Bank's proposal on directors' remuneration and allowances;

(27) to promote the implementation of supervisory opinions and accountability for rectification of related issues, and pay attention to and handle matters that may cause or have caused significant risks and losses in accordance with responsibilities; and

(28) other duties and powers and responsibilities granted by laws, regulations, relevant provisions of the Bank's listing regulators and the Articles or by the general meeting.

Article 153 The Board of Directors of the Bank shall make a statement to the general meeting regarding the audit report issued by the Certified Public Accountant with a non-standard audit opinion on the financial report of the Bank.

Article 154 The Board of Directors of the Bank shall assume the ultimate responsibility for the management of the Bank's capital adequacy ratio and ensure that commercial banks formulate reasonable business development plans based on measuring and gauging the status of matching capital with business development.

Article 155 The Board of Directors shall establish rules of procedure of the Board of Directors to ensure that the Board of Directors implements the resolutions of the general meeting, improves efficiency and ensures scientific decision-making.

Article 156 The Board of Directors shall determine the authority of the Bank's foreign investments and acquisition and sale of assets, set out clear review and decision-making procedures, and submit them to the general meeting for consideration and approval before implementation. The term "foreign investments and acquisitions and sales of assets by the Bank" in these Articles includes foreign equity investments and their disposals, and investments in fixed assets and their disposals by the Bank.

For the Bank's foreign equity investments and their disposal, if the amount of a single investment is less than RMB¥500 million, a proposal shall be formulated by the senior management and approved by the Strategy Committee of the Board of Directors; if the amount of a single investment is less than 5% of the Bank's latest

audited net asset value (more than RMB¥500 million), a proposal shall be formulated by the Strategy Committee of the Board of Directors and approved by the Board of Directors; if the amount of a single investment is more than 5% of the Bank's latest audited net asset value, a proposal shall be formulated by the Board of Directors and approved by the general meeting. The Board of Directors shall formulate a plan and the general meeting shall approve it.

The Board of Directors shall authorize the president of the Bank to approve the investment in fixed assets and its disposal if the single amount is less than USD\$100 million, the Board of Directors shall authorize the Strategy Committee of the Board of Directors to approve if the single amount is less than USD\$500 million (more than USD\$100 million), the Board of Directors shall authorize the Board of Directors to approve if the single amount is less than 5% of the Bank's last audited net asset value (more than USD\$500 million), and the Board of Directors shall approve if the single amount is more than 5% of the Bank's last audited net asset value. The Board of Directors shall approve any single amount of less than 5% of the Bank's latest audited net assets (more than RMB¥500 million), and any single amount more than 5% of the Bank's latest audited net assets shall be approved by the general meeting.

Article 157 The Board of Directors shall perform in good faith

and diligently the duties stipulated in relevant laws, regulations, rules and the Articles, ensure that the Bank complies with the provisions of laws, administrative regulations, rules and the Articles, treat all shareholders fairly, effectively protect the legitimate rights and interests of shareholders, and pay attention to and safeguard the interests of depositors and other stakeholders.

Article 158 The Board of Directors shall establish a Strategy and ESG Committee. The Strategy and ESG Committee of the Board of Directors shall consist of five (5) to seven (7) directors, whose members shall be nominated by the chairman and voted by the Board of Directors. The Strategy and ESG Committee of the Board of Directors shall have a chairman, who shall be the chairman of the Board of Directors and shall be responsible for convening the activities of the Committee. In accordance with the provisions of the Articles and the authorization of the Board of Directors, the Strategy and ESG Committee of the Board of Directors shall take the following responsibilities:

(1) to study and formulate the Bank's medium and long-term development strategies and make recommendations to the Board of Directors; to assess the factors that may affect the Bank's strategies and their implementation in light of the international and domestic economic and financial situation and market trends, and to make

timely recommendations to the Board of Directors for strategic adjustments;

(2) to study and formulate the Bank's strategic planning, major policies and basic systems for social responsibility and sustainable development such as green and low-carbon, ESG, to receive reports on the Bank's ESG management and external ratings, to promote the implementation of ESG strategies and the establishment of effective ESG risk management and internal control systems, and to assist in the supervision, inspection and evaluation of the Bank's implementation of social responsibility and sustainable development and ESG strategies;

(3) to propose and supervise the implementation of the Bank's business development strategies, business plans, investment plans and basic management systems in accordance with the Bank's business guidelines and the decisions of the Board of Directors;

(4) to consider mergers, acquisitions, asset disposal projects and investment and financing proposals proposed by the senior management, especially significant matters such as non-planned investments, leasing, asset sales and purchases, guarantees, etc., and make recommendations to the Board of Directors;

(5) to consider major business regulations and major business policy proposals of the Bank proposed by the president, etc., and to

evaluate and improve the principles of authorization, scope of authorization and management mechanism of the Board of Directors to the senior management;

(6) to decide on the establishment of the Bank's internal management structure and to decide on the establishment of the Bank's branches, sub-branches directly under the Bank's head office, etc. in accordance with the Bank's branch establishment plan decided by the Board of Directors;

(7) to promote the Bank to improve its shareholding structure and internal governance structure, strengthen shareholding management and enhance the effectiveness of corporate governance; review and assess the soundness of the corporate governance structure to ensure that financial reporting, risk management and internal controls are in line with the Bank's corporate governance standards;

(8) to review the Bank's business planning, policies and objectives for inclusive finance;

(9) to receive reports from the president on the Bank's operation and management, and inspect and supervise the implementation of the resolutions of the Board of Directors;

(10) to make recommendations and proposals on major issues to be discussed and decided by the Board of Directors; and

(11) other duties as stipulated in the Articles or authorized by the

Board of Directors.

Article 159 The Board of Directors establishes special committees such as the Risk Management and Consumer Rights Protection Committee, the Audit and Related Transaction Control Committee, the Nomination Committee and the Remuneration and Performance Appraisal Committee.

Each special committee shall be composed of three (3) to five (5) directors who shall have professional knowledge or work experience appropriate to the duties of the special committee. The Audit and Related Transaction Control Committee, the Nomination Committee and the Remuneration and Performance Appraisal Committee shall all have a majority of independent directors; the Risk Management and Consumer Rights Protection Committee shall have no less than one-third (1/3) of independent directors in principle, and the members of the Audit and Related Transaction Control Committee shall have professional knowledge and work experience in one aspect such as finance, auditing, accounting or law, and at least one third (1/3) of Each special committee shall be composed of three (3) to five (5) directors who shall have professional knowledge or work experience appropriate to the duties of the special committee. The Audit and Related Transaction Control Committee, the Nomination Committee and the Remuneration and Performance Appraisal

Committee shall all have half or more of independent directors; the Risk Management and Consumer Protection Committee shall have no less than one-third (1/3) of independent directors in principle, and the members of the Audit and Related Transaction Control Committee shall have professional knowledge and work experience in one aspect such as finance, auditing, accounting or law, and at least one third (1/3) of those who work in the Compensation and Evaluation Committee shall be finance professionals and should be familiar with the risks, costs and evolution of each product line in order to effectively and responsibly consider the relevant remuneration system and policies; directors nominated by the Bank's controlling shareholder shall not be members of the Audit and Connected Transaction Control Committee and the Nomination Committee.

Each special committee has a chairman who is responsible for convening the activities of each special committee, and the chairman of each special committee may not serve as a member at the same time in principle. The chairman of the Audit and Connected Transaction Control Committee, the Nomination Committee and the Remuneration and Performance Appraisal Committee shall be an independent director. The chairman of the Risk Management and Consumer Rights Protection Committee shall have experience in

judging and managing various types of risks, and the chairman of the Audit and Related Transaction Control Committee shall be an accounting professional.

Article 160 The Risk Management and Consumer Rights Protection Committee shall take the following duties:

- (1) to consider and approve the bank's risk management framework, formulate the bank's risk strategy and basic risk management policies, and supervise and inspect the implementation thereof;
- (2) to consider and approve the annual risk tolerance targets of the Bank and follow up on the implementation thereof;
- (3) to approve and inspect the senior management's responsibilities, authority and reporting system regarding risks, ensuring the effectiveness of the Bank's risk management decision-making system and ensuring, to the extent possible, that the risks faced by the various businesses engaged in by the Bank are kept within tolerable limits;
- (4) the implementation of anti-money laundering and anti-terrorist financing related requirements;
- (5) to supervise the senior management to take necessary measures to effectively identify, assess, monitor and control/mitigate risks;
- (6) to review the risk classification criteria of the Bank's assets and loss provisioning policy, and review the write-off of bad debts and

the total annual loss provisioning amount;

(7) to review the write-off of bad debt items with individual item amount more than RMB¥100 million and submit them to the Board of Directors' Strategy and ESG Committee or the Board of Directors for consideration and approval accordingly according to the authority stipulated in the Articles;

(8) to ensure that the Bank's risk management system is subject to effective review and supervision by the internal audit department;

(9) to develop appropriate reward and punishment systems to effectively promote the risk management system bank-wide;

(10) to study and formulate strategies, policies and objectives of the Bank's consumer rights and interests protection work, carry out related work as authorized by the Board of Directors, discuss and decide on related matters, study major issues of consumer rights and interests protection, guide and supervise the establishment and improvement of the management system of consumer rights and interests protection work, regularly review and study reports related to consumer rights and interests protection, assist in guiding, supervising and evaluating consumer rights and interests protection work and supervise the implementation of rectification of relevant issues and make recommendations to the Board of Directors; and

(11) other matters as authorized by the Board of Directors.

Article 161 The Audit and Related Transaction Control Committee shall take the following duties:

- (1) to examine the Bank's accounting policies, financial position and financial reporting procedures, and to check the risk and compliance status;
- (2) to propose the engagement or replacement of external auditors;
- (3) to supervise the Bank's internal audit system and its implementation;
- (4) to be responsible for the communication between internal audit and external audit;
- (5) to be responsible for the annual audit of the Bank and make a judgmental report on the truthfulness, accuracy and completeness of the audited financial reporting information for submission to the Board of Directors for consideration;
- (6) to review the Bank's internal control system and evaluate the work procedures and effectiveness of the work of the Bank's internal audit department;
- (7) to examine and assess the Bank's connected transactions;
- (8) to review significant connected transactions requiring consideration by the Board of Directors;
- (9) to listen to the supervisory circulars issued to the Bank by the banking regulatory authorities under the State Council and to

consider reports on the Bank's rectification and improvement; and
(10) other matters authorized by the Board of Directors.

Article 162 The Nomination Committee shall take the following duties:

- (1) to study and make recommendations on the procedures and criteria for the selection and engagement of directors and members of the senior management, and to enhance the standardization and transparency of the process of nomination and election of directors;
- (2) to conduct extensive searches for qualified candidates for directors and members of the senior management;
- (3) to conduct preliminary review and make recommendations to the Board of Directors on the qualifications and terms of engagement of director candidates and members of the senior management; and
- (4) other matters as authorized by the Board of Directors.

Article 163 The Remuneration and Evaluation Committee shall take the following duties:

- (1) to study the criteria for appraisal of directors and members of the senior management, conduct appraisals and make recommendations;
- (2) to consider the Bank-wide remuneration management system and policies, to study, formulate and recommend remuneration policies and programs for directors and senior executives, and to supervise the implementation of the programs; to ensure that the remuneration

of directors and senior executives is consistent with the long-term interests of the Bank and shareholders, and that it is in line with regulatory requirements; and

(3) other matters authorized by the Board of Directors.

Article 164 The committees established by the Board of Directors are accountable to the Board of Directors and shall work in accordance with these Articles and the working rules of the Board of Directors.

The same director may serve on several committees at the same time.

Article 165 The committees may engage intermediaries to provide professional advice, the costs of which shall be borne by the Bank.

The Bank shall provide the necessary working conditions for the committees to perform their duties.

Article 166 The Bank's total annual budget for the write-off of bad debts shall be proposed by the president, reviewed by the Risk Management and Consumer Rights Protection Committee of the Board of Directors, and decided by the Board of Directors.

Within the total annual budget for the write-off of bad debts decided by the Board of Directors, the write-off of bad debts items shall be approved by the president if the amount of a single item (combined if two or more items are related to each other, the same hereinafter)

is less than RMB¥100 million, by the Strategy and ESG Committee of the Board of Directors if the amount of a single item is less than RMB¥300 million (more than RMB¥100 million), and by the Board of Directors if the amount of a single item is more than RMB¥300 million.

Article 167 The chairman and vice chairman shall be the Directors of the Bank and shall be elected and dismissed by half or more of all Directors.

Article 168 The chairman shall exercise the following duties and powers:

- (1) to preside over the general meetings and to convene and preside over the meetings of the Board of Directors;
- (2) to supervise and inspect the implementation of the resolutions of the Board of Directors;
- (3) to sign stocks, bonds and other marketable securities of the Bank;
- (4) to sign important documents of the Board of Directors and other documents that should be signed by the legal representative of the Bank;
- (5) to exercise the duties and powers of the legal representative;
- (6) to exercise the special authority at his disposal in accordance with the provisions of the law and in the interests of the Bank in case of emergencies of force majeure, such as massive natural disasters,

and to report to the Board of Directors and the general meeting of the Bank afterwards;

(7) to assume primary responsibility for the management of the Bank's information disclosure affairs, decide on extraordinary information disclosure matters arising from emergencies, and report to the Board of Directors afterwards; and

(8) other duties and powers granted by laws, administrative regulations, rules and regulations and the Articles, or by the Board of Directors.

Article 169 The vice chairman of the Bank shall assist the chairman of the Board in his/her work. If the chairman of the Board is unable to perform his/her duties or does not perform his/her duties, the vice chairman shall perform his/her duties; if the vice chairman is unable to perform his/her duties, or does not perform his/her duties, half or more of the directors shall jointly elect a director to perform his/her duties.

Article 170 The Board of Directors shall hold at least four (4) regular meetings each year, which shall be convened by the chairman of the Board of Directors, and shall notify all directors in writing ten (10) days before the meeting to attend the meeting, and all supervisors to attend the meeting.

Article 171 The chairman of the board shall convene and chair an

interim board meeting within ten (10) days in any of the following cases:

- (1) when proposed by shareholders representing more than ten (10) percent of the voting rights;
- (2) when the chairman of the board deems it is necessary;
- (3) when proposed jointly by more than one-third (1/3) of the directors;
- (4) when proposed by one-half (1/2) or more than two (2) independent directors;
- (5) when proposed by the Board of Supervisors; or
- (6) when proposed by the president of the Bank.

Article 172 The notice of the Board of Directors' meeting shall be given in writing, including registered mail, telegram, telex, e-mail and fax with acknowledgement of receipt; the notice shall be sent to all directors seven (7) days before the meeting.

Article 173 The notice of the meeting of the Board of Directors shall include the following contents:

- (1) the date and venue of the meeting;
- (2) the term of the meeting;
- (3) the reasons and subject matters for discussion; and
- (4) the date of issuing the notice.

Article 174 The meeting of the Board of Directors shall be held in

the presence of half or more of the Directors. Resolutions of the Board of Directors shall be made by secret ballot or by a show of hands, and each Director shall have one vote. Resolutions made by the Board of Directors shall be passed by half or more of all the directors.

Article 175 Interim board meetings may be held and resolutions made by fax, email or other means of communication and signed by the participating directors, provided that the directors are guaranteed to fully express their opinions. However, resolutions on significant matters such as profit distribution plan, risk capital allocation plan, remuneration plan, major foreign investment or major acquisition and sale of assets plan, engagement or dismissal of senior executives, capital replenishment plan, major equity changes and financial restructuring shall not be conducted by correspondence and must be passed by at least two-thirds (2/3) of all directors.

Resolutions on significant connected transactions made at the Board of Directors' meetings shall be passed by at least two-thirds (2/3) of the non-affiliated directors. If the number of non-affiliated directors present at a meeting of the Board of Directors is less than three (3), it shall be submitted to the general meeting for consideration.

Article 176 The Board of Directors shall promptly inform the Board of Supervisors of the dismissal of the president within the

term of his/her engagement and give a written explanation to the Board of Supervisors. The Board of Directors shall appoint or dismiss the vice president, the Head of Financial Business and other members of the senior management based on the nomination of the president, and shall not directly appoint or dismiss the vice president, the Head of Financial Business and other members of the senior management without the nomination of the president.

Article 177 Directors shall attend the meetings of the Board of Directors in a serious and responsible manner, and shall make proposals or express their opinions independently, professionally and objectively at the meetings of the Board of Directors. If a director is really unable to attend a meeting of the Board of Directors in person, he/she may appoint other directors in writing to vote on his/her behalf in accordance with the wishes of the bailor, who shall independently bear the legal responsibility.

The director who attends the meeting on behalf of the entrusting party shall exercise the rights of the director within the scope of authorization. If a director does not attend a meeting of the Board of Directors and does not appoint another director to attend, he/she shall be deemed to have waived his/her voting rights at such meeting, but such director shall bear the corresponding legal responsibility for the resolutions made by the Board of Directors.

The proxy letter shall set out the name of the proxy, matters of proxy, authority and validity period, and shall be signed or sealed by the entrusting party.

A director shall, in principle, accept a maximum of two (2) entrusting parties from directors who do not attend the meeting in person. When considering matters of connected transactions, a non-connected director shall not appoint a connected director to attend on his/her behalf.

Article 178 In case a director has a material interest in any matters to be discussed at the Board meeting, the Director shall abstain from exercising his/her voting rights on such matters nor be authorized to exercise any voting rights on behalf of other directors. The Board meeting shall not be held unless more than half of the directors who are not materially interested are present. Resolutions of the Board shall be passed by more than half of the directors who have no material interest in such matters. Where less than three (3) directors who have no material interest in the resolutions attending the Board meeting, such resolutions shall be submitted to the general meetings for consideration.

Article 179 The minutes of Board meetings shall be made to record for the Board meetings. The directors, secretary to the Board who attended the meeting and recorder of minutes shall sign the

minutes. Directors who attended the meeting shall be entitled 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 permanently as archives of the Bank. Board meetings shall be recorded or taped by the Bank.

Article 180 The minutes of Board meetings shall include the following details:

- (1) the date, venue of the meeting, and the name of the convener;
- (2) names of directors present at the meeting in person, and names of directors appointed to attend the Board meeting (as proxies);
- (3) agenda of the meeting;
- (4) key points of the directors' speeches; and
- (5) the method and results of voting on each resolution (voting result shall state the number of votes for and against the resolution and the number of votes having been abstained).

Article 181 Directors shall sign the resolutions of Board meetings and be responsible for the resolutions made at the meeting. Where a resolution of the Board violates laws, administrative regulations, rules, the Articles, or resolutions of Board meetings which causes severe losses to the Bank, the directors who participated in the

resolution shall be liable to the Bank for compensation. provided that, where a director has been approved to have objected to the resolution during the voting therefor and which have been recorded in the meeting minutes, such directors may be exempted from such liability.

Section 4 Secretary to the Board of Directors

Article 182 The Board of Directors shall establish the position of the secretary to the Board, who is a senior executive of the Bank and shall be accountable to the Bank and the Board.

The secretary to the Board shall comply with relevant provisions of laws, administrative regulations, departmental rules and the Articles.

Article 183 The secretary to the Board shall possess necessary expertise and experience. The qualification of the secretary to the Board shall be reported to the banking regulatory authority and the securities regulatory authorities of the State Council for review and approval. The provisions of the Article on the qualifications of directors and conditions of persons that cannot serve as directors of the Bank shall be applicable to the secretary of the Board.

Article 184 The major duties of the secretary to the Board are:

(1) to prepare and submit the documents and reports of the Board

and general meetings required by relevant authorities;

(2) to organize and prepare for Board meetings and general meetings, to be responsible for taking minutes of the meetings and keeping documents and records of the meetings;

(3) to be responsible for information disclosure and confidentiality of the Bank and to assure the Bank's information disclosures are timely, accurate, legal, true and complete;

(4) to be responsible for the management of investors' relationship; to coordinate communication with securities regulatory authorities, investors, securities service agencies and media;

(5) to pay attention to media reports and verify their authenticity; to respond to inquiries of securities regulatory authorities in a timely manner;

(6) to organize directors, supervisors and senior executives to participate in training on relevant laws, administrative regulations and departmental rules, and assist them in understanding their duties in information disclosure;

(7) to remind relevant personnel and report to securities regulatory authorities when directors, supervisors or senior executives of the Bank violate laws, administrative regulations, and the Articles, or when decisions made by the Bank may violate relevant provisions;

(8) to be responsible for matters related to equity management and registration of trusteeship of the Bank ; to disclose any changes in shareholdings of directors, supervisors, and senior executives in accordance with relevant regulations; and

(9) to perform other duties set forth in laws, administrative regulations, departmental rules and the Articles.

The secretary to the Board shall be entitled to attend relevant meetings and inspect relevant documents to be aware of the financial status and operation conditions in order to perform his/her duties.

The Board and other senior executives shall support the work of the secretary to the Board. No any institutions or individuals shall intervene in the duty performance of the secretary to the Board.

Article 185 The Board of Directors shall set up a Board office under its leadership, which shall be responsible for the preparation of general meetings, Board meetings, and meetings of each Board committee of the Board, information disclosure, management of investor relationship, and other daily matters of the Board and each of the Board committees.

Article 186 A director or senior executive of the Bank may serve as the secretary to the Board concurrently. Any supervisor of the Bank, any accountant of the accounting firm or any lawyer of the

law firm engaged by the Bank may not concurrently hold the position of the secretary to the Board.

Article 187 The secretary to the Board shall be nominated by the chairman of the Board and appointed or dismissed by the Board. Where a director of the Bank concurrently holds the position of the secretary to the Board, and a certain act is required to be conducted by a director and the secretary to the Board separately, the person concurrently holds the position of a director and the secretary to the Board shall not perform such act in dual capacities.

Chapter VII President and Senior Management

Article 188 The Bank shall have one (1) president who shall be appointed or dismissed by the Board. Directors of the Bank may concurrently serve as president, vice president, or a member of the senior management. The number of directors who serve as the president, vice president or hold other senior management positions shall be in line with the requirements of laws, administrative regulations, rules, and regulations of relevant regulatory authorities.

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

Article 189 The provisions in Article 118 which specifies the

circumstances that persons cannot serve as directors shall be applicable to the senior executives of the Bank.

The provisions on loyalty obligations of Article 122 and the provisions on of Article 123 (4)-(6) shall also be applicable to the senior executives of the Bank.

Article 190 Any person who has taken up other administrative position(s) other than a director or a supervisor in the controlling shareholder or a de facto controller of the Bank shall not serve as the senior executive of the Bank.

Article 191 The president of the Bank shall serve a term of office of three (3) years and may serve consecutive terms.

Article 192 The Bank shall enter into service agreements with the president and other members of the senior management. The agreements shall regulate the rights and obligations between the parties.

Article 193 The president of the Bank shall be accountable to the Board and exercise the following duties and powers:

(1) to take charge of the operation and management of the Bank, report his/her work to the Board, and organize the implementation of resolutions of the Board;

(2) to submit operation plans and investment plans of the Bank to the Board, and make arrangements to implement such plans upon the approval of the Board;

(3) to formulate plans for establishing internal management departments of the Bank and to decide with the authorization of the Board matters concerning the establishment of internal management departments and branches that do not fall within the scope of duties of general meetings, the Board or the Strategy Committee of the Board;

(4) to formulate basic management systems of the Bank;

(5) to establish specific rules and regulations of the Bank;

(6) to propose the appointment or dismissal of vice presidents, the head of financial business, or other members of the senior management (other than secretary to the Board) to the Board;

(7) to appoint or dismiss personnel whose appointment and dismissal do not fall within the scope of duties of general meetings or the Board, and determine on the plans for wages, welfare, and punishment of the staff of the Bank;

(8) to authorize other members of senior management, officers-in-charge of internal departments and branches to conduct operation and management activities;

(9) to propose the convening of an extraordinary meeting of the Board;

(10) to take contingency measures where there is a bank-run or any other material emergencies relating to the Bank, and to immediately report to the banking regulatory authority under the State Council, the Board of Directors and the Board of Supervisors;and

(11) other duties and powers to be exercised by the president, as prescribed in laws, administrative regulations, departmental rules and the Articles or authorized by the Board.

Article 194 The president shall attend the Board meetings. The president who is not a director shall attend the Board meetings as a non-voting attendee.

Article 195 As required by the Board of Directors or the Board of Supervisors, the president shall regularly report to the Board or the Board of Supervisors, information such as the Bank's business performance, financial status, important contracts, major events, cases, audit matters, significant personnel change and other information required by the Board or the Board of Supervisors. The president shall warrant the authenticity of the report.

Article 196 When deciding on the wages, welfare, safety operation, labor protection, labor insurance, termination (or

dismissal) and other issues related to the vital interests of the staff of the Bank, the president shall listen to the views of the labor union or employee representative congress in advance.

Article 197 Working rules of the president shall be formulated by the president and shall be implemented upon the approval by the Board.

Article 198 Working rules of the president shall include:

- (1) the conditions, procedures and attendees of president meetings;
- (2) the respective duties and division of responsibilities of the president, the vice president(s), and other members of senior management;
- (3) the use of the capital and assets of the Bank, the power of signing significant contracts, and the system of reporting to the Board and the Board of Supervisors; and
- (4) other matters that the Board deems necessary.

Article 199 The president and other members of senior management of the Bank shall perform their duties and powers in good faith and diligence in accordance with relevant provisions of laws, regulations, securities regulatory authorities under the State Council, and the Articles.

Article 200 The president may resign prior to the expiry of his/her term. Detailed procedures and methods of resignation shall be set forth in the service agreements between the president and the Bank.

Article 201 The Bank shall establish a comprehensive responsibility system for internal control to ensure that the Board, the Board of Supervisors and the senior management fully understand their due responsibilities in internal control. The Board and the senior management shall undertake differentiated responsibilities for the effectiveness of internal control and shall bear the responsibility for major losses caused by ineffective internal control.

Article 202 The senior management shall be accountable to the Board and shall be supervised by the Board of Supervisors. The senior management shall report the operation and management conditions of the Bank in a timely, accurate and integral manner, and provide relevant information as required by the Board and the Board of Supervisors.

Article 203 The senior management shall establish and improve all meeting systems, and formulate relevant rules of procedures. Senior executives shall abide by laws, regulations, supervisory rules and the Articles, and shall have good working ethics and moral

standards. Senior executives shall perform the duty of loyalty and diligence, and shall carefully perform their duties in good faith and with due diligence. Senior executives shall ensure that they have enough time and energy for their performance of duties and shall not commit nonfeasance or act ultra vires.

Article 204 The senior management shall carry out operation and management activities in accordance with the Articles and authorizations of the Board, and shall actively implement resolutions of general meetings and the Board.

The operation and management activities carried out by the senior management within their scope of duties and powers in accordance with the laws shall not be interfered by shareholders or the Board.

Article 205 Members of the senior management shall be relatively stable and shall not be changed without proper reasons before the expiration of their terms. Where there is a need of personnel change, the Bank shall submit relevant information to relevant regulatory authorities of the State for record. The qualifications of the newly-appointed members of the senior management shall be reported to relevant regulatory authorities for review.

Where the acts of the Board violate the regulations of the appointment and dismissal of personnel, members of senior

management shall be entitled to request the Board of Supervisors to express dissenting opinions and report to relevant regulatory authorities of the State.

Article 206 The matters submitted by the senior management for the approval of the Board shall be discussed and determined by the Board in a timely manner.

Article 207 Where any senior executive violates laws, administrative regulations, departmental rules, and the Articles which causes any loss to the Bank when performing his/her duties, the said senior executive shall be liable to the Bank for compensation.

Article 208 The Bank may set up several senior management positions at senior management level in accordance with operation and management needs.

Chapter VIII Supervisors and Board of Supervisors

Section 1 Supervisors

Article 209 The supervisors of the Bank shall include supervisors appointed from shareholder representatives, supervisors served by employee representatives, and external supervisors. The proportion of the supervisors served by employee representatives of the Bank

and external supervisors shall be no less than one-third (1/3), respectively.

Article 210 The provisions in Article 118 which specifies the circumstances that persons cannot serve as directors shall be applicable to to supervisors of the Bank.

Directors and senior executives of the Bank shall not serve as supervisors concurrently.

Article 211 The supervisors shall perform the following duties and obligations:

(1) to attend the Board meetings and query or make suggestions on the matters to be resolved by the Board;

(2) to attend meetings of the Board of Supervisors on time, and thoroughly examine the matters to be resolved by the meetings of the Board of Supervisors; to provide independent, professional and objective opinions, and vote on matters on the basis of careful examination;

(3) to undertake responsibility for the resolutions of the Board of Supervisors;

(4) to participate in the training organized by the Bank and regulatory authorities, to understand their rights and obligations, be

familiar with relevant laws and regulations, and continuously equip themselves with professional knowledge and capabilities required for their performance of duties;

(5) to assume the loyalty and diligence obligations to the Bank and carefully perform their duties in good faith and with due diligence, to ensure that they have enough time and energy for their performance of duties, not to take bribes or other illegal income by abusing their powers, and not to embezzle assets of the Bank;

(6) to sign a written confirmation of the regular reports of the Bank to ensure that the information disclosed by the Bank is true, accurate and complete;

(7) to participate in supervisory inspection organized by the Board of Supervisors, have the right to conduct independent investigations and collect evidence in accordance with laws, and raise questions and give supervisory opinion realistically;

(8) to comply with laws, regulations, supervisory regulations and the Articles; and

(9) other duties and obligations stipulated by laws, administrative regulations, departmental rules and the Articles.

Article 212 The supervisors shall serve a term of office of three (3) years. Supervisors appointed from the shareholder representatives

and external supervisors shall be elected or replaced by general meetings. Employee representative supervisors shall be elected or replaced by the employee representative congress, the employee meeting, or other democratic procedures. The supervisors may serve consecutive terms.

Article 213 The Bank shall sign employment contracts with supervisors by which the rights and obligations between the two parties regulated.

Article 214 The supervisors shall attend at least two-thirds (2/3) of meetings of the Board of Supervisors in person every year. In the event that a supervisor is unable to attend at least two-thirds (2/3) of meetings of the Board of Supervisors in person every year, or fails to attend two consecutive meetings of the Board of Supervisors in person without appointing a proxy to attend on his/her behalf, he or she shall be deemed to be unable to perform his/her duties. The Board of Supervisors shall propose to general meetings that the supervisor be removed, or propose that the supervisor be removed through the employee representative congress.

The supervisors shall work for not less than fifteen (15) business days each year for the Bank.

The employees representative supervisors shall actively take

advantage of their familiarity with operation and management to promote the work of the Board of Supervisors for the long-term interests of the Bank. The employee representative supervisors shall listen to the opinions and suggestions of the employees on rules, regulations or major matters related to the vital interests of the employees, and reflect them truthfully, accurately and comprehensively in the Board of Supervisors, so as to effectively safeguard the legitimate rights and interests of the employees.

The employee representative supervisors shall regularly report to the employee representative congress on their work and accept the supervision of the employees. At the meeting of the Board of Supervisors, the employee representative supervisors shall express their opinions and exercise their voting rights on the matters resolved by the employee representative congress in accordance with the relevant resolutions of the employee representative congress.

Article 215 A supervisor may resign prior to the expiry of his/her term of office.

A supervisor shall submit a written resignation report to the Board of Supervisors. The Board of Supervisors will disclose relevant information within two (2) days.

Where re-election is not carried out promptly after a supervisor's

term of office expires, or the the number of supervisors is less than the quorum as a result of the resignation of any supervisor prior to the expiry of his/her term of office, the existing supervisor shall continue to perform the duties owed by a supervisor subject to laws, administrative regulations, departmental rules and the Articles before a new supervisor is elected to take up the office.

Except in the circumstances provided above, the written resignation of a supervisor shall take effect upon delivery to the Board of Supervisors.

Article 216 The supervisors shall ensure the authenticity, accuracy and completeness of the information disclosed by the Bank.

Article 217 The supervisors shall not jeopardize the interests of the Bank by taking advantage of their related party relationship, and shall be liable to the Bank for compensation if they cause any loss to the Bank.

Article 218 Where any supervisor violates laws, administrative regulations, departmental rules and the Articles which causes any loss to the Bank when performing his/her duties, the said supervisor shall be liable to the Bank for compensation.

Section 2 External Supervisors

Article 219 The external supervisors of the Bank refer to supervisors who have assumed no position in the Bank other than that of a supervisor, and who do not have any relationship with the Bank and its substantial shareholders that may hinder them from forming independent and objective judgments.

An external supervisor shall be entitled to supervise the Board, the senior management and their members, and to organize and perform auditing work within the terms of reference of the Board of Supervisors based on resolutions adopted by the Board of Supervisors. An external supervisor shall especially pay attention to the overall interests of depositors and the Bank.

Article 220 The qualifications and requirements of the external supervisors shall follow the provisions of independent directors in Section 2 of Chapter 6.

Article 221 If an external supervisor has been disqualified by relevant regulatory authorities due to serious breach of duties, he or she shall no longer serve as an external supervisor and be automatically removed from office on the date he or she is disqualified.

Where the number or proportion of external supervisors on the

Board of Supervisors of the Bank is less than the minimum number or required proportion stipulated by relevant laws, administrative regulations, rules, and the Articles due to disqualification or removal of external supervisors, the Bank shall convene a general meeting as soon as possible to elect new external supervisors.

Article 222 An external supervisor who falls under any of the following circumstances shall be in serious breach of duties stated in the preceding provision:

- (1) to divulge any trade secret of the Bank which harms the interests of the Bank;
- (2) to accepting improper gains in the course of performing his/her duties;
- (3) to take advantage of his/her position of external supervisor to seek personal gains;
- (4) to fail to notice a problem which should have been found out in the course of supervisory inspection, or concealing a problem which has been found out, which causes material losses to the Bank; and
- (5) other acts identified to be a serious breach of duty by relevant regulatory authorities.

Article 223 An external supervisor shall attend meetings of the

Board of Supervisors in person. In the event that a supervisor cannot attend a Board of Supervisors meeting in person under special circumstances, he or she may appoint another external supervisor to attend the meeting on his/her behalf. The provisions of the Articles in relation to the minimum times a director shall attend the meetings of the Board of Directors in person and the minimum number of business days shall apply to external supervisors.

Article 224 The evaluation report of the Board of Supervisors on the external supervisors shall be submitted to the shareholders' general meeting for consideration. The evaluation report to be considered by the general meeting shall include at least the number of meetings of the Board of Supervisors attended by him or her in person, his/her organization of or participation in the auditing work of the Board of Supervisors, and his/her performance of supervisory duties.

Section 3 Board of Supervisors

Article 225 The Bank shall have a Board of Supervisors. The Board of Supervisors of the Bank shall be composed of five (5) to nine (9) supervisors, wherein both the supervisors representing employees and the external supervisors shall not be less than one-third (1/3) of the total number of supervisors, respectively. The

Board of Supervisors shall have a chairman (or a head of supervisors), and may have vice chairman (or deputy head of supervisors). The chairman and vice chairman shall be elected by more than half of all supervisors.

The chairman of the Board of Supervisors shall perform his/her duties stipulated by laws, regulations, and the Articles. If the chairman of the Board of Supervisors is unable to or fails to perform his/her duties, the vice chairman shall perform his/her duties on behalf of the chairman of the Board of Supervisors. In the event that the vice chairman is unable to or fails to perform his/her duties, a supervisor jointly elected by half or more of the supervisors shall perform the duties on his/her behalf.

Article 226 The chairman of the Board of Supervisors shall have professional knowledge and work experience in finance. The chairman of the Board shall perform the following duties:

- (1) to convene and preside over meetings of the Board of Supervisors;
- (2) to organize the performance of duties of the Board of Supervisors;
- (3) to sign reports and other important material documents of the Board of Supervisors;

(4) to report his/her work to the general meeting on behalf of the Board of Supervisors; and

(5) other duties stipulated by laws, administrative regulations and the Articles.

Article 227 The Board of Supervisors is a supervisory entity of the Bank and shall be responsible to the general meeting:

(1) to supervise the performance of duties of the Board, the senior management and their members, to conduct comprehensive evaluations of the performance of the Bank's Directors, supervisors and senior executives, to report the final evaluation results to the banking regulatory authority under the State Council and inform the general meeting, and to propose the dismissal of directors and senior executives who violate laws, administrative regulations, the Articles or the resolutions of the general meeting;

(2) to urge directors and senior executives to correct their acts which impair the benefits of the Bank, and report to the general meetings or relevant regulatory authorities when necessary;

(3) to supervise the appointment procedures of directors and conduct exit audits of directors and members of the senior management as required;

(4) to supervise the Board in establishing prudent business

philosophy, value guidelines and formulating development strategies in line with the Bank's conditions; to assess the scientificity, reasonableness and soundness of the Bank's development strategies and formulate assessment conclusions;

(5) to inspect and supervise the Bank's work on development strategies, financial activities, business decisions, risk management and protection of consumers' interests and rights; to assume supervisory responsibility for overall risk management and to supervise and inspect the performance of the Board and senior management in risk management and urge the rectification;

(6) to supervise the development and operational effectiveness of the systems for the management of consolidated financial statements of the Bank, and to supervise the performance of the Board and senior management in fulfilling their responsibilities in relation to the management of the consolidated financial statement and in the comprehensive evaluation of the performance of their duties;

(7) to supervise the Board and senior management in improving the internal control mechanisms and systems and in performing their internal control supervisory duties;

(8) to audit the Bank's business decisions, risk management and internal controls and guide the work of the internal audit department

of the Bank, to supervise the management of external audit and to review and provide written audit opinions on the periodic reports of the Bank prepared by the Board;

(9) to guide the accountability management of the Bank and supervise the implementation of supervisory advice and accountability for the rectification of problems; and to urge the timely rectification of problems in operational decision-making, risk management and internal control;

(10) to consider the profit distribution plans of the Bank and provide opinions on the compliance and reasonableness of the profit distribution plans;

(11) to supervise the Bank's remuneration management system and policies and their implementation, and the scientificity and reasonableness of the remuneration packages for senior executives, to supervise the scientificity and soundness of the Bank's incentive and restraint mechanisms, such as performance evaluation plans, performance appraisal and allocation plans, as well as the effectiveness of their specific implementation, and to rectify any problems identified;

(12) to inquiry directors and senior executives;

(13) to formulate the rules of procedure of the Board of Supervisors,

to clarify the manner of procedure and voting procedures of the Board of Supervisors, and to improve the way in which the Board of Supervisors performs its duties and the working mechanism, so as to ensure the efficiency and scientific decision-making of the Board of Supervisors;

(14) to propose to convene extraordinary general meetings and to convene and chair general meetings when the Board does not perform the obligations to convene and chair general meetings in accordance with the Company Law or the Articles,;

(15) to submit proposals to the general meeting;

(16) to attend meetings of the Board, to obtain information about the meetings and to inquiry or make recommendations on matters relating to Board resolutions;

(17) to institute proceedings against directors and senior executives in accordance with the provisions of Article 151 of the Company Law;

(18) to pay attention to and supervise other key matters in relation to the Bank's lawful and sound operation and sustainable development, to conduct investigations when abnormalities are found in the Bank's operation, and to hire professional institutions such as accounting firms and law firms to assist in the Board of Supervisors'

work at the Bank's expense if necessary;

(19) to supervise the implementation of resolutions of the general meetings and the Board; and to supervise the timeliness, authenticity and completeness of regulatory reporting data; and

(20) to perform other duties as required by relevant requirements of laws, administrative regulations, departmental rules and the Articles or as authorized by the general meeting.

Article 228 The Board of Supervisors shall set up a Supervision Committee and special committees on such matters as Nomination Committee, Remuneration and Performance Appraisal Committee of the Board of Supervisors. Each special committee shall be composed of no less than three (3) supervisors of which at least one (1) supervisor shall be a professional accountant. Each special committee shall have one chairperson, appointed from external supervisors, who shall be responsible for the convening of activities of respective committee.

Each special committee shall be accountable to the Board of Supervisors and carry out work in compliance with the Articles and the rules of procedures of the Board of Supervisors.

A supervisor may take office in different special committees concurrently.

Article 229 The main duties of the Supervision Committee are:

- (1) to supervise the Board of Directors in building prudent operational philosophy, values and norms, and formulating development strategies that are in line with the Bank's reality;
- (2) to communicate with the Audit and Related Transaction Control Committee of the Board of Directors with external audit institutions of the Bank to keep informed of the formulation of and major changes to regular reports of the Board, and report the information to the Board of Supervisors;
- (3) to formulate supervision plans on special items, including the Bank's operational decisions, fiscal activities, risk management and internal control, and to make arrangements for their implementation upon approval by the Board of Supervisors;
- (4) to formulate investigation plans and organize the implementation of such plans, with the authorization of the Board of Supervisors, upon the occurrence of significant contingency situations or other urgent circumstances;
- (5) to give guidance to the internal audit of the Bank; and
- (6) to perform other duties authorized by the Board of Supervisors.

Article 230 The main duties of the Nomination Committee and

Remuneration and Performance Appraisal Committee are:

- (1) to study the criteria and procedures for the selection of supervisors, search extensively for qualified candidates for supervisors, and make recommendations to the Board of Supervisors after preliminary reviews on the qualifications and conditions of candidates nominated by shareholders;
 - (2) to study the criteria for the performance appraisal of supervisors, carry out appraisal , and give suggestions;
 - (3) to study, formulate and advise on policies and plans for the remuneration of supervisors, and supervise the implementation of such plans;
 - (4) to supervise the election and appointment procedures of directors;
 - (5) to formulate supervision and evaluation plans on the performance of duties of the Board of Directors, the senior management and their members, and organize the implementation of such plans upon the approval by the Board of Supervisors;
 - (6) to carry out supervision on the Bank's remuneration management system and policies as well as the remuneration plan for senior executives to determine whether they are scientific and relational;
- and

(7) to perform other duties authorized by the Board of Supervisors.

Article 231 The Board of Supervisors shall have an office for the daily matters of the Board, such as the preparation of meetings of the Board of Supervisors and its relevant special committees.

Article 232 The supervisors shall be entitled to be informed of the Bank's operation and bear the corresponding obligations of confidentiality. The Bank shall take measures to safeguard the Supervisors' right to information and provide necessary assistance to facilitate the ordinary performance of supervisors' duties, and no one shall interfere with or obstruct them. Reasonable fees required by the supervisors to perform his/her duties shall be borne by the Bank.

The Board of Supervisors may request directors, senior executives, internal and external auditors, etc. to attend the meetings of the Board of Supervisors and answer its questions of concern.

The Bank shall provide necessary working conditions for the Board of Supervisors and its special committees to perform their duties.

Article 233 Where the Board of Supervisors detects failure of the Board of Directors and the senior management in the implementation of prudent accounting principles, such as strict verification of interest receivables and adequate provision for bad debts, the Board of Supervisors shall order the rectification of such

acts.

The Board of Supervisors shall question the Board of Directors or the senior management upon discovery of abnormal fluctuations in the Bank's business.

Article 234 A prior notice shall be given to the Board of Supervisors about decisions on major matters and other information required by the Board, such as the Bank's business performance, significant contracts, major events, cases, auditing matters, major personnel changes, and other information required by the Board of Supervisors.

Article 235 The supervisors shall attend the Board meetings and be entitled to express their opinions but shall not be entitled to vote.

The supervisors who attend the Board meetings shall report the particulars of the meeting to the Board of Supervisors.

In the event the Board of Supervisors considers necessary, it may assign supervisors to attend meetings of the senior management.

If the Board of Supervisors finds that the Board, the senior management or their members conduct any acts against laws, regulations, rules and provisions of the Articles, it shall propose relevant responsible person to be imposed with punishment and promptly issue a notice for correcting such acts within the specified

period. The Board of Directors or the senior management shall promptly carry out punishment or rectification, and deliver written documents about the results to the Board of Supervisors.

Article 236 If the Board of Directors and the senior management refuse or put off the adoption of punishment and correction measures, the Board of Supervisors shall report it to the banking regulatory authority under the State Council and the shareholders' general meeting.

Article 237 When performing its duties and powers, the Board of Supervisors may engage such professional entities as law firms and accounting firms for assistance when necessary, with reasonable expenses incurred to be borne by the Bank.

Article 238 The Board of Supervisors shall convene at least four (4) meetings each year. The meeting shall be convened and host by the chairman of the Board of Supervisors.

The chairman of the Board of Supervisors shall convene an extraordinary meeting within ten (10) days in the following circumstances:

(1) to be deemed as necessary by the chairman of the Board of Supervisors; or

(2) to be proposed by supervisors.

Article 239 The written notice of the meetings of the Board of Supervisors shall be delivered to all supervisors ten (10) days prior to the meeting. The meeting notice of the extraordinary meetings of the Board of Supervisors shall be delivered to all supervisors five (5) days prior to the meeting.

Article 240 The notice of the meetings of the Board of Supervisors shall include:

- (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 deliberation; and
- (4) the date of issuing the notice.

Article 241 The supervisor shall attend meetings of the Board of Supervisors in person. If a supervisor fails to attend in person for any reason, he/she may entrust another supervisor by a written proxy to attend the meeting on his/her behalf.

The proxy letter shall specify the name of the proxy supervisor, entrusted matters, scope of authority and term of validity, 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.

A supervisor shall not accept proxies from more than two supervisors at one meeting of the Board of Supervisors.

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 242 The Board of Supervisors shall perform its duties in the following manner: the chairman of the Board of Supervisors or his/her designated supervisor shall confirm the number of supervisors attending the meeting and illustrate the reasons for the convening and the topics. The supervisors attending the meeting shall discuss and make statements about the aforementioned matters, vote on the motion and form the minutes of the meeting.

Article 243 The meeting of the Board of Supervisors can be held by means of communication on the premise that supervisors are informed and fully express their opinions. Resolutions shall be made and signed by supervisors attending the meeting.

Article 244 The meeting of the Board of Supervisors may be held only if more than half of the supervisors attend. The voting of the Board of Supervisors shall be made by poll or through voting by

raising hands. Each supervisor attending the meeting shall have one vote. Resolutions made by the Board of Supervisors shall be passed by the affirmative vote of more than half of the supervisors.

Article 245 A supervisor shall sign the resolution of the Board of Supervisors and be responsible for the resolution of the Board of Supervisors. Supervisors who participate in adopting a resolution in violation of laws, administrative regulations or the Articles 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 supervisors can prove that they have objected to the resolution during the voting therefor, as recorded in the minutes of the meeting, such supervisors shall not be held liable for the damages caused hereto.

Article 246 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 permanently by the Board of Supervisors as the Bank's archives.

Article 247 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; and
- (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).

Chapter IX Financial and Accounting System, Profit

Distribution and Audit

Section 1 Financial and Accounting System

Article 248 The Bank shall formulate its accounting system in compliance with laws, administrative regulations and relevant stipulations formulated by corresponding authorities.

Article 249 The Bank shall submit annual financial and accounting reports to the securities regulatory authorities under the State Council and the stock exchange within four (4) months from

the end of each fiscal year, semi-annual financial and accounting reports to the dispatching agency of the securities regulatory authorities under the State Council and the stock exchange within two (2) months from the end of the first six (6) months of each fiscal year, and quarterly financial and accounting reports to the local offices of the securities regulatory authorities under the State Council and the stock exchange within one (1) month from the end of the first three (3) months and the first nine (9) months of each fiscal year. Quarterly financial and accounting reports shall be submitted to the local offices of the securities regulatory authorities of the State Council and the stock exchange within one (1) month from the end of the first three (3) months and the first nine (9) months of each fiscal year.

Article 250 The Bank's annual financial report and interim financial report shall include, at a minimum, the following:

- (1) the balance sheet;
- (2) the income statement;
- (3) the statement of changes in shareholders' equity;
- (4) the cash flow statement; and
- (5) the notes to the accounting statements.

Article 251 Quarterly financial reports, interim financial reports and annual financial reports are prepared in accordance with the relevant laws, administrative regulations and departmental regulations.

Article 252 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 253 When the Bank distributes the after-tax profit for the same year, it should draw from the profits by 10% to the Bank's statutory reserve funds. 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.

If the Bank's statutory reserve funds are not sufficient to cover the losses of the previous year, in accordance with the provisions of the preceding provisions, the current year's profits should be applied to cover the losses before drawing statutory reserve funds.

After the Bank draws statutory reserve funds from its after-tax profit, it draws general reserve in proper order, pays dividend to preference shareholders, draws discretionary reserve funds and pays dividend to common shareholders in sequence. After paying dividend to

preference shareholders, the decision of whether to draw the discretionary reserve funds is made at the general meeting.

The Bank's preference shareholders and common shareholders are allocated in proportion to their respective shareholding ratio in the respective classes of shares, except for those shares that are not allocated in proportion to their shareholding ratio as stipulated in the Articles.

If the general meeting distributes profits to preferred and common shareholders before the Bank makes up for losses, draws statutory reserve funds and general reserve in violation of this Article, the shareholders must return the profits distributed in violation of the provisions to the Bank.

The Bank's preference shares and common shares held by the Bank do not involved in the distribution of profits.

Article 254 The reserve funds are used to cover the Bank's losses and to expand the Bank's production and operation or to increase the Bank's capital. Capital reserve funds may not be used for covering losses of the Bank. When statutory reserve funds are converted to share capital, the remaining amount of the statutory reserve funds shall be no less than 25% of the Bank's registered capital.

Article 255 The Board of Directors of the Bank shall complete the

distribution of dividends (or shares) within two (2) months after the general meeting of the Bank makes a resolution on the profit distribution plan.

Article 256 The Bank's profit distribution policy and its adjustments shall be formulated by the Board of Directors and approved by at least two-thirds (2/3) of the directors, and then submitted to the general meeting and approved by at least two-thirds (2/3) of voting rights held by the shareholders attending the general meeting. The independent directors and the Board of Supervisors shall review and present written opinions on the profit distribution policy and its adjustments submitted to the general meeting for deliberation.

When formulating the profit distribution policy, profit distribution plan and profit distribution proposal, the Board of Directors of the Bank shall fully listen to and incorporate the opinions and suggestions of shareholders (especially minority shareholders), independent directors and external supervisors through various means. When considering specific proposals for cash dividend (cash bonuses), the general meeting shall take the initiative to communicate and exchange views with shareholders, especially minority shareholders, through various channels, fully listen to the opinions and appeals of minority shareholders, and promptly

respond to the concerns of them.

The Bank's profit distribution policy is as follows:

(1) Principles of profit distribution: The Bank's profit distribution policy shall value a reasonable return on investment to investors, while taking into account the sustainable development of the Bank, and shall maintain continuity and stability. In any fiscal year, if the Bank makes a profit distribution on its entire share capital (excluding dividends or other distributions that do not reduce net assets), the total amount shall not exceed the net profit at the end of the previous fiscal year in principle.

(2) Profit distribution plan of the Bank: Based on the long-term and sustainable development of the Bank, the Board of Directors of the Bank shall fully consider the Bank's current and future capital, business development, profit scale, development stage, investment capital requirements and its own liquidity situation on the basis of a comprehensive analysis of the business environment of the banking industry, shareholders' requirements and wishes, social capital costs, external financing environment and regulatory policies. The Board of Directors shall strike a balance between sustainable business development and comprehensive return to shareholders, and shall make profit distribution plans in a three-year cycle to establish a

sustainable, stable and scientific return mechanism for investors and maintain the continuity and stability of the profit distribution policy.

(3) Form and interval of profit distribution: The Bank shall distribute dividends in profitable years and may distribute dividends in cash or shares or a combination of both at the end of each year. If conditions for cash dividend are met, cash dividend is preferred, and the Bank may make interim cash dividend if conditions permit.

(4) Conditions and ratio of profit distribution: If the Bank's year-end capital adequacy ratio is lower than the minimum standard required by the state regulatory authorities, the Bank shall not distribute cash dividend to shareholders in that year in general. Provided that the above conditions are met, if the Bank has distributable profits in each year after making up for losses, drawing statutory reserve funds and general reserve, and paying dividend to preference shareholders in accordance with the law, the profits distributed in cash shall not be less than 10% of the distributable profits realized in that year.

If the Board of Directors considers that the price of the Bank's shares does not match the size of the Bank's share capital or if the Board of Directors deems it necessary, the Board of Directors may, on the basis of satisfying the above-mentioned cash dividend distribution, propose a share dividend distribution proposal and

implement it after deliberation and approval by the general meeting.

(5) The Bank shall state the reasons for not making cash dividend in individual years: If the Bank has made profits in the previous fiscal year but the Board of Directors of the Bank has not proposed a cash dividend distribution plan after the end of the previous fiscal year, the reasons for not distributing dividend and the purpose for which the funds not used for dividend are retained in the Bank should be explained in detail in the periodic report, and the independent directors shall express their independent opinions in this regard.

(6) Conditions and procedures for adjusting the profit distribution policy of the Bank: If it is necessary to adjust the profit distribution policy of the Bank in accordance with the industry regulatory policies, changes in the external regulatory environment, as well as the Bank's strategic planning, operating conditions, comprehensive operation and long-term development needs, the adjusted profit distribution policy shall not violate the relevant laws and regulations, the relevant provisions of the banking regulatory authority under the State Council and the securities regulatory authorities under the State Council, as well as the Articles. The proposal to adjust the profit distribution policy shall take into full consideration the opinions of minority shareholders, seek the opinions of the independent directors and the Board of Supervisors in advance, and be submitted to the

general meeting for approval after detailed discussion by the Board of Directors of the Bank.

(7) In the event that a shareholder illegally appropriates the Bank's funds, the Bank shall deduct the cash dividend distributed by the shareholder to repay the funds appropriated by the shareholder.

Section 2 Internal Audit

Article 257 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, including the authenticity, legality and effectiveness of the Bank's risk management, internal control and corporate governance processes, so as to add value and improve organizational operations and promote the achievement of organizational goals.

Article 258 The Bank's internal audit system and the duties of the auditors shall be implemented with the approval of the Board of Directors. The audit department is responsible for and reports to the Board of Directors and receives instruction from the Board of Supervisors.

Article 259 The Bank's internal audit department regularly reports the results of its audit work to the Audit and Related Transaction Control Committee of the Board of Directors and submits special

reports to the Audit and Related Transaction Control Committee regularly.

Section 3 Engagement of Accounting Firms

Article 260 The Bank engages internationally renowned accounting firms qualified to engage in securities-related business to perform accounting statement audit, net asset verification and other related consulting services for a one-year renewable term.

Article 261 The Bank's engagement of an accounting firm shall be decided by the general meeting and the Board of Directors shall not appoint an accounting firm prior to the decision of the general meeting.

Article 262 The accounting firm engaged by the Bank enjoys the following rights:

- (1) The access to the Bank's financial statements, records and vouchers, and the right to request relevant information and explanations from the Bank's directors, presidents or other senior management personnel of the Bank;
- (2) The right to request the Bank to provide materials and explanations for the performance of the duties by the accounting firm;

(3) The right to attend the general meeting, to receive any notice or other information concerning the meeting which shareholders have rights to receive, and to speak at the general meeting on matters related to its service scope and position as the accounting firm of the Bank.

Article 263 The Bank guarantees to provide true and complete accounting documents, accounting books, financial accounting reports and other accounting information to the accounting firm engaged, and shall not refuse, conceal or misrepresent them.

Article 264 The remuneration of the accounting firm shall be determined upon by the general meeting.

Article 265 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 general meeting. Where an accounting firm tenders its resignation, it shall explain to the general meeting whether there is any irregular matter in the Bank.

Chapter X Notices and Announcements

Section 1 Notices

Article 267 Notices of the Bank may be sent out by following

means:

- (1) in person;
- (2) by mail;
- (3) by announcement; and
- (4) other means stipulated in the Articles.

Article 268 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 personnel.

Article 269 Notice of the general meeting of the Bank shall be made by way of announcement.

Notice of meetings of the Board of Directors and the Board of Supervisors of the Bank shall be given by announcement, mail (including e-mail) or fax.

Article 270 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 the fifth working day after the day when such notice is delivered to the post office. When the notice of the Bank is sent out by email, the delivery date shall be the second

working day after the day when the email is sent out. When the notice of the Bank is sent out by announcement, the delivery date shall be the first date of publication of such announcement. When the notice of the Bank is sent out by fax, the delivery date shall be the date of fax.

Article 271 If the meeting notice is not sent to or received by a person entitled to receive the notice due to accidental omission, the meeting and the resolutions made at the meeting will not be invalid.

Section 2 Announcements

Article 272 The Bank designates *China Securities Journal* and *Shanghai Securities News* as the newspapers for publishing the Bank's announcements and other information required to be disclosed.

Chapter XI Mergers, Divisions, Capital Increases and Reductions, Dissolution and Liquidation

Section 1 Mergers, Divisions, Capital Increases and Reductions

Article 273 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. A merger by absorption of one company into another company is a merger by absorption, and the absorbed company is dissolved. The merger of two or more companies to establish a new company is a new merger, and the merging parties are dissolved.

Article 274 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) the general 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 275 In the event of merger or division of the Bank, the parties to the merger or division shall prepare a balance sheet and a list of assets. The Bank shall notify its creditors within ten (10) days from the date of the resolution of the general meeting on the merger or division and the approval of the banking regulatory authority under the State Council, and shall make an announcement on *China Securities Journal* and *Shanghai Securities News* within thirty (30) days.

Article 276 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 announcement is published in case of not receiving the Bank's notice.

Article 277 The board of directors shall take necessary methods to protect the legal interests of shareholders who object to the merger or division of the Bank.

Article 278 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 279 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 280 When the Bank needs to reduce its registered capital, it must prepare a balance sheet and a list of assets.

The Bank shall notify its creditors within ten (10) days from the date of the resolution to reduce the registered capital and make an announcement on *China Securities Journal* and *Shanghai Securities News* within thirty (30) days. Creditors shall have the right to demand the Bank to settle their debts or provide relevant security interest to the Bank within thirty (30) days from the date of receipt of the notice, or forty-five (45) days from the date of announcement in case of not receiving the Bank's notice.

Article 281 The Bank's registered capital after capital reductions shall not be lower than the statutory minimum. 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.

In the event of registered capital increase or deduction, the Bank shall register the change with governing registrar in accordance with the law.

Section 2 Dissolution and Liquidation

Article 282 The Bank shall be dissolved for the following reasons:

(1) the expiration of the term of business specified in the Articles or the occurrence of other causes of dissolution specified in the Articles;

(2) the general meeting resolved to dissolve;

(3) dissolution is required due to the merger or division of the Bank;

(4) revoked business license, ordered to close or revoked in accordance with the law; and

(5) 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.

If the Bank needs to be dissolved due to the reasons stipulated in the Articles, it shall submit an application to the banking supervision

and administration institution of the State Council, together with the reasons for dissolution and a plan for the settlement of debts such as payment of principal and interest on deposits. The dissolution shall take effect upon approval by the banking supervision and administration institution of the State Council.

The liquidation group shall be established in accordance with the law upon the dissolution of the Bank to carry out liquidation, and timely repay the principal and interest of deposits and other debts in accordance with the liquidation plan. The banking supervision and administration institution of the State Council shall supervise the liquidation process.

Article 283 The Bank may continue in operation by amending the Articles in the case of Article 281 (1) of the Articles.

Amendments to the Articles in accordance with the preceding provisions shall be approved by at least two-thirds (2/3) of the voting rights held by the shareholders attending meetings of the general meeting.

Article 284 If the Bank is dissolved due to the provisions of Article 281 (1), (2), (4) and (5) of the Articles, a liquidation group shall be established within fifteen (15) days from the date of the occurrence of the cause of dissolution to commence liquidation. The

liquidation group shall be composed of directors or persons determined by the general meeting. If the liquidation group is not established for liquidation after the deadline, the creditor may apply to the court to appoint relevant personnel to form a liquidation group for liquidation.

Article 285 The duties and powers of the Board of Directors and the President of the Bank cease immediately after the establishment of the liquidation group. During the liquidation period, the Bank shall be in operation, but it cannot carry out business activities unrelated to the liquidation.

Article 286 The liquidation group shall exercise the following duties and powers during the period of liquidation:

- (1) to notify creditors by notice or announcement;
- (2) to thoroughly examine the assets of the Bank and prepare a balance sheet and a list of assets respectively;
- (3) to dispose of unfinished business of the Bank which is related to the liquidation;
- (4) to pay off outstanding taxes and those taxes arising from liquidation;
- (5) to clear up credits and debts;

(6) to dispose of and distribute the remaining assets after paying off all debts; and

(7) to participate in civil litigation on behalf of the Bank.

Article 287 The liquidation group shall notify the creditors within ten (10) days from the date of establishment and make announcement in at least one newspaper designated by the relevant regulatory authority within sixty (60) days. Creditors shall declare their claims to the liquidation group within thirty (30) days from the date of receipt of the notice, or within forty-five (45) days from the date of announcement in case of not receiving the Bank's notice. When filing their claims, the creditors shall state the relevant matters of the claims and provide supporting materials. The liquidation group shall register the claims. During the period of filing claims, the liquidation group shall not pay off the creditors.

Article 288 After liquidating the Bank's assets and preparing the balance sheet and a list of assets, the liquidation group shall formulate a liquidation plan and report it to the general meeting or the Court for confirmation.

Article 289 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) to pay the taxes owed;
- (4) the Bank's other debts; and
- (5) to distribute the remaining assets to shareholders according to their shareholding ratio.

The Bank's preference shareholders shall have priority over the common shareholders in the distribution of the Bank's remaining assets. During the liquidation of the Bank, the remaining assets of the Bank after liquidation in accordance with the provisions of items (1) to (4) of the preceding provisions shall be preferentially paid to the preference shareholders the dividends that have not been cancelled and distributed in the current year and the total par value of preference shares held by them, and those that are not enough to be paid shall be distributed in accordance with the shareholding ratio of the preference shareholders.

The Bank's assets shall not be distributed to the shareholders until it has been liquidated in accordance with the items (1) to (4) of the first provision.

Article 290 After liquidating the Bank's assets and preparing the balance sheet and a list of assets, the liquidation group shall apply to

the Court for bankruptcy if it believes that the Bank's assets are insufficient to pay off its debts. After the Bank is declared bankrupt by the Court, the liquidation group shall transfer the liquidation matters to the Court.

Article 291 After the liquidation, the liquidation group shall produce a liquidation report to report to the general meeting or the Court for confirmation, and submit it to the company registration authority, apply for cancellation of company registration and announce the termination of the Bank.

Article 292 The liquidation group members shall perform their duties faithfully and in accordance with the law, and shall not abusing their powers to accept bribes or other illegal income, or misappropriate the Bank's assets.

The liquidation group shall be liable for losses caused to the Bank or its creditors through intent or gross negligence.

Article 293 If the Bank is legally declared bankrupt, the bankruptcy liquidation will be carried out in accordance with the laws on enterprise bankruptcy.

Chapter XII Amendment to the Articles of Association

Article 294 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; and
- (3) if the general meeting adopts a resolution to amend the Articles.

Article 294 If the amendment to the Articles adopted by the general meeting shall be subject to the approval of the competent authorities, it must be submitted to the original competent authorities for approval. Where the registered items of this Bank are involved, the change of registration shall be handled according to law.

Article 295 The Board of Directors shall amend the Articles in accordance with the resolution of the general meeting and the approval of competent authorities.

Article 296 The amendment of the Articles is information required to be disclosed by laws, administrative rules and regulations. It shall be announced in accordance with the regulations.

Chapter XIII Supplementary Provisions

Article 297 The Board of Directors may make implementation rules in accordance with the provisions of the Articles. The Articles shall not be inconsistent with the provisions of the Articles. Matters not covered by the Articles and the implementation rules shall be handled in accordance with the laws and regulations of the People's Republic of China and the actual situation of the Bank.

Article 298 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 banking supervision and administration institution of the State Council shall prevail.

Article 299 The Bank may establish implementation rules and systems in accordance with the provisions of the Articles.

Article 300 Terms of “at least”, “within” and “no more than” shall include the number specified; however, terms of “insufficient to”, “less than”, “other than”, “lower than”, “less than”, “more than” and “exceed” shall exclude the number specified.

Article 301 The Articles shall be considered and approved by the

general meeting of the Bank and shall take effect on the date of approval by the banking supervision and administration institution of the State Council. As of the effective date, the Articles of Industrial Bank Co., Ltd (revised in April 2019) (Regulations of the Board of Directors of Industrial Bank Co., Ltd [2019] No. 3) shall be repealed at the same time.

Article 302 The Board of Directors shall be responsible for the interpretation of the Articles.