

**Shanghai Pudong Development Bank Co., Ltd.**

**Articles of Association**

**(Revised in 2006)**

**Table of Contents**

**Chapter 1 General Provisions**

**Chapter 2 Purpose and Scope of Business**

**Chapter 3 Shares**

Section 1 Issue of Shares

Section 2 Increase or decrease and Repurchase of Shares

Section 3 Transfer of Shares

**Chapter 4 Shareholders and Shareholders' General Meeting**

Section 1 Shareholders

Section 2 General Requirements for Shareholders' General Meeting

Section 3 Convening of Shareholders' General Meeting

Section 4 Proposals and Notices of Shareholders' General Meeting

Section 5 Holding of Shareholders' General Meeting

Section 6 Voting and Resolutions of Shareholders' General Meeting

**Chapter 5 The Board of Directors**

Section 1 Directors

Section 2 Independent Directors

Section 3 The Board of Directors

Section 4 Secretary of the Board of Directors

**Chapter 6 Bank President and other Senior management personnel**

**Chapter 7 The Supervisory Committee**

Section 1 Supervisors

Section 2 The Supervisory Committee

Section 3 Resolutions of the Supervisory Committee

**Chapter 8 Finance, Accounting and Audit**

Section 1 Financial and Accounting System

Section 2 Internal Audit

Section 3 Engagement of Accounting Firm

**Chapter 9 Notices and Announcements**

Section 1 Notices

Section 2 Announcements

**Chapter 10 Merger, Division, Dissolution and Liquidation**

Section 1 Merger or Division

Section 2 Dissolution and Liquidation

**Chapter 11 Amendments to Articles of Association**

**Chapter 12 Supplementary Provisions**

## Chapter 1 General Provisions

### Article 1

In accordance with the Bank Law of the People's Republic of China (hereinafter referred to as "Company Law"), the Law of the People's Republic of China on Commercial Banks (hereinafter referred to as "Commercial Bank Law"), "Law of the People's Republic of China on Banking Regulation and Supervision" (hereinafter referred to as "Banking Regulation and Supervision Law") and other relevant regulations, these Articles of Association are hereby enacted for purposes of safeguarding the lawful rights and interests of Shanghai Pudong Development Bank Co., Ltd. (hereinafter referred to as "the Bank"), its shareholders and relevant interested persons and standardizing the organization and behaviors of the Bank.

### Article 2

The Bank is a joint stock company established in accordance with the "Opinions on the Standardization of Joint Stock Limited Companies", "Temporary Regulations for Joint Stock Limited Companies in Shanghai" and other relevant regulations on and as of October 19, 1992.

The Bank was established in the form of directed placement, with the approval of Y.F. (1992) No.601 document issued by the People's Bank of China; registered with and obtained the business license from Shanghai Industrial and Commercial Administration. The number of its business license is: 3100001001236.

The Bank has standardized itself in accordance with the "Company Law" and relevant regulations and handled re-registration procedures according to law.

### Article 3

The Bank made an IPO of 400 million RMB ordinary shares on September 20, 1999 with the approval of the China Securities Regulatory Commission (hereinafter referred to as "the CSRC") and the shares issued by it got listed at the Shanghai Stock Exchange on November 10, 1999.

### Article 4

The registered name of the Bank: full Chinese name: 上海浦东发展银行股份有限公司, abbreviated as "上海浦东发展银行" or "浦发银行". Full English name: Shanghai PuDong Development Bank Co., Ltd., abbreviated as "SPDB".

### Article 5

The Bank is headquartered in Shanghai, with its registered office at: 12 Zhongshan East No.1 Road, Shanghai 200002.

### Article 6

The registered capital of the Bank is RMB 3.915 billion.

### Article 7

The Bank is a joint stock limited company which has perpetual existence.

### Article 8

Board Chairman is the legal representative of the Bank.

### Article 9

The total number of shares of the Bank is 3.915 billion, with a par value of RMB 1 per share. All assets of the Bank are divided into shares of equal value. The responsibilities of the Bank's shareholders should only be limited to the proportion of the shares as held by them; the Bank should be responsible for the Bank's debts to the extent of all of its assets.

### Article 10

As from its effective date, the Articles of Association are a legally binding document standardizing the organization and behaviors of the Bank and the rights and obligations between the Bank and its shareholders and among shareholders and also a legally binding document for the Bank, its shareholders, directors, supervisors and senior management personnel. In accordance with the Articles of Association, shareholders can prosecute shareholders, the Bank or its directors, supervisors, managers and other senior management personnel, and the Bank can prosecute shareholders and the Bank's directors, supervisors, managers and other senior management personnel.

#### **Article 11**

The other senior management personnel mentioned in the Articles of Association include the Vice Bank President, Secretary of the Board of Directors and Chief Financial Officer of the Bank.

The Board Chairman, Chief Supervisor, Vice Chairman, Bank President, Vice Bank President, Secretary of the Board of Directors, independent directors and external supervisors of the Bank, whose qualifications need to be approved by the China Banking Regulatory Commission and other relevant regulatory bodies, should have the qualifications specified by the regulatory bodies and their qualifications should be subject to the examination by the regulatory bodies.

#### **Article 12**

According to its business development needs and subject to the examination and approval by the China Banking Regulatory Commission and other relevant regulatory bodies, the Bank may set up its branches at home and abroad. The overseas branches of the Bank can engage in licensed operations in accordance with local laws.

The Bank implements the management system of one-level legal person and multi-level operations. The branches have no status of a legal person and develop businesses within the authorization scope of the Head Office and their civil responsibilities are assumed by the Head Office. The Head Office carries out the unified leadership and management over the appointment and dismissal of main persons, business policy, comprehensive plan, basic rules and regulations and foreign-related affairs of its branches and implements the financial system of unified management, unified dispatching of funds and multi-level treatments for its branches.

## Chapter 2 Purpose and Scope of Business

### Article 13

The business purpose of the Bank is in conformity with the wish of engaging in various commercial banking businesses in accordance with law by adhering to the principle of equality, free will, fairness and credibility, ensuring maximum economic benefits for shareholders and relevant interested persons through scrupulous operations and steady development and on this basis, facilitating and supporting overall national economic and social development.

The business operations of the Bank should be governed by the principles of efficiency, safety and liquidity. The Bank should make its own decisions regarding its business operations, take responsibility for its own risks, assume sole responsibility for its profits and losses and exercise self-restriction.

### Article 14

Subject to the approval of the China Banking Regulatory Commission (“CBRC”) and also to the approval of the Bank registration authorities, the business scope of the Bank is as follows:

- (1) taking in deposits from the general public;
- (2) granting short-term, medium-term and long-term loans;
- (3) handling domestic and foreign settlements;
- (4) handling acceptance and discounting of negotiable instruments;
- (5) issuing financial bonds;
- (6) acting as an agent for the issue, honoring and underwriting of government bonds;
- (7) buying and selling government and financial bonds;
- (8) engaging in inter-bank lending;
- (9) buying and selling foreign exchange and acting as an agent for the purchase and sale of foreign exchange;
- (10) engaging in bankcard business;
- (11) providing letter of credit services and guaranty
- (12) acting as an agent for the receipt and payment of money and acting as an insurance agent;
- (13) providing safe deposit box services;
- (14) providing credit standing investigation, consulting and testimony businesses;
- (15) providing offshore banking business;
- (16) other businesses approved.

## **Chapter 3 Shares**

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

#### **Article 15**

The shares of the Bank are in the form of stocks.

#### **Article 16**

The Bank currently issues ordinary shares, and it may issue other types of shares as approved by regulatory authorities pursuant to laws and regulations.

#### **Article 17**

The issue of the shares of the Bank should be in compliance with the principles of openness, fairness and justness. The same type of shares must carry the same rights and benefits.

#### **Article 18**

The stocks issued by the Bank bear a par value in RMB.

#### **Article 19**

The domestic-invested shares of the Bank are held on custody by Shanghai Branch of China Securities Depository & Clearing Corporation Limited.

#### **Article 20**

The initiators of the Bank include: Shanghai Financial Bureau, Shanghai International Trust & Investment Company, Shanghai Jiushi Company, Shenergy Co., Ltd., Baoshan Steelworks, Shanghai Automotive Industry Corporation, Shangling Refrigerator Factory, Shanghai Airlines, China Textile Machinery Co., Ltd., Minhang United Development Co., Ltd., Jinjiang (Group) United Operation Company, Lujiazui Financial Trading Zone Development Company, Waigaoqiao Free Trade Zone United Development Co., Ltd., Shanghai Petrochemical Complex, Jinqiao Export Processing Zone Development Company, Shanghai Shenshi Company, Shanghai No.1 Department Store Co., Ltd. and Shanghai Railway Bureau.

#### **Article 21**

The total number of ordinary shares of the Bank approved for offer is 3.915 billion.

#### **Article 22**

The Bank or its branches should not aid financially any subscriber or prospective subscriber of the share offer of the Bank in the form of gift, interest, security, compensation or loan.

### **Section 2 Increase or decrease and Repurchase of Shares**

#### **Article 23**

Based on its operation and development needs and subject to the stipulations of laws and regulations, to the resolution adopted by the Shareholders' General Meeting and to the approval by the relevant supervisory authorities, the Bank may increase its registered capital in any of the following ways:

- 1) by offering new shares for subscription by unspecified investors;
- 2) by placing new shares to its existing shareholders;
- 3) by allotting bonus shares to its existing shareholders;
- 4) to increase the share capital with common reserve funds;
- 5) by any other means which is permitted by the laws and administrative regulations or approved by the CSRC.

#### **Article 24**

Pursuant to the Articles of Association and subject to the approval by the China Banking

Regulatory Commission, the Bank may reduce its registered capital. Such reduction should be handled in accordance with the procedures as specified in the “Company Law”, “Commercial Bank Law” and other relevant regulations as well as these Articles of Association.

#### **Article 25**

The Bank may repurchase its own shares under any of the following circumstances in accordance with the provisions of laws, administrative regulations, department rules and the Articles of Association:

- (1) to decrease the registered capital of the Bank;
- (2) to merge with another company holding shares of the Bank;
- (3) to award the employees of the Bank with shares; or
- (4) It is requested by any shareholder to repurchase its shares because this shareholder raises objections to the Bank’s resolution on merger or division made at a Shareholders’ General Meeting.

Except the above circumstances, the Bank should not buy or sell its stocks.

#### **Article 26**

The Bank may repurchase its shares in any of the following ways:

- (1) By auction at Stock Exchanges;
- (2) By offer;
- (3) By any other means approved by the CSRC.

#### **Article 27**

Where the Bank needs to purchase its own shares for any of the reasons as mentioned in Items (1) through (3) of Article 25, it should be subject to a resolution of the Shareholders’ General Meeting. After the Bank purchases its own shares according to the provisions of Article 25, it should, under the circumstance as mentioned in Item (1), write them off within 10 days after the purchase; while under the circumstance as mentioned either in Item (2) or (4), should transfer them or write them off within 6 months.

The shares purchased by the Bank according to Item (3) of Article 25 should not exceed 5% of the total shares already issued by the Bank. The funds used for the share acquisition should be paid from the after-tax profits of the Bank. The shares purchased by the Bank should be transferred to the employees within 1 year.

### **Section 3 Transfer of Shares**

#### **Article 28**

The shares of the Bank can be legally transferred.

Legal person shares shall be transferred in compliance with relevant regulations of China Banking Regulatory Commission and the transferee shall be qualified for investing in and becoming a shareholder of commercial banks pursuant to the relevant regulations of the regulatory body.

#### **Article 29**

According to Law of the People’s Republic of China on Commercial Banks, none of the following shall be changed before the intended change is reported to the Bank and state banking regulatory authorities and approved by state banking regulatory authorities:

- (I) The shareholder directly or indirectly holds 5% of the total number of shares of the Bank;
- (II) Modification of any shareholder that holds 5% or more of the total number of shares of the Bank.

#### **Article 30**

If a shareholder directly or indirectly holds 5% of the total number of shares of the Bank,

before it reports to the Bank the Board of Directors or obtains consent from the Bank the Board of Directors or obtains approval from China Banking Regulatory Commission, for the part it holds in excess of 5% of the total number of shares of the Bank, the Bank can:

- (1) retain the corresponding dividend and any other form of distributable interests;
- (2) determine that this part of shares shall not have the voting power or be included in the total number of shares with voting power at the shareholders' general meeting.

#### **Article 31**

The Bank will not allow any of the stock of the Bank to be used as any object of pledge.

#### **Article 32**

The shares of the Bank held by the initiators of the Bank should not be transferred within 1 year as of the day of establishment of the Bank. The shares issued before the Bank publicly issues shares should not be transferred within 1 year as of the day when the stocks of the Bank get listed and are traded in Shanghai Stock Exchange.

The directors, supervisors and senior management personnel of the Bank should declare to the Bank the shares held by them and the changes thereof. During the term of office, the shares transferred by any of them each year should not exceed 25% of the total shares of the Bank he holds. The shares of the Bank held by the aforesaid persons should not be transferred within 1 year as of the day when the stocks of the Bank get listed and are traded. After any of the aforesaid persons is removed from his post, he should not transfer the shares of the Bank he holds.

#### **Article 33**

Where any director, supervisor and senior management person of the Bank or any shareholder who holds more than 5% of the shares of the Bank sells the stocks of the Bank as held within 6 months after purchase, or purchases any stock as sold within 6 months thereafter, the proceeds generated therefrom should be incorporated into the profits of the Bank. The Board of Directors of the Bank should withdraw the proceeds. However, where a securities company holds more than 5% of the shares of the Bank, which are the residing stocks after sale by agent as purchased thereby, the sale of the foregoing stocks may not be limited by a term of 6 months.

Where the Board of Directors of the Bank fails to implement the provisions as prescribed in the preceding paragraph herein, the shareholders concerned have the right to require the Board of Directors to implement them within 30 days. Where the Board of Directors fails to implement them within the aforesaid term, the shareholders have the right to directly file litigation with the people's court in their own names for the interests of the Bank.

Where the Board of Directors of the Bank fails to implement the provisions as prescribed in paragraph 1 herein, the directors in charge should bear the joint and several liabilities according to law.

## **Chapter 4 Shareholders and Shareholders' General Meeting**

### **Section 1 Shareholders**

#### **Article 34**

A shareholder of the Bank shall be natural person, corporation or other organizations who lawfully hold shares in the Bank.

A shareholder should enjoy rights and assume obligations according to the class of shares held by him; shareholders who hold shares of the same class should enjoy the same rights and assume the same obligations.

#### **Article 35**

The Bank should set up a register of shareholders based on evidence and data provided by securities registration authorities. The register of shareholders should be sufficient evidence of the shareholders' shareholdings in the Bank.

#### **Article 36**

The Bank should enter into a share depository agreement with securities registration authorities, regularly query the data on main shareholders and the changes on shares held by main shareholders (including pledging of shares) and timely grasp the equity structure of the Bank.

#### **Article 37**

When the Bank convenes Shareholders' General Meeting, distributes dividends, is liquidated and is engaged in other behaviors for which the equity needs to be confirmed, the Board of Directors, offices authorized by the Board of Directors or the convener of Shareholders' General Meeting shall determine that a specific day is equity registration day. The registered shareholders on registration day are entitled to relevant rights and interests.

#### **Article 38**

The shareholders of the Bank should enjoy the following rights:

- (1) to receive dividends and other distributions in proportion to their shareholdings;
- (2) to request, convene, preside over, attend or appoint an agent to attend Shareholders' General Meeting and to vote thereat according to their shareholdings;
- (3) to supervise the Bank's business operations, to present proposals or to raise queries;
- (4) to transfer, donate and pledge shares in accordance with laws, administrative regulations and provisions of the Bank's Articles of Association;
- (5) to look up the Articles of Association, register of shareholders, minutes of Shareholders' General Meeting, resolutions of board meetings, resolutions of the meetings of the Supervisory Committee and financial accounting reports;
- (6) to participate in the allocation of the Bank's remaining property in proportion to their held shares when the Bank is terminated or liquidated;
- (7) to request the Bank to purchase its shares by any shareholder who dissents to the resolution on merger or division of the Bank made by Shareholders' General Meeting;
- (8) other rights conferred by laws, administrative regulations, department rules or these Articles of Association.

#### **Article 39**

When the shareholders intend to look up the relevant information mentioned in the foregoing article or request data, they should provide the Bank with the written documents proving the class and number of the shares of the Bank held by them. The Bank will provide the information required by the shareholders after verifying their identity.

#### **Article 40**

Where the resolution of the Shareholders' General Meeting or Board of Directors of the Bank



violates any law or administrative regulation, shareholder may request the people's court to revoke it.

Where the procedures for convoking and the voting form of Shareholders' General Meeting or meeting of the Board of Directors, violate any law, administrative regulation or the Articles of Association, or the resolution is in violation of the Articles of Association of the Bank, the shareholders may, within 60 days as of the day when the resolution is made, request the people's court to revoke it.

#### **Article 41**

Where a director or senior management person of the Bank violates any law, administrative regulations or the Articles of Association when he performs his duties, thus causing losses to the Bank, the shareholder (s) separately or aggregately holding 1% or more of the total shares of the Bank for a period of more than 180 days on end may require the Supervisory Committee in writing to file a lawsuit in the people's court. Where the Supervisory Committee violates any law, administrative regulations or the Articles of Association when it performs its duties, thus causing losses to the Bank, the shareholders may require the Board of Directors in writing to file a lawsuit in the people's court.

If the Supervisory Committee or the Board of Directors refuses to lodge a lawsuit after it receives a written request as mentioned in the preceding paragraph, or if it fails to file a lawsuit within 30 days after it receives the request, or if, in an emergency, the failure to lodge a lawsuit immediately will cause unrecoverable damages to the interests of the Bank, the shareholder(s) as listed in the preceding paragraph may directly lodge a lawsuit in the people's court in their own names in the interests of the Bank.

In case the legitimate rights and interests of the Bank are impaired and losses are caused to the Bank, the shareholders as mentioned in the preceding paragraph may initiate a lawsuit in the people's court in light of the provisions of the preceding two paragraphs.

#### **Article 42**

If any director or senior management person damages the shareholders' interests by violating any law, administrative regulation or the Articles of Association, the shareholders may lodge a lawsuit in the people's court.

(Article 36 of "Guidelines")

#### **Article 43**

The shareholders of the Bank should assume the following obligations:

- (1) To comply with laws, administrative regulations and these Articles of Association;
- (2) To pay subscription money according to the number of shares subscribed and the method of subscription
- (3) Not to retire from being a shareholder, unless required by law or regulations;
- (4) None of them may injure any of the interests of the Bank or of other shareholders by abusing the shareholder's rights, or injure the interests of any creditor of the Bank by abusing the independent status of juridical person or the shareholder's limited liabilities;  
Where any of the shareholders of the Bank causes any loss to the Bank or to other shareholders by abusing the shareholder's rights, it should be subject to compensation.  
Where any of the shareholders of the Bank evades the payment of its debts by abusing the independent status of juridical person or the shareholder's limited liabilities, and thus seriously damages the interests of any creditor, it should bear joint liabilities for the debts of the Bank.
- (5) Other obligations imposed by laws, administrative regulations and these Articles of Association.

#### **Article 44**

Where the capital adequacy ratio of the Bank is less than the statutory standard, shareholders should agree with the measures proposed by the Board of Directors to increase the capital adequacy ratio.

**Article 45**

Where the Bank may be faced with any liquidity difficulty, the shareholders who borrowed money from the Bank should immediately repay the due loans and return the undue loans in advance in accordance with relevant laws and regulations:

The liquidity difficulty of the Bank mean that the Bank does not comply with the following regulatory indexes for commercial banks and continual outflows of big sums occur, which cause or may cause panic withdrawals, etc:

- (1) Ending balance of current assets/ending balance of current liabilities  $\leq 15\%$ ;
- (2) (Reserve against deposit+ reserve funds)/ending balance of all deposits (excluding entrusted deposits)  $\leq 13\%$ ;
- (3) Ending balance of non-performing loans/ending balance of all loans  $\geq 30\%$ ;
- (4) [(Inter-bank borrowing + inter-bank depositing) - (inter-bank lending + inter-bank depositing)]/ending balance of all deposits (excluding entrusted deposits)  $\geq 5\%$

**Article 46**

The balance of a shareholder's loans from the Bank should not exceed 10% of the net capital of the Bank. Where the related parties of a shareholder have loans from the Bank, this percentage should be calculated by aggregating the loans of this shareholder and its related parties from the Bank.

If the related-party loans for a shareholder are overdue, its voting power should be restricted until related parties repay their loans to the Bank.

**Article 47**

Where the legal representative, company name, registered address, business scope and other important aspects of any shareholder of the Bank change, they should be reported in time to the equity management department of the Bank.

**Article 48**

Where any shareholder holding 1% or more of the voting shares of the Bank pledges the shares held by it, it should report in writing to the Bank on the occurring day of pledging.

**Article 49**

The controlling shareholders and actual controllers of the Bank should not impair the interests of the Bank by making use of their connection relationships. If losses are thus caused to the Bank, they should be subject to compensations.

The controlling shareholders and actual controllers of the Bank should undertake the obligation of credibility to the Bank and social public share shareholders. The controlling shareholders should exercise their rights as capital contributors in full accordance with law and should not damage the lawful rights and interests of the Bank and social public share shareholders by using the forms of related-party transactions, profit distribution, asset restructuring, investments, occupation of funds or loan guarantee or impair the interests of the Bank and social public share shareholders by abusing their controlling position.

- (1) The controlling shareholders shall nominate the candidates for directors and supervisors in strict compliance with the terms and procedures provided for by laws, regulations and these Articles of Association. The resolutions made by Shareholders' General Meeting on electing personnel or the Board of Directors' resolutions on appointing personnel shall not be subjected to approval procedures by the controlling shareholders. The controlling shareholders are forbidden to appoint or dismiss senior management personnel of the Bank by circumventing Shareholders' General Meeting and the Board of Directors;
- (2) The controlling shareholders shall not directly or indirectly interfere with the Bank's decisions or business activities conducted in accordance with laws; nor shall they impair the Bank's or other shareholders' rights and interests;

- (3) Controlling shareholders shall respect the financial independence of the Bank and shall not interfere with the financial and accounting activities of the Bank;
- (4) The controlling shareholders or their internal offices shall not give plans or instructions concerning the Bank's business operation to the Bank, nor shall they interfere with the independent operation of the Bank in any other manner.

## **Section 2    General Requirements for Shareholders' General Meeting**

### **Article 50**

Shareholders' General Meeting is the authority of the Bank and exercises the following functions and powers in accordance with law:

- (1) to decide on the Bank's operational policies and investment plans;
- (2) to elect and change the directors and supervisors assumed by non-representatives of the employees, and to decide on the matters concerning their remuneration;
- (3) to examine and approve the report of the Board of Directors;
- (4) to examine and approve the report of the Supervisory Committee;
- (5) to examine and approve annual financial budget plan and final account plan of the Bank;
- (6) to examine and approve profit distribution plan and loss recovery plan of the Bank;
- (7) to approve and change the investment objective of raised funds;
- (8) to examine and approve the guarantees as specified in Article 51;
- (9) to examine and approve the significant related-party transactions which amount exceeds twenty percent of the recent audited net asset value of the Bank;
- (10) to examine the purchase or sale of significant assets within one year, which amount exceeds thirty percent of the recent audited total assets of the Bank;
- (11) to adopt resolutions on the increase or decrease of the Bank's registered capital;
- (12) to adopt resolutions on the issue of bonds of a capital nature by the Bank;
- (13) to adopt resolutions on the merger, division, dissolution, liquidation or form changing of the Bank;
- (15) to adopt resolutions on the appointment and dismissal of the accounting firm by the Bank;
- 16) to examine share incentive scheme;
- (17) to report the supervision comments made by the state banking regulatory authorities and examine the Board of Directors' report about the corrections of the Bank;
- (18) to examine the Board of Directors' report about the evaluation of directors and among independent directors;
- (19) to examine the Supervisory Committee's report about the evaluation of supervisors and among external supervisors;
- (20) to examine the other matters to be decided by Shareholders' General Meeting as stipulated by laws, regulations and these Articles of Association.

The above functions and powers of the Shareholders' General Meeting should not be exercised by the Board of Directors or other institutions and individuals by authorization.

### **Article 51**

Besides the normal operational guarantees approved, the following guarantees should be subject to the approval by the Shareholders' General Meeting:

- (1) Any guarantee provided after the total guarantees of the Bank reach or exceed thirty percent of its recent audited total assets;
- (2) Any guarantee provided after the total guarantees of the Bank reach or exceed fifty percent of its recent audited net assets;
- (3) Any guarantee provided for the guaranteed object whose asset/liability ratio exceeds 70%;
- (4) Any guarantee whose amount exceeds ten percent of recent audited net assets of the Bank;
- (5) Guarantees provided for shareholders, actual controllers and their related parties.

### **Article 52**

Shareholders' general meetings are divided into annual general meetings and interim general meetings. Annual general meeting should be held at least once per annum, within six months

after last fiscal year.

#### **Article 53**

The Bank should convene an interim shareholders' general meeting within two (2) months after the occurrence of any one of the following events:

- (1) where the number of directors is less than the quorum stipulated in these Articles of Association;
- (2) where the unrecovered losses of the Bank amount to one-third of the total amount of its share capital;
- (3) where shareholder(s) who individually or jointly hold 10% or more of the Bank's issued and outstanding voting shares for a period of more than 180 days on end (not including voting by agent) request(s) in writing for the convening of an interim shareholders' general meeting;
- (4) whenever the Board of Directors deems necessary;
- (5) whenever the Supervisory Committee so requests;
- (6) other circumstances provided for by these Articles of Association.

The shareholdings referred to in Item (3) above should be calculated as at the date of written request of the shareholders.

**Article 54** The Shareholders' General Meeting of the Bank is convened at: Shanghai China Shareholders' General Meeting will be held at a meeting place and attended by shareholders personally. The Bank can also, according to laws and regulations and actual needs, use the network platform or other means to provide the convenience for attendance by shareholders. The shareholders attending a Shareholders' General Meeting through above means should be deemed as having attended the meeting.

Where shareholders attend network meeting, their valid identity needs to be confirmed through the network platform provided by the regulatory body or other means.

#### **Article 55**

When a Shareholders' General Meeting is held, the Bank will engage lawyer to give legal opinions on the following issues and make an announcement:

- (1) whether the convening and holding procedures of meeting comply with laws, administrative regulations and these Articles of Association;
- (2) whether the qualifications of attendees and convener are lawful and valid;
- (3) whether the voting procedures and results of meeting are lawful and valid;
- (4) legal opinions given on other issues at the request of the Bank.

### **Section 3 Convening of Shareholders' General Meeting**

#### **Article 56**

Independent directors are entitled to propose to the Board of Directors on the holding of an interim shareholders' general meeting. For such proposal made by independent directors, the Board of Directors should give a written reply of approval or disapproval within ten days of receipt of such proposal in accordance with the provisions of laws, administrative regulations and these Articles of Association.

Where the Board of Directors agrees to hold an interim shareholders' general meeting, it will give a notice on the convening of Shareholders' General Meeting within five days after adopting a resolution; where the Board of Directors does not agree to hold an interim shareholders' general meeting, it will explain the reasons and make an announcement.

#### **Article 57**

The Supervisory Committee has the right to propose an Interim Shareholders' General Meeting by submitting a written proposal to the Board of Directors. The Board of Directors shall give written feedback telling whether agree to convene the said Interim Shareholders' General Meeting within ten days upon receiving the proposal as set by laws, administrative

regulations and these Articles of Association.

If the Board of Directors agrees to convene the Interim Shareholders' General Meeting, it shall give a notice of convening Shareholders' General Meeting within five days after a resolution of the Board of Directors is concluded; where there is any alteration to submitted proposal, the Board of Directors shall obtain the approval of the Supervisory Committee.

If the Board of Directors does not agree to convene the Interim Shareholders' General Meeting or has not given any feedback within ten days upon receiving the proposal, the Board of Directors shall be deemed to be unable to or default in performing its duty of calling Shareholders' General Meeting, the Supervisory Committee may convene and hold the meeting itself.

#### **Article 58**

The Shareholders who hold over eighty percent of the total shares of the Bank individually or collectively in consecutive one hundred and eighty days or more shall have the right to request the Board of Directors to convene an Interim Shareholders' General Meeting by submitting a written proposal. The Board of Directors shall give written feedback telling whether agree to convene the said Interim Shareholders' General Meeting within ten days upon receiving the proposal as set by laws, administrative regulations and these Articles of Association.

If the Board of Directors agrees to convene the Interim Shareholders' General Meeting, it shall give a notice of convening Shareholders' General Meeting within five days after a resolution of the Board of Directors is concluded; where there is any alteration to submitted proposal, the Board of Directors shall obtain the approval of the relevant Shareholders.

If the Board of Directors does not agree to convene the Interim Shareholders' General Meeting or has not given any feedback within ten days upon receiving the proposal, the Shareholders who hold over eighty percent of the total shares of the Bank individually or collectively in consecutive one hundred and eighty days or more shall have the right to propose an Interim Shareholders' General Meeting by submitting a written proposal to the Supervisory Committee.

If the Supervisory Committee agrees to convene the Interim Shareholders' General Meeting, it shall give a notice of convening Shareholders' General Meeting within five days upon receiving the proposal; where there is any alteration to submitted proposal, the Board of Directors shall obtain the approval of the relevant Shareholders.

If the Supervisory Committee has not given any notice of convening the Shareholders' General Meeting within specified period, the Supervisory Committee shall be deemed to default in performing its duty of calling Shareholders' General Meeting, the Shareholders who hold over eighty percent of the total shares of the Bank individually or collectively in consecutive one ninety days or more shall have the right to convene and hold the Shareholders' General Meeting themselves.

#### **Article 59**

Where the Supervisory Committee or Shareholders decide to convene a Shareholders' General Meeting themselves, they shall give a written notice to the Board of Directors and report to the dispatched office of CSRC of the place where the Bank locates and securities exchanges where the Bank executes securities trading for filing.

The Shareholders calling the Shareholders' General Meeting shall hold no less than ten percent of total shares of the Bank before resolutions of Shareholders' General Meeting are announced.

The Shareholders calling the Shareholders' General Meeting shall submit relevant certificates

to the dispatched office of CSRC of the place where the Bank locates and securities exchanges where the Bank executes securities trading, when giving notice of convening Shareholders' General Meeting and announcing resolutions of Shareholders' General Meeting.

**Article 60**

Where the Supervisory Committee or Shareholders convene the Shareholders' General Meeting themselves, the Board of Directors and Secretary of the Board of Directors shall give assistance. The Board of Directors shall provide the Shareholder's name list of the equity registration day.

**Article 61**

Where the Supervisory Committee or Shareholders convene the Shareholders' General Meeting themselves, all necessary fees and expenditures required for the meeting shall be borne by the Bank.

**Section 4 Proposals and Notices of Shareholders' General Meeting**

**Article 62**

Any proposal shall be within the authority scope of Shareholders' General Meeting with definite subjects and detailed resolutions in compliance with laws, administrative regulations and relevant provisions of these Articles of Association.

**Article 63**

At the Shareholders' General Meeting of the Bank, the Board of Directors, the Supervisory Committee and the Shareholders who hold over three percent of the total shares of the Bank individually or collectively in consecutive one hundred and eighty days or more have the right to put forth initiatives to the Company.

The Shareholders who hold over three percent of the total shares of the Bank individually or collectively in consecutive one hundred and eighty days or more may put forth a written interim initiative to convene ten days before the Shareholders' General Meeting is convened. The convener shall issue a supplementary notice of the Shareholders' General Meeting within two days upon receiving the initiative to announce the interim initiative.

Except specified in aforesaid articles, the convener shall not alter the initiatives that have been listed in the notice of convening a Shareholders' General Meeting or add new initiatives after issuing the notice of convening a Shareholders' General Meeting.

The Shareholders' General Meeting shall not vote or conclude resolutions on the initiatives that have been listed in the notice of convening a Shareholders' General Meeting or do not comply with Article 62 of these Articles of Association.

**Article 64**

The convener shall inform all Shareholders of the convening of annual Shareholders' General Meeting by announcement twenty days in advance; while the convening of an interim shareholders' general meeting shall be informed to all Shareholder by announcement fifteen days in advance.

**Article 65**

The notice of convening a Shareholders' General Meeting shall bear the following items:

- (1) Time, place and period of meeting;
- (2) Issues to be reviewed;
- (3) Obvious statement saying all Shareholders are entitled to attend the Shareholders' General Meeting or authorize their agents to attend the meeting and vote at the meeting (the agent may not necessarily be the Shareholder of the Bank);
- (4) Equity registration day of the Shareholders who is entitled to attend the Shareholders'

General Meeting;

(5) Latest time and place the Letter of Authorization for voting shall be delivered;

(6) Name and telephone number of standing contact person of meeting affairs.

The notice and supplementary notice of Shareholders' General Meeting shall disclose all information of resolutions adequately and completely. Where there are issues requiring comments of the Independent Director, the notice and supplementary notice of Shareholders' General Meeting shall also disclose the opinions and explanation of the Independent Director. Where the Shareholders' General Meeting is held by network or other forms, the notice of Shareholders' General Meeting shall make clear the voting time and voting procedures by network or other forms. The voting time of Shareholders' General Meeting by network or other forms shall start not earlier than 3:00pm of the day before the day when the physically attended Shareholders' General Meeting is convened but not later than 9:30 of the day when the physically attended Shareholders' General Meeting is convened, and end not earlier than the 3:00pm of the day when the physically attended Shareholders' General Meeting is convened.

The interval between equity registration day and start of meeting shall not be longer than seven working days. Once the equity registration day is determined, it shall not be altered.

#### **Article 66**

If the Shareholders' General Meeting is to discuss the election of Directors and Supervisors, the notice of convening Shareholders' General Meeting shall disclose personal data of the candidates for directors and supervisors adequately and includes at least the following information:

(1) Academic background, working experience, part-time jobs of the candidate;

(2) Whether the candidate is associated with the Bank or the controlling shareholders of the Bank;

(3) Number of shares the candidates held in the Bank;

(4) Whether he has received any penalty from CSRC, state banking regulatory authorities or other regulatory authorities or reprimand from Shanghai Stock Exchange.

Except accumulative voting system adopted during election of Directors and Supervisors, each candidate for Director and Supervisor shall be nominated in individual initiative.

#### **Article 67**

Once the notice of convening Shareholders' General Meeting is issued, the Meeting shall not be postponed or canceled and the initiatives listed in the notice of Shareholders' General Meeting shall not be canceled, if no adequate reason is provided. Should such postponement or cancellation be requisite, the convener shall make announcement and explanation at least two working days prior to the original date of the Meeting.

### **Section 5 Holding of Shareholders' General Meeting**

#### **Article 68**

The Board of Directors and convener of the Bank shall take all measures to ensure the normal order of Shareholders' General Meeting. Where there is any interference in Shareholders' General Meeting, affray and infringement on legal interests of Shareholders, they shall take measures to stop and report to relevant authorities for handling.

#### **Article 69**

All Shareholders or their agents registered on equity registration day shall be entitled to attend the Shareholders' General Meeting and vote at the Meeting according to laws, regulations and these Articles of Association.

The Shareholder may attend the Shareholders' General Meeting himself or authorize an agent to attend the Meeting and vote at the Meeting.

**Article 70**

The Shareholder who attends the Meeting himself shall present his ID card or other valid certificate or evidence that can show his identification, account card for shares or ticket for Shareholders' General Meeting issued by the Bank; the agent who attends the Meeting on behalf of the Shareholders shall present his valid ID certificate, the letter of authorization of the Shareholder, or ticket for Shareholders' General Meeting issued by the Bank.

The corporate shareholder shall attend the Meeting by its legal representative or the agent authorized by said legal representative. Where the legal representative attends the meeting, he shall present his ID card, the invalid certificate proving its qualification as legal representative, or ticket for Shareholders' General Meeting issued by the Bank; where the legal representative authorize an agent to attend the meeting, the agent shall present his ID card, the invalid certificate proving its qualification as legal representative of the corporate shareholder, the written letter of authorization, share certificate or ticket for Shareholders' General Meeting issued by the Bank.

**Article 71**

The letter of authorization issued by the Shareholder authorizing others to attend the Shareholders' General Meeting shall bear the following items:

- (1) Name of the agent;
- (2) Whether he is entitled to vote;
- (3) Instruction on voting for, voting against or waiver of each issue included in the agenda of the Shareholders' General Meeting;
- (4) Date of issuance and validity of the letter of authorization;
- (5) Signature (seal) of the trustor. Where the trustor is a corporate shareholder, a corporate official seal is required.

The letter of authorization shall indicate that if the shareholder does not make any specific instruction, the shareholder agent may vote at his discretion and all legal consequences incurred herein are borne by the trustor.

**Article 72**

Where the letter of authorization for voting is signed by authorized persons, the letter of authorization or other authorization documents shall be submitted for notarization. The notarized letter of authorization or other authorization documents and the letter of authorization for voting shall be filed at the Bank's premise or other place specified in the notice of convening the Meeting.

Where the trustor is a corporation, its legal representative or the Board of Directors, or the trustees appointed by any other decision-making institutions shall attend the Shareholders' General Meeting on behalf of the corporation.

**Article 73**

The register of attendance list for meeting is prepared by the Bank. The register shall bear the name of persons (corporation) attending the meeting, the number of ID card, the address (domicile), the number of shares held or representing voting power, the name of the trustor (corporation), etc.

**Article 74**

The convener and the attorney retained by the Bank will jointly verify the validity of shareholder's qualification against the shareholder's name list provided by the institution for securities registration and settlement and register the name of the shareholder (corporate shareholder) and the number of shares he holds. The attendance registration shall be terminated before the Chairman of the meeting announces the number of shareholders and agents present at the meeting and the total number of shares with voting power held by them.



**Article 75**

All Directors, Supervisors and Secretary of the Board of Directors shall attend the Shareholders' General Meeting, and the Bank President and other senior management personnel shall attend the Meeting as nonvoting delegates.

**Article 76**

The Shareholders' General Meeting shall be presided over by the Board Chairman. If the Board Chairman is unable to or delinquent to perform his duties, the Vice Chairman (where there are two or more Vice Chairman, the Vice Chairman jointly recommended by more than half of the Board members) shall act as the Chairman of the meeting; if the Vice Chairman is unable to or delinquent to perform his duties, a Director jointly recommended by more half of the Board members shall act as the Chairman of the meeting.

The Shareholders' General Meeting convened by the Supervisory Committee itself shall be presided over by the Chairman of Supervisory Committee. If the Chairman of Supervisory Committee is unable to or delinquent to perform his duties, the Vice Chairman of Supervisory Committee shall act as the Chairman of the Meeting; if the Vice Chairman of Supervisory Committee is unable to or delinquent to perform his duties, a Supervisor jointly recommended by more half of the Board members shall act as the Chairman of the Meeting.

The Shareholders' General Meeting convened by Supervisory Committee itself shall be presided over by a representative recommend by convener.

Where the Chairman of Meeting acts against the rule of procedure thereby resulting in suspension of Shareholders' General Meeting, a person approved by more than half of the Shareholders with voting power at the Meeting shall be recommend to act as a Chairman to resume the Meeting.

**Article 78**

The Bank formulates the Rules of Procedure of Shareholders' General Meeting, specifying the convening and voting procedures of Shareholders' General Meeting, including the notice, registration, review of initiatives, voting, vote computation, voting results announcement, resolution conclusion, minutes of meeting and its signing and announcement as well as the authorization principle of Shareholders' General Meeting to Board of Directors. The authorization scope should be clearly and definitely specified. The Rules of Procedure of Shareholders' General Meeting should be annex attached to the Articles of Association, drafted by the Board of Directors and approved by the Shareholders' General Meeting.

**Article 79**

At annual Shareholders' General Meeting, the Board of Directors and the Supervisory Committee shall report to the Shareholders' General Meeting on the performance of the past year. Each Independent Director shall make a work report at the Meeting.

**Article 80**

The Directors, Supervisors and senior management personnel shall give explanation and interpretation to inquiries and proposals put forth by the Shareholders at the Shareholders' General Meeting.

**Article 81**

The Chairman of the meeting shall announce the number of Shareholders and their agents attending the meeting and the total number of shares with voting power. The number of Shareholders and their agents attending the meeting and the total number of shares with voting power are computed based on the attendance register.

**Article 82**

The minutes of meeting shall be prepared for Shareholders' General Meeting by Secretary of the Board of Directors. The minutes of meeting shall include the following information:

- (1) Time, place, agenda of the meeting and the name of the convener;
- (2) Names of the Chairman, the Directors, Managers, and other senior management personnel attending the meeting or attending the meeting as nonvoting delegates;
- (3) Number of Shareholders and their agents attending the meeting, the total number of shares with voting power and its percentage accounting for total shares of the Bank;
- (4) Reviewing process, key point of speech and voting results for each resolution;
- (5) Inquiries or proposal of Shareholders and the corresponding replay or explanation;
- (6) Name of the attorney, vote counter and vote supervisor;
- (7) Other information that may be included in laws, regulations and minutes of meeting as set by these Articles of Association.

#### **Article 83**

The convener shall ensure the truthfulness, correctness and completeness of the minutes of meeting. The minutes of meeting shall be signed by attending Directors, Supervisors, Secretary of Board of Directors, convener or its agent and the chairman of meeting. The minutes, together with the letter of authorization for attendance and the invalid documents of voting by network or in any other manner, shall be kept at the Bank's place of residence for no less than ten years.

#### **Article 84**

The convener shall ensure the continuous holding of Shareholders' General Meeting until a final resolution is concluded. Where a shareholders' general meeting is adjourned due to the force majeure or any other extraordinary reasons, or no resolution is passed, the convener is obliged to take all necessary measures to resume the Shareholders' general Meeting as soon as possible or terminate the Shareholders' general Meeting directly and make timely announcement about the news. Meanwhile, the convener shall report the situation to the dispatched office of CSRC of the place where the Bank locates, dispatched offices of state banking regulatory authorities and securities exchanges for stock trading.

### **Section 6 Voting and Resolutions of Shareholders' General Meeting**

#### **Article 85**

A shareholder (including an agent), when voting at a shareholders' general meeting, may exercise such voting rights as are attached to the number of voting shares which he represents. One vote is attached to one share.

No voting power is attached to the shares of the Bank held by the Bank and such shares are not included in the total voting shares at the Shareholders' General Meeting.

The Board of Directors, independent directors and the shareholders complying with relevant specified conditions can solicit shareholder voting power.

#### **Article 86**

Resolutions of shareholders' general meetings shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution must be passed by votes representing more than one-half of the voting rights represented by the shareholders (including their agents) present at the meeting.

A special resolution must be passed by votes representing more than two-thirds of the voting rights represented by the shareholders (including their agents) present at the meeting.

#### **Article 87**

The following matters shall be resolved by an ordinary resolution at a shareholders' general meeting:

- (1) Work reports of the Board of Directors and the supervisory committee;
- (2) Profit distribution plans and loss recovery plans formulated by the Board of Directors;

- (3) Appointment and removal of members of the Board of Directors and members of the supervisory committee and their remuneration and manner of payment;
- (4) Annual budget and final account plans of the Bank;
- (5) Annual report of the Bank;
- (6) Appointment and dismissal of the accounting firm by the Bank;
- (7) Other matters to be passed other than special resolutions as stipulated by laws, administrative regulations or these Articles of Association.

#### **Article 88**

The following matters should be resolved by a special resolution at a shareholders' general meeting:

- (1) The increase or reduction in registered capital of the Bank;
- (2) The issue of debentures of the Bank;
- (3) The division, merger, dissolution and liquidation of the Bank;
- (4) Amendment of the Bank's Articles of Association;
- (5) The purchase or sale of major assets or the guarantee provided within one year involving a capital amount exceeding thirty percent of recent audited total assets of the Bank.
- (6) Share incentive scheme;
- (6) Any other matters specified by laws, administrative regulations or these Articles of Association, or those considered by the shareholders in general meeting, and resolved by way of an ordinary resolution, to be of a nature which may have a material impact on the Bank and should be adopted by special resolutions.

#### **Article 88**

When the shareholder's general meeting is examining relevant related-party transactions, related shareholders shall not participate in voting and the shares with voting power represented by the said related shareholders shall not be included in the total number of shares with voting power. The announcement of the resolution made at the shareholder's general meeting shall fully disclose the voting of non-related shareholders.

In special cases where related shareholders are unavoidable under laws and regulations, the Bank, after obtaining consent from the regulatory body, can allow the said related shareholders to vote in compliance with the normal procedure and detailed information shall be disclosed in the announcement of the shareholder's general meeting resolution.

#### **Article 89**

Provided that the shareholder's general meeting is legal and valid, the Bank shall provide shareholders with facility to attend the shareholder's general meeting through various means and approaches, including modern IT means such as the network platform for voting.

#### **Article 90**

Unless approved by the shareholder's general meeting in extraordinary resolutions under special circumstance when the Bank is in crisis, the Bank shall not sign any contract with any person other than the director(s), the Bank President and other senior management personnel to trust the said person with the management of all or part of the major operations of the Bank.

#### **Article 91**

The procedure for nominating directors or supervisors is as follows:

- (1) The Nomination Committee of the Board of Directors, according to the number of directors or supervisors as specified in the Articles of Association and the proposed number of directors or supervisors to be elected, shall present a suggested list of persons to serve as the directors for the next term but these nominated persons shall not serve as employees' representatives for the next term. After the suggested list has been passed by the Board of Directors in the form of a resolution, the Board of Directors shall by putting forth initiatives nominate to the shareholder's general meeting the candidates for the directors for voting and these candidates shall not be the representatives of employees. The Nomination Committee of the Supervisory Committee shall present a suggested list of persons to serve as the supervisors for the next term but these nominated persons shall not serve as employees' representatives for the next

term. After the suggested list has been passed by the Supervisory Committee in the form of a resolution, the Supervisory Committee shall by putting forth initiatives nominate to the shareholder's general meeting the candidates for the supervisors for voting and these candidates shall not be the representatives of employees.

(2) If a candidate nominated by a shareholder is serving as a director or supervisor, before the expiration of the term of the said director or supervisor, the same shareholder shall not nominate any candidate for directors or supervisors.

(3) Any individual shareholder or any combination of shareholders that holds 1% or more of the total number of voting shares issued by the Bank can nominate one (1) director or supervisor. Any individual shareholder or any combination of shareholders that holds 10% or more of the total number of voting shares issued by the Bank can nominate two (2) directors or supervisors at the most.

(4) The nominator shall fully understand nominee in such aspects as profession, education, title(s), work experiences, concurrent post(s), etc, provide to the Nomination Committee of the Board of Directors or the Nomination Committee of the Supervisory Committee an opinion on the qualification of the nominee for the post of director or supervisor, while the nominee shall make a public declaration that between him/her and the Bank there is no relationship of any nature that can prevent him/her from making judgments independently and objectively.

The shareholder's general meeting shall examine the proposal for electing director(s) or supervisor(s) and vote on each of the nominated director(s) or supervisor(s) one by one.

#### **Article 92**

According to the provisions of this Article of Association or the resolution of the shareholder's general meeting, the shareholder's general meeting can adopt the accumulative voting system when voting on the candidate director(s) or supervisor(s).

The above-mentioned "accumulative voting system" refers to the system under which, when the shareholder's general meeting is electing directors or supervisors, the number of votes of every share with the voting power is the same as the number of the directors or supervisors proposed for the election and the shareholder can freely allocate the votes among the nominated directors or supervisors by either dispersing the votes among two or more candidates or casting all of them for one candidate. The candidates for the directors or supervisors will be sequenced according to the numbers of votes received by each of them. The top vote winners will be elected.

#### **Article 93**

When electing directors or supervisors on basis of the accumulative voting system, the "competitive election" shall be adopted, i.e. the number of the candidates for the directors or supervisors shall be bigger than the number of proposed directors or supervisors.

#### **Article 94**

Besides the accumulative voting system, the shareholder's general meeting shall examine all the proposals one by one. If more than one proposal is presented for the same issue, these proposals shall be voted on one by one on basis of the sequence of times they were presented. Except the cases under which the shareholder's general meeting is suspended or cannot made any resolution due to force majeure or any other special reasons, the shareholder's general meeting shall not lay aside or refuse to vote on the proposal(s).

#### **Article 95**

When examining a proposal, the shareholder's general meeting shall not modify it. Otherwise, any modification shall be regarded as a new proposal and shall not be voted on at this the shareholder's general meeting.

#### **Article 96**

One and the same voting power can only be exercised by one of the following means: on the site, through the network or any other means. In case one and the same voting power is

repeatedly exercised, the result of the first voting shall prevail.

**Article 97**

The shareholder's general meeting shall adopt open voting.

**Article 98**

Before the shareholder's general meeting votes on the proposals, two representatives of the shareholders shall be selected to participate in counting and examining votes. If any shareholders have any interests in the issue under examination, the relevant shareholders and their agents shall not participate in counting or examining votes.

When the shareholder's general meeting is voting on a proposal, lawyers, shareholders' representatives and supervisor(s) shall conduct the votes counting and examination together and disclose the result of the voting on the spot. The resolution shall be recorded in the minutes of the meeting.

When voting through the network or any other means, any shareholder or the agent thereof shall have the right to check the result of voting through the corresponding voting system.

**Article 97**

The on-site shareholder's general meeting shall not end before the network or any other means ends. The person presiding over the meeting shall announce the relevant information on and voting result of each proposal and if the proposal is passed or not as per the voting result.

Before officially announcing the voting result, the Bank, vote counters, vote examiners, main shareholders, network or any other services providers involved in the on-site the shareholder's general meeting, network or any other means of voting, shall keep confidential any and all the information on the voting.

**Article 100**

The shareholders attending the shareholder's general meeting shall agree upon, oppose or waive on any proposal submitted for voting.

The voter shall be regarded as having waiving the voting power if the voting ballot is not filled in, wrongly filled in or illegible or if the voting ballot is not cast and the voting result of the shares held by the said voter shall be "waiver".

**Article 101**

If the person presiding over the meeting has any doubt about the result of the resolution submitted for voting, he/she can count the votes. If the person presiding over the meeting does not count the votes and if any shareholder or the agent of the said shareholder has any dissent over the result announced by the person presiding over the meeting, the said shareholder or agent thereof shall have the right to request recounting the votes immediately after the voting result is announced and the person presiding the meeting shall instantly recount the votes.

**Article 102**

The resolution made at the shareholder's general meeting shall be announced in time. The announcement shall indicate the number of shareholders and that of agents attending the meeting and the total number of shares with voting power held by the attending shareholders and agents and the proportion of these shares accounting for the total voting shares of the Bank, the means of voting, the voting result for each proposal as well as the details of each resolution passed.

**Article 103**

If the proposal is not passed or any resolution passed at the previous shareholder's general

meeting is modified at this shareholder's general meeting, specific indication shall be made in the announcement for the resolution made at this shareholder's general meeting.

**Article 105**

If the proposal for electing director(s) or supervisor(s) is passed at the shareholder's general meeting, the term of the new director(s) or supervisor(s) shall begin when the shareholder's general meeting announces they are elected.

**Article 106**

If the shareholder's general meeting passes any proposal for distributing dividends or shares or for converting any capital reserve into share capital, the Bank shall implement the specific scheme within two months after the conclusion of the shareholder's general meeting.

**Chapter 5 The Board of Directors**

**Section 1 Directors**

**Article 107**

Directors of the Bank are natural persons and not required to hold the shares of the Bank.

**Article 108**

Those who are not allowed to act as the Director of the Bank as specified in the "Company Law" and "Commercial Bank Law" and those who are prohibited from participating market activities by regulatory authorities and have not been relieved of the prohibition yet shall not act as the Director of the Bank.

The qualification of the Director shall be reviewed by state banking regulatory authorities.

The election, appointment or employment of Directors against this provision is invalid. Where the Director violates this provision during the incumbency period, the Board of Directors of the Bank is entitled to request Shareholders' General Meeting to remove the Director.

**Article 109**

The Director of the Bank shall be appointed and removed by Shareholders' General Meeting. The Director has a three-year tenure and shall be re-elected or re-appointed consecutively. The Shareholders' General Meeting shall not remove the Director within his term of office if no adequate reason is provided.

The tenure of a Director starts from the date when he assumes the office and ends upon the expiry of the tenure of that Board of Directors. Where a succeeding Director has not been elected upon expiry of office term of former Directors, the former Director should perform the duties of Directors in accordance with the laws, regulations, department rules and these Articles of Association until the succeeding Director assumes the office.

The position of Director can be concurrently held by Bank President, other senior management personnel or staff representative (no more than one person), however, the number of Directors acting concurrently as the Bank President, other senior management personnel or staff representative shall be not less than one quarter of total number of the Board of Directors but not exceeding one third of total number of the Board of Directors.

The staff representative appointed as the Director is elected through the Staff representative's meeting.

**Article 110**

The candidates for Directors shall make written commitment before Shareholders' General Meeting being convened, accepting the appointment, promising that all personal data

disclosed are true and complete, and undertaking that he will earnestly fulfill all responsibilities of the Director once appointed.

#### **Article 111**

The Director shall exercise his rights within its position and authorities prescribed by laws, regulations and these Articles of Association, and faithfully undertake the following responsibilities:

- (1) Not to accept bribe or other illegal income by use of his authority and not to steal the property of the Bank;
- (2) Not to divert fund or lend the fund of the Bank to others;
- (3) Not to save the Bank's assets or capital to the account opened with his own name or other names;
- (4) Not to lend the Bank's fund to others or use the Bank's assets to guarantee the debts of any other person against these Articles of Association without obtaining the approval from Shareholders' General Meeting or the Board of Directors;
- (5) Not to sign contract or conduct transaction with the Bank against these Articles of Association or without obtaining approval from the shareholders' general meeting;
- (6) Not to run the business similar to those of the Bank individually or with others and not to take part in the activities detrimental to the Bank's interests;
- (7) Not to accept the commission in relation with the transaction with the Bank;
- (8) Not to disclose the secrets of the Bank without authorization;
- ( ) Not to figure for benefits for himself or others by use of insider information;
- (9) Not to do harm to the Bank by the use of association with related parties.
- (10) Other duties prescribed by laws, regulations, department rules and these Articles of Association that should be faithfully fulfilled.

The profits made by the Director through acting against this provision should be given to the Bank; the Director who has done anything detrimental to the Bank shall be liable for compensation.

#### **Article 112**

The Directors should be abide by laws, regulations and these Articles of Association, and should honestly undertake to fulfill the following obligations:

- (1) To exercise the rights conferred by the Bank prudently, earnestly and diligently to ensure that all Bank's commercial operations are conducted in compliance with laws, regulations and all economic policies and all business activities are within the business scope prescribed by business license;
- (2) To treat shareholders of the same class equally and to treat shareholders of different classes fairly;
- (3) To learn about the operational and management status of the Bank regularly;
- (4) To give written comments on regular report submitted by the Bank, so that to ensure the truthfulness, correctness and completeness of the disclosed information;
- (5) To provide the Supervisory Committee with relevant data and documents real to actual condition and not to hamper the Supervisory Committee or Supervisors exercising their rights;
- (6) To exercise discretion vested in him personally, not to allow himself to act under the control of another and, unless and to the extent permitted by laws, regulations or with the informed consent of Shareholders given in a Shareholders' General Meeting, not to transfer the exercise of his discretion.
- (7) Other duties prescribed by laws, regulations, department rules and these Articles of Association that should be faithfully fulfilled.

#### **Article 113**

The Director shall make a written statement to the Board of Directors about current situation when performing obligations prescribed by Article 99. The Board of Directors shall determine whether the Directors are related persons in related transactions according to the Stock Listing Rules and other relevant rules of securities exchanges where the Bank executes stock trading.

The Meeting of the Board of Directors shall review issues and make vote and conclude resolutions, where Directors with connection relationship not accounted into the quorum.

The minutes and resolution of the Meeting of the Board of Directors shall indicate that the Directors with connection relationships are not accounted into quorum and not entitled to vote.

**Article 114**

The Directors shall attend the Board Meeting with responsibility personally and express definite opinion on issues under discussion. Where a director is unable to attend a meeting for some reason, he may by a written letter of authorization appoint another Director to attend the meeting on his behalf and vote at his discretion, and he will undertake legal liabilities here incurred.

Any Director who fails to attend a Board Meeting personally and authorize another Director to attend a Board Meeting on two consecutive occasions shall be treated as a failure to discharge his duties. In that case, the Board of Directors shall suggest that Shareholders' General Meeting remove and replace the Director.

**Article 115**

The Director may resign before the expiry of his term of office by submitting a written resignation letter to the Board of Directors who will disclose the news within two days.

Where a Director's resignation results in the number of the Directors of the Board of Directors falling below the quorum as provided by law, the Director shall fulfill the responsibilities of Directors in accordance with the laws, regulations, department rules and these Articles of Association until the succeeding Director assumes the office.

Except the situations listed in aforesaid articles, the resignation report by Directors takes effect when the report reaches the Board of Directors.

**Article 116**

On submission of a resignation or termination of the tenure of a Director, all handover procedures to the Board of Directors should be properly carried out, and the fiduciary duties to the Bank and its shareholders do not necessarily cease when his resignation has not yet been effective or within a reasonable period of the resignation and within a reasonable period of the termination of tenure. His duty of confidentiality in respect of trade secrets of the Bank survives the termination of his tenure until the same has become open information. Other duties may continue for such period as the principle of fairness may require depending on the length of time which has lapsed between the termination and the act concerned and on the circumstances and the terms under which the relationship with the Bank was terminated.

**Article 117**

Without the lawful authorization of these Articles of Association or the Board of Directors, a director of the Bank may not act personally on behalf of the Company or the Board of Directors. If he acts personally, he shall declare his own position and identity in advance where the acting would cause a third party to believe reasonably that he is acting on behalf of the Bank or the board of directors.

**Article 118**

If the Director has violated the law, regulations, department rules or these Articles of Association in discharging his duties thereby causing damage to the Company, he shall be liable for compensation.

**Article 119**

The Bank shall not pay taxes on behalf of the Directors in any manner.



## **Section 2 Independent Directors**

### **Article 120**

The number of independent directors of the Bank shall not be fewer than the minimum as required by the regulatory body and shall include at least one person whose discipline is accounting.

An independent director shall:

- (1) Hold a bachelor or higher degree or a intermediate or higher professional title in a relevant discipline;
- (2) Be qualified for the post as a director of a commercial bank according to relevant laws, administrative regulations and other relevant regulations,.
- (3) Not hold any post other than the director of the Bank and not have any relationship with the Bank and the main shareholders thereof that may prevent him/her from making judgment independently and objectively.
- (4) Have the basic knowledge about the operation of commercial banks and be familiar relevant laws and regulations regarding the operation and management of commercial banks.
- (5) Have at least five years of work experiences in law, economics, finance, accounting, administration or any other experience that can facilitate the performance of the obligations of an independent director.
- (6) Be able to read, understand and analyze the credit statements and financial statements of commercial banks.
- (7) Other conditions specified by the regulatory body.

### **Article 121**

An independent director shall exercise due honesty and diligence to the Bank and all the shareholders thereof. An independent director shall comply with the requirements of relevant laws, regulations and the Articles of Association and diligently perform his/her obligations and protect the overall interests of the Bank, especially make sure that the legal rights and interests of public holders are not damaged. An independent director shall perform his/her obligations independently and be free of any influence/impact from the main shareholders of the Bank, actual controllers or any organizations or individuals that have interests in the Bank, the main shareholders of the Bank and/or actual controllers.

### **Article 122**

He/she shall be allowed to serve as an independent director of the Bank if he/she:

- (1) is a shareholder holding 1% or more of the shares of the Bank or holds a post in any organization holding the shares of the Bank.
- (2) is holding a post in the Bank or in a controlling shareholder organization.
- (3) held a post in the Bank or a controlling shareholder organization three years before serving as a director.
- (4) is a worker of an enterprise that has unpaid overdue loan(s) with the Bank.
- (5) is a worker of an organization having legal, accounting, auditing, managerial consultation or any other business relationship with or interests in the Bank.
- (6) is any other person whom the Bank can control or on whom the Bank can impose majoring influence/impact through various means.
- (7) is an immediate relative of any of the persons mentioned in the above (1) to (6). Immediate relatives refer to husbands and wives, parents, sons and daughters, grandmas and grandpas, brothers and sisters.
- (8) was/is convicted guilty or is deprived of political rights due to embezzlement, bribery, conversion of property, misappropriation of property or destroying the market economic order
- (9) worked as a director, factory head or manager of a company or enterprise that went bankrupt and got liquidated due to bad management and had personal responsibilities for the bankruptcy of the company or enterprise.
- (10) worked as the legal representative of a company or enterprise whose business license was revoked due to violation of laws and had personal responsibilities for the violation of laws.
- (11) has personal large amounts of overdue debts.

- (12) was dismissed by previous employer because he/she failed to exercise due diligence.  
(13) was once the main person responsible for a financial institution that experienced high risk during his/her tenure and cannot prove that he/she was not personally responsible for the abolishing of the financial institution or for the loss of assets.  
(14) belongs to any other persons defined by the regulatory body.

#### **Article 123**

No civil servants shall be allowed to serve concurrently as independent directors of the Bank. An independent director of the Bank shall not be allowed to serve as the independent director or director of another commercial bank.

The number of terms an independent director serves for the Bank shall not exceed the number specified by the relevant regulatory body. Otherwise, he/she can still be elected as a director, but not as an independent director.

#### **Article 124**

An independent director shall work for the Bank for at least fifteen (15) working days per year. An independent director can authorize any other independent director to attend the board meeting, but shall attend in person at least two thirds (2/3) of the total number of board meetings held each year. If an independent director fails to attend the board meeting for consecutive three times, the Board of Directors shall propose to the shareholder's general meeting to replace him/her as an independent director.

#### **Article 125**

In addition to the responsibilities and rights granted by the Company Law of the People's Republic of China and other relevant laws and regulations, an independent director shall have the following specific responsibilities and rights:

- (1) Any major related-party transaction (any related-party transaction that the Bank proposes to conclude with a related party and that its total amount exceeds 5% of the total net assets of the Bank as recently audited), after being so agreed by an independent director, shall be submitted to the Board of Directors or the board meeting for discussion. Before an independent director makes any judgment, he/she can hire an agency to issue an independent financial statement on which he/she can base his/her judgment.
- (2) Propose to the Board of Directors to hire or replace an accounting firm.
- (3) Propose to the Board of Directors for convening an interim shareholder's general meeting.
- (4) Propose to convene a board meeting.
- (5) Independently hire an outside audit institution and an outside counseling institution.
- (6) Before a shareholder's general meeting is held, openly collect voting rights from shareholders.

Before an independent director performs any of the above responsibilities or exercises any of the above rights, he/she shall have the consent from at least one half (1/2) of all the independent directors. If the above proposal is not accepted or any of the above responsibilities or rights cannot be normally performed or exercised, the Bank shall disclose relevant information.

Independent directors shall take up at least one half (1/2) of the seats on committees under the Board of Directors, such as salary and compensation, nomination, risk management and related control, etc.

#### **Article 126**

An independent director shall provide to the Board of Directors or the shareholder's general meeting his/her independent opinion on the following issues:

- (1) Nomination, appointment and replacement of directors;
- (2) Hiring or replacement of senior management personnel;

(3) Salaries and compensations for the directors and senior management personnel of the Bank.

(4) Any existing or new major related-party transaction (borrowing or any other fund-related transaction) between the shareholders of the Bank, actual controllers and their related parties and the Bank and the total amount of the transaction reaches or exceeds 5% of the recently audited total net assets of the Bank, and if the Bank will take any effective measures to collect the arrears.

(5) Profit distribution program.

(6) Any issue that an independent director thinks can cause serious losses to the Bank or damage the interests of depositors and small/medium shareholders.

(7) Other issues provided in the Articles of Association.

An independent director shall give one of the following opinions on any of the above issues: agree, reserve and the reason, oppose and the reason, or no opinion and the reason.

If a relevant issue shall be disclosed, the Bank shall disclose the opinions of independent directors. If the opinions of independent directors are divided and no agreement can be reached, the Board of Directors shall separately disclose the opinion of each independent director.

#### **Article 127**

Independent directors shall attend board meetings on time, keep informed of the management and operation of the Bank and proactively carry out investigations to obtain information and data needed for making decisions. All the independent directors shall together submit to the annual shareholder's general meeting of the Bank an annual report describing their performance of obligations.

The annual report submitted by all the independent directors together to the shareholder's general meeting shall contain the following contents: the number of times each independent director attended the board meeting, the main information on each board meeting he/she attended, the opposing opinions the independent director presented and how the Board of Directors dealt with it, etc.

#### **Article 128**

In order to assure that an independent director can effectively exercise their rights and perform their responsibilities, the Bank shall provide him/her with necessary conditions:

(1) The Bank shall assure that independent directors shall have the same and equal rights as other directors to be informed, provide independent directors in time with relevant data and information, periodically keep them informed of operation of the Bank, and, when necessary, organize independent directors to carry out on-spot investigations.

(2) The Bank shall provide independent directors with necessary working conditions so that they can perform their responsibilities.

(3) When an independent director is exercising his/her rights or performing his/her obligations, the relevant people of the Bank shall proactively provide cooperation, not refuse to provide cooperation, or hinder him/her from doing so or hide anything from him/her, or prevent him/her from independently performing his/her responsibilities or exercising his/her rights.

(4) The expenses incurred by an independent director for hiring an agency and for exercising other rights and for performing other responsibilities shall be born by the Bank.

(5) The Bank shall provide independent directors with suitable subsidies, except which independent directors shall not get any other extra and undisclosed interests from the Bank, the main shareholders of the Bank or any interested institutions or individuals.

#### **Article 129**

The term of independent directors is the same as other directors of the Bank. The number of terms for which a person can serve as an independent director of the Bank shall comply with the relevant regulations of the regulatory body. Before the term of an independent director

expires, he/she shall not be unduly dismissed. In case an independent director is dismissed earlier, the Bank shall disclose it as a special issue.

#### **Article 130**

Before his/her term expires, an independent director can resign by submitting a written application to the Board of Directors, describing anything related to his/her resignation or to which he/she thinks the shareholders and creditors of the Bank shall pay attention.

If the resignation of an independent director will cause the number of independent directors or the number of the board members to be fewer than the quorum or the minimum number specified by the Articles of Association, before the re-elected independent director takes the post, the independent director shall perform his obligations in accordance with relevant laws, administrative regulations and the Articles of Association. Within two months after an independent director has submitted the application for resignation, the Board of Directors shall convene a shareholder's general meeting to re-elect an independent director. If the shareholder's general meeting is not held within two months, the independent director can discontinue performing obligations.

#### **Article 131**

When any of the following conditions happens, the Supervisory Committee shall propose to the shareholder's general meeting to dismiss him/her:

- (1) Due to post change, he/she is no longer qualified for serving as an independent director and has applied for resignation.
- (2) He/she attended in person less than two thirds (2/3) of the number of board meetings held within one year.
- (3) Any other condition under which he/she is no longer suitable for continuing to work as an independent director as per relevant laws and/or regulations.

#### **Article 132**

Any proposal presented by the Supervisory Committee for dismissing an independent director shall be passed by at least two thirds (2/3) of all the supervisors before being submitted for examination by the shareholder's general meeting. Before the Supervisory Committee proposes to dismiss him/her, an independent director can provide the Supervisory Committee with explanations, make statements or defend himself/herself.

On the independent director whom the Supervisory Committee proposes to the shareholder's general meeting to dismiss, the Supervisory Committee shall report to state banking regulatory authorities within one (1) month before the shareholder's general meeting is held and send to the independent director concerned a written notification. The independent director, before the voting begins, shall have the right to state his/her opinion verbally or in writing and submit his/her opinion to China Banking Regulatory Commission five (5) days before the shareholder's general meeting is held. The shareholder's general meeting shall legally examine the opinion stated by the independent director before voting.

#### **Article 133**

Any independent director whose qualification is revoked by China Banking Regulatory Commission due to serious negligence of duty shall not serve as an independent director or outside supervisor of the Bank. His/her post will be naturally and duly terminated on and from the date his/her qualification is revoked.

If this causes the proportion of independent directors among board members of the Bank to be noncompliant with the requirements specified by the regulatory body, the shareholder's general meeting of the Bank shall re-elect a new independent director or outside supervisor in time.

#### **Article 134**

It shall be regarded as a serious negligence of duty if an independent director commits any one of the following:

- (1) discloses the business secrets of the Bank or damages the legal interests of the Bank.
- (2) accepts undue interests during the process of performing obligations or makes use of the position as an independent director to seek personal interests.
- (3) does not oppose the resolution made by the Board of Directors despite knowing that the resolution violates laws, regulations or the Articles of Association.
- (4) A related-party transaction caused serious a loss to the Bank and the independent director failed to exercise his/her vetoing power.
- (5) Any other serious negligence of duty defined and recognized by China Banking Regulatory Commission.

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

#### **Article 135**

The Board of Directors of the Bank shall be responsible for the shareholder's general meeting.

#### **Article 136**

The Board of Directors shall consist of nineteen (19) directors with one board chairman and one or two vice chairmen. Of the members of the Board of Directors, the proportions of directors elected from the top management and those from employees' representatives respectively shall comply with the regulations of the relevant regulatory body.

The board chairman shall not be the legal representative or main leader of any controlling shareholder.

#### **Article 137**

Responsibilities and rights of the Board of Directors are as follows:

- (1) Responsible for convening and reporting to the shareholder's general meeting.
- (2) Responsible for executing the resolutions of the shareholder's general meeting.
- (3) Determines the management and development strategies of the Bank.
- (4) Determines the operational plans and investment plans of the Bank.
- (5) Determines the plans of the Bank for issuing non-capital bonds.
- (6) Responsible for preparing the Bank's annual financial budget plans, actual budget plans, plans for allocation of venture capital, profit distribution plans and plans for covering losses.
- (7) Prepares the plans of the Bank for increasing or decreasing the registered capital, issuing the capital bonds of the Bank or other bonds and for going public.
- (8) Makes the plans for major acquisitions by the Bank, for buying back the stock of the Bank, for merger, division and dissolution.
- (9) Within the authorization of the shareholder's general meeting, determines venture investments, pledge of the assets and other guarantees of the Bank.
- (10) Determines the establishment of internal management organizations of the Bank.
- (11) Hires or dismisses the president of the Bank, the secretary of the Board of Directors, and, according to the nomination by the Bank President, hires or dismisses the vice president(s), Chief Financial Officer and other senior management personnel of the Bank, and determines their compensations, rewards and punishments.
- (12) Works out the basic managerial system of the Bank.
- (13) Establishes stock options for management personnel of the Bank, employee stock ownership plans and other long-term incentive systems for the Bank.
- (14) Prepares the plan for revising the Articles of Association.
- (15) Determines the policies of the Bank for risk management and internal control.
- (16) Exercises supervision over the performance by the top management of their responsibilities to assure that top management effectively performs their managerial responsibilities.
- (17) Responsible for disclosing information of the Bank and ultimately responsible for the integrity and accuracy of the accounting and financial statements of the Bank.
- (18) Periodically evaluates and perfects the governance of the Bank.

(19) Proposes to the shareholder's general meeting to hire or replace the accounting firm that audits the Bank.

(20) Hears the work report by the president of the Bank and examines the work of the Bank President.

(21) Determines the proportion of the total profit for the incentive fund for the managerial personnel of the Bank.

(22) Determines the method for withdrawing the welfare fund and incentive fund for the employees of the Bank.

(23) Approves any single related-party transaction whose amount does not exceed 20% of the recently audited total net assets of the Bank.

(24) Pursuant to the authorization by the shareholder's general meeting, approves the resignation application of any independent director.

(25) Other obligations and rights provided for by relevant laws, regulations or the Articles of Association or granted by the shareholder's general meeting.

#### **Article 138**

The Board of Directors of the Bank shall explain to the shareholder's general meeting the audit report with reserved opinions issued by a certified public accountant on the financial statements of the Bank.

#### **Article 139**

The Board of Directors shall set the rule by which the Board of Directors shall discuss issues so as to assure that the Board of Directors implements the resolutions made by the shareholder's general meeting, improve work efficiency and assure that decisions are made scientifically.

The rule shall specify the procedures for convening a board meeting and voting and be regarded as an appendix to the Articles of Association. The rule shall be prepared by the Board of Directors and approved by the shareholder's general meeting.

#### **Article 140**

The Board of Directors shall determine its authority to use the assets of the Bank for venture investments, establish a strict procedure for examination and decision makings. For major investment projects, the Board of Directors shall organize relevant experts and professionals to evaluate and report them to the shareholder's general meeting for approval.

The shareholder's general meeting shall authorize the Board of Directors to carry out any single investment in fixed assets, pledge of assets or other guarantee (except inter-bank guarantees) whose amount does not exceed 20% of the recently audited total net assets of the Bank.

#### **Article 141**

The Board of Directors is responsible for approving the development strategy of the Bank and, according to the development strategy, directs the long-term operational activities of the Bank. The development strategy of the Bank shall fully considers the development goal, operation and risk statuses and capability of withstanding risks of the Bank, the market condition and macro economic conditions, so as to meet the long-term development needs of the Bank and reasonably evaluate the risks the Bank may face.

#### **Article 142**

When approving the development strategy of the Bank, the Board of Directors shall closely cooperate with the top management. After the development strategy is determined, the Board of Directors shall supervise the top management in communicating it to the whole bank.

#### **Article 143**

The Board of Directors shall be responsible for supervising the implementation of development strategy of the Bank and periodically re-examining the development strategy of

the Bank to make sure that the development strategy of the Bank is consistent with the changes to the operational condition and market environment.

**Article 144**

The Board of Directors shall be responsible for controlling the capital adequacy ratio of the Bank to assure that, on basis of estimating and weighing the match between capital and operational development, the Bank can work out a reasonable operational development plan and make a capital supplementing plan and supervise the execution thereof.

**Article 145**

The Board of Directors shall supervise the top management in establishing a suitable framework for risk management and internal control so as to effectively identify, measure, monitor, control and handle in time the risks faced by the Bank.

**Article 146**

The Board of Directors shall periodically hear the report made by top management on evaluation of the risks of the Bank. The evaluation report shall analyze the main risks currently faced by the Bank and risk management.

**Article 147**

The Board of Directors shall periodically evaluate the risks of the Bank to determine the main risks faced by the Bank, to determine a suitable risk limit and, according to the result of risk evaluation, determine and adjust the risk level acceptable to the Bank.

**Article 148**

The Board of Directors can request the top management to report on and properly handle any major cases of, administrative punishments imposed on or major lawsuits faced by the Bank.

**Article 149**

The Board of Directors shall supervise the top management in working out relevant policies and procedures and corrective measures for internal control to achieve effective internal control.

**Article 150**

The Board of Directors shall continuously pay attention to the transactions between the internal personnel of the Bank and related shareholders. For any related-party transaction that violates or may violate the principle of honesty and fairness, the Board of Directors shall have the right to request relevant personnel to stop the transactions or re-arrange the conditions for the transactions.

**Article 151**

The Board of Directors can, through the subordinate Related-party Transaction Control Committee, manages and controls related-party transactions. For major related-party transactions, the Related-party Transaction Control Committee shall examine and submit them to the Board of Directors for approval.

Independent directors shall present their written opinions on the fairness of major related-party transactions and the execution of internal control and approval procedure.

**Article 152**

The Board of Directors shall be responsible for disclosing information of the Bank, working out the procedure for disclosing information, legally determining the scope and contents of information to be disclosed and setting a regulation-compliant means of disclosing information, so as to ensure the trueness, accuracy and completeness of the information disclosed.

**Article 153**

The Board of Directors shall periodically audit the financial conditions of the Bank to discover any possible factors that may cause the financial statements to be inaccurate and propose corrective measures to the top management.

#### **Article 154**

The Board of Directors shall periodically evaluate the operational conditions of the Bank, including financial indexes and non-financial indexes, and use the evaluation result as the basis for fully evaluating the performance of obligations by members of top management.

#### **Article 155**

In order for the Board of Directors to enhance the management of and decision making for the major issues of the Bank, the Board of Directors shall establish the system for Executive Directors' Committee that shall be responsible for the Board of Directors and, according to the authorization and resolution of the Board of Directors, perform the obligations of the Board of Directors during the time when the board meeting is closed. The members of the Executive Directors' Committee shall be determined after being nominated by the Nomination Committee of the Board of Directors and voted and passed by at least half (50%) of the board members.

#### **Article 156**

The Executive Directors' Committee shall perform the following obligations if so authorized by the Board of Directors:

- (1) Examines and supervises for the implementation of resolutions of the Board of Directors.
- (2) Periodically hears the reports by the management level of the Bank.
- (3) Has the authority to carry out any single investment in fixed assets, pledge of assets or other guarantee (except inter-bank guarantees) whose amount does not exceed 5% of the recently audited total net assets of the Bank and the total amount of the year does not exceed 20% of the recently audited total net assets of the Bank.
- (4) Presents proposals for major issues subject to the discussion and determination by the Board of Directors.
- (5) Presents proposals for the proportions to be withdrawn for the employee welfare fund and incentive fund of the Bank.
- (6) Other obligations specifically designated by the Board of Directors.

#### **Article 157**

According to the relevant resolutions by the shareholder's meeting of the Bank, the Board of Directors of the Bank shall establish special committees, such as strategy, audit, risk management and related-party transaction control, nomination, compensation and assessment, etc. Members of these special committees shall be board members. For the audit, risk management and related-party transaction control, nomination, compensation and assessment committees, independent directors can act as the conveners and each of these committees shall have at least one independent director specialized in accounting. Any director nominated by a controlling shareholder shall not be elected as a member of the Risk Management and Related-party Transaction Control Committee or the Nomination Committee.

Any issue proposed for resolution by the Board of Directors shall be submitted to the corresponding special committee for examination and the special committee concerned shall provide an examination opinion. Unless legally authorized by the Board of Directors, the examination opinion of the special committee shall not substitute the resolution result of the Board of Directors.

#### **Article 158**

The main responsibilities of the Strategy Committee are to work out the business goal and long-term development strategy of the Bank, supervise and check the implementation of the annual business plan and investment plans.



**Article 159**

The main responsibilities of the Audit Committee are to

- (1) examine the accounting policy, financial condition and financial reporting procedure, risks and regulatory compliance of the Bank.
- (2) be responsible for the annual audit of the Bank and make a judging report on the trueness, completeness and accuracy of the financial statement and submit the report to the Board of Directors for examination.

**Article 160**

The Risk Management and Related-party Transaction Control Committee is mainly responsible to

- (1) supervise the control exercised by top management over credit risks, market risks, operational risks and other risks, periodically evaluate the risk management/control and capability and level of the Bank of withstanding risks, and provide complete opinions on the risk management and internal control of the Bank.
- (2) manage, examine and approve in time related-party transactions, and control the risks of related-party transactions.
- (3) examine any single related-party transaction whose amount does not exceed 5% of the recently audited total net assets of the Bank.

**Article 161**

The main responsibilities of the Nomination Committee are to

- (1) study the criteria and procedures for selecting directors and senior management personnel and give suggestions.
- (2) extensively search for qualified candidates for directors and senior management personnel.
- (3) preliminarily examine the qualifications and conditions of candidate directors and senior management personnel and provide the Board of Directors with suggestions.

**Article 162**

The main responsibilities of the Compensation and Assessment Committee are to

- (1) study the criteria and procedures for assessing directors and senior management personnel, conduct assessments and give suggestions.
- (2) study and examine the policies and plans for the compensations of directors and senior management personnel.
- (3) supervise the implementation of the compensation plans.

**Article 163**

Every special committee can hire an agency to provide professional opinions and the relevant expenses shall be born by the Bank. Any and all the special committees shall be responsible to the Board of Directors. Any proposal by any special committee shall be submitted to the Board of Directors for examination and determination.

**Article 164**

The Board of Directors of the Bank shall explain to the shareholder's general meeting the audit report with reserved opinions issued by a certified public accountant on the financial statements of the Bank.

**Article 165**

The Board of Directors shall set the rule by which the Board of Directors shall discuss issues to assure that the Board of Directors work efficiently and make decisions scientifically.

**Article 166**

The Board of Directors shall determine its authority to use the assets of the Bank for venture investments, establish a strict procedure for examination and decision makings. For major investment projects, the Board of Directors shall organize relevant experts and professionals to evaluate and report them to the shareholder's general meeting for approval.

The shareholder's general meeting shall authorize the Board of Directors to carry out any single investment in fixed assets, pledge of assets or other guarantee (except inter-bank guarantees) whose amount does not exceed 20% of the recently audited total net assets of the Bank.

**Article 167**

The board chairman and vice board chairman (chairmen) shall be elected and dismissed by more than 50% of all the directors.

**Article 168**

The board chairman can exercise the following rights:

- (1) presides over the shareholder's general meeting, convenes and presides over the board meeting.
- (2) supervises and checks the implementation of the resolutions of the Board of Directors resolution.
- (3) signs the stock, bonds and other negotiable securities of the Bank.
- (4) signs important documents of the Board of Directors and any other documents that shall be signed by the legal representative of the Bank.
- (5) exercises the rights as the legal representative of the Bank.
- (6) Under emergency conditions such as extra big natural disasters and any other forms of force majeure, exercises specific rights of disposal over the affairs of the Bank that comply with provisions of relevant laws and the interests of the Bank and then reports to the Bank the Board of Directors and the shareholder's general meeting.
- (7) Any other rights granted by the Board of Directors.

**Article 169**

The vice board chairman (chairmen) of the Bank shall assist the board chairman in daily work. When the board chairman cannot or does not perform his/her obligations, the vice board chairman shall perform the obligations (when there are two or more vice board chairmen, the one designated by the board chairman or recommended by more than half of all the directors shall perform the obligations). When the vice board chairman cannot or does not perform the obligations, one director shall be recommended by more than half of all the directors to perform the obligations.

**Article 170**

The Board of Directors shall hold at least four board meetings each year and the board chairman shall be responsible for convening these meetings. A written notice shall be sent to each and every director ten (10) days before a board meeting is held.

**Article 171**

In any of the following cases, the board chairman shall convene an interim board meeting within ten (10) working days.

- (1) when the board chairman thinks it is necessary to hold a board meeting.
- (2) when one third (1/3) or more of all the directors or half or more of all the independent directors propose to hold a board meeting.
- (3) when the Supervisory Committee proposes to hold a board meeting.
- (4) when the president of the Bank proposes to hold a board meeting.

**Article 172**

When the Board of Directors convenes an interim board meeting, it shall notify all the directors in writing or by telephone three days before the meeting is held.

**Article 173**

The notice for convening a board meeting shall contain the following contents:

- (1) date and place of the meeting.
- (2) duration of the meeting.

- (3) issues and topics to be discussed at the meeting.
- (4) date of issuing this notice.

**Article 174**

A board meeting shall be attended by at least half (1/2) of all the directors. Each director shall have one voting power. Any resolution made by the Board of Directors must be passed by more than half (1/2) of all the directors.

**Article 175**

Any director that has any connection relationship with the enterprise involved in the resolution made by the board meeting shall not exercise his/her voting power over the resolution concerned or exercise the voting power for and on behalf of any other director(s). The board meeting can be held when attended by over half of the directors that do not have any connection relationship. The resolution made at the board meeting shall be passed by over half of the directors that do not have any connection relationship. If the board meeting is attended by fewer than three directors that do not have any connection relationship, the issue shall be submitted to the shareholder's general meeting for examination.

**Article 176** At any Meeting of Board of Directors, a resolution shall be decided on a show of hand or via communication. Each Director may cast one vote.

The board meeting can use fax or any other means of communication to make the resolution, provided that the directors can fully express their opinions. The resolution shall be signed by attending directors.

**Article 177**

Directors shall attend the board meeting in person. If a director cannot attend the board meeting in person, he/she can in writing authorize any other director to attend the meeting for and on behalf of him/her.

The letter of authorization shall carry the name of the agent, the issue, scope of authorization and effective period, and be signed by or affixed with the seal of the authorizer.

Any director authorized by another director to attend the board meeting shall exercise the power of the director within the scope of the authorization. If a director neither attends the board meeting in person nor authorize a representative to attend the board meeting, he/she shall be regarded as having waiving the voting power at this board meeting.

**Article 179**

Minutes shall be made of conclusions of issues under discussion of a Board Meeting. The minutes of meeting shall be signed by the directors attending the meeting. Any director attending the meeting shall have the right to request that descriptive recordings be made of the speeches he/she has made at the meeting. The minutes of any and all board meetings shall be kept by the secretary of the Board of Directors as the files of the Bank. Minutes of board meetings shall be kept forever.

**Article 180**

Minutes of board meetings shall contain the following contents:

- (1) date, place and name of convener of the meeting.
- (2) names of directors attending the board meeting in person and names of directors (representatives) authorized by others to attend the board meeting.
- (3) Agenda of the board meeting.
- (4) Main points of speeches made by directors.
- (5) The means and result of voting for each resolution (the voting result shall indicate the number of votes for each of agreeing, opposing or waiving).

**Article 181**

Directors shall be responsible for resolutions made by the Board of Directors. If any resolution

made by the Board of Directors violates laws, regulations or the Articles of Association and causes losses to the Bank, any and all the directors that voted for the resolution shall be liable and responsible for compensating the Bank for the losses. However, if evidences show that any director presented his/her dissent when voting and the dissent is recorded in the minutes of meeting, the said director can be absolved from any liability and responsibility for the said losses sustained by the Bank.

#### **Article 182**

The Office of the Board of Directors is responsible for organizing shareholder's general meetings, board meetings and meetings of special committees subordinate to the Board of Directors, for disclosing information, and for other routine affairs of the Board of Directors and special committees subordinate thereto.

### **Section 4 Secretary of the Board of Directors**

#### **Article 183**

The Board of Directors shall have secretary whose qualification shall be examined by the regulatory body.

The secretary of the Board of Directors shall be nominated by the board chairman and hired or dismissed by the Board of Directors. The secretary of the Board of Directors shall be selected among the senior management personnel of the Bank, be responsible for and report to the Board of Directors. The term of the secretary shall be the same as directors and can be renewed upon expiration. If the Board of Directors finds that the secretary of the Board of Directors negligent of his/her duty or incompetent, he/she shall be dismissed if it is proved to be true.

When the secretary of the Board of Directors cannot perform his/her obligations, the Board of Directors shall authorize the Representative of securities affairs to perform the obligations of the secretary.

#### **Article 184**

The secretary of the Board of Directors shall

- (1) be a natural person that holds a bachelor or higher degree and has three or more years of experiences in secretarial work, administration, equity-related affairs, etc.
- (2) have knowledge about such disciplines as finance, taxation, law, financial, corporate management, etc, have a good personality, strictly abide by relevant laws, regulations and rules of conduct, loyally perform obligations, and have good communication skills and be able to handle affairs in a flexible way.

The conditions specified in Article 96 of the Articles of Association under which any person shall not be qualified for a director of the Bank also apply to the secretary of the Board of Directors.

#### **Article 185**

The Secretary of the Board of Directors mainly shoulders the following duties:

- (1) Prepare and submit the reports and documents issued by the Board of Directors and the Shareholders' General Meeting as may be required by relevant national departments;
- (2) Arrange the meeting of the Board of Directors and the Shareholders' General Meeting, keep meeting papers, minutes and resolutions and submit them to state banking regulatory authorities, the CSRC and securities exchanges where the Bank executes securities trading for the recording;
- (3) Disclose the Bank's information, organize to formulate and implement information disclosure management system and the internal reporting system of significant information, supervise the Bank and relevant persons concerned to perform information disclosure obligations according to law and guarantee the timeliness, accuracy, legality, truthfulness and completeness of such information disclosures;

(4) Take charge of the investor relation management of the Bank, establish and improve investor management work system and strengthen the communications and exchanges of shareholders through multiple forms;

(5) Other duties specified by these Articles of Association and regulatory body.

The Bank should provide the Secretary of the Board of Directors with the conditions for performing above duties.

#### **Article 186**

The director or other high-ranking administrative person of the Bank may concurrently hold the Secretary of the Board of Directors. The certified public accountant (CPA) of the accounting firm engaged by the Bank or the lawyer of the law firm engaged should not hold the Secretary of the Board of Directors concurrently.

#### **Article 187**

Where any person holds the director and the Secretary of the Board of Directors concurrently and one action requires to be made by the director and the Secretary of the Board of Directors respectively, such person should not act in a double status.

### **Chapter 6 Bank President and other Senior Management Personnel**

#### **Article 188**

The Bank has one Bank President, who is appointed or dismissed by the Board of Directors.

#### **Article 189**

The provisions about prohibiting the assumption of Directors of these Articles of Association also apply to senior management personnel.

The provisions about the honesty obligation of Directors of these Articles of Association also apply to senior management personnel.

#### **Article 190**

The persons holding other positions than directors at the Bank's controlling shareholders and actual controllers shall not be the senior management personnel of the Bank.

#### **Article 191**

The term of office of Bank President is three years and may be renewed if reappointed.

#### **Article 192**

The Bank President is accountable to the Board of Directors and exercises the following functions and powers:

(1) to be in charge of the Bank's operation and management and report to the Board of Directors;

(2) to organize to implement the resolutions of the Board of Directors as well as the Bank's annual plans and investment plans;

(3) to formulate the Bank's rules and regulations;

(4) to propose to the Board of Directors the appointment or dismissal of the Bank's Deputy Bank President and Chief Financial officer;

(5) to appoint or dismiss the management personnel other than those required to be appointed or dismissed by the Board of Directors;

(6) to decide upon the appointment and dismissal of the Bank's employees;

(7) to make a proposal on the convening of interim board meetings;

(8) to submit business plan and investment plan to the Board of Directors on behalf of the Top Management and upon approval of the Board of Directors, organize their implementation;

(9) to authorize the members of the Top Management and responsible persons of the functional departments of the Bank and its branches to engage in operating activities;

(10) when serious sudden events (e.g. panic bank withdrawals) occur, to take emergency measures and immediately report to the China Banking Regulatory Commission, the Board of

Directors and the Supervisory Committee;

(11) other powers conferred by the Articles of Association or the Board of Directors, including, but not limited to:

1. to decide upon the Bank's internal management structure;
2. to decide upon the Bank's basic management systems;
3. to decide upon the salaries, welfares, rewards and punishments of the Bank's employees;
4. to exercise the authority of investments in fixed assets, asset mortgages and other guarantees (except bank guarantee business), each of which does not exceed 1% (including 1%) of the recent audited net asset value of the Bank, provided that the total amount of investments for the current year does not exceed 5% (including 5%) of the net assets of the Bank.

#### **Article 193**

Bank President and Vice Bank President who are not directors can attend the board meeting as nonvoting delegates.

#### **Article 194**

Bank President can, according to the operation needs of the Bank, establish and improve the internal control mechanism whose main contents are internal rules and regulations, operation risk control system, credit approval system, etc.

The internal audit department of the Bank carries out the vertical management and is under the direct leadership of the Bank President.

Bank President should not be a member of the Credit Authorization Examination and Approval Committee, but has the vetoing power over the credit authorization decisions made by the Credit Authorization Examination and Approval Committee.

#### **Article 195**

Bank President should, according to the requirements of the Board of Directors or the Supervisory Committee, report to them on the significant contracts signed by the Bank, their execution, utilization of funds and profit/loss. The Bank President should guarantee the truthfulness of this report.

#### **Article 196**

Bank President should solicit the opinions from the Bank's Labor Union and Employees' Congress in advance when decisions are made on issues involving the personal interests of the employees, such as salaries, welfare, safety in production, labor protection, labor insurance and dismissal.

#### **Article 197**

The Bank President shall draw up work regulations for the President for implementation upon the approval of the Board of Directors.

#### **Article 198**

The work regulations for the President shall include:

- (1) Requirements and procedures for convening of a president's meeting and the officers attending;
- (2) Duties of the President, Vice President and senior management personnel and the division of duties among them;
- (3) Use of the Company's funds and assets, authority to sign major contracts and the system to report to the Board of Directors and to the Supervisory Committee;
- (4) Other matters as the board of directors may consider necessary.

#### **Article 199**

In performing his function and power, the President of the Bank shall act honestly and diligently and in accordance with laws, administrative regulations and these Articles of

Association.

**Article 200**

A Bank President may resign before his term expires, and the specific procedures and administrative measures regarding the resignation of Bank President are prescribed by the contract between the Bank President and the Bank. The Bank President and Vice Bank President shall not leave his position until he completes the post-leave audit.

**Article 201**

The operating and managerial activities within the scope of a Bank President's power specified by law shall not be interfered.

Where the Directors and Board Chairman act ultra vires to interfere in the Bank President's operation, the Bank President is entitled to request the Supervisory Committee to stop the interference and report to state banking regulatory authorities

**Article 202**

The issues submitted by the Bank President to the Board of Directors for approval shall be discussed in time and given proper resolution by the Board of Directors.

**Article 203**

The Top Management personnel shall remain relatively stable and avoid frequent alteration within the tenure. Where the alteration is requisite, the alteration shall be reported to the China Banking Regulatory Commission for filing and submit the new Top Management member to the China Banking Regulatory Commission for qualification ratification.

Where the Board of Directors acts against provisions regarding the appointment and removal of personnel, the Top Management member is entitled to request the Supervisory Committee to put in a demurrer and report to state banking regulatory authorities

**Article 204**

The Bank has a position of Chief Financial Officer which is nominated by the Bank President and appointed or removed by the Board of Directors. The Chief Financial Officer is senior management personnel of the Bank and has the same tenure as Directors. The Chief Financial Officer can be re-appointed for new term upon expiry of his term of office. The Board of Directors may dismiss the Chief Financial Officer if the Chief Financial Officer is proved to be delinquent or incompetent for his post.

**Article 205**

A Chief Financial Officers shall have knowledge of banking system and corporate accounting, be familiar with laws and regulations regarding accounting and finance and have strong capability of service delivery and rich experience.

Provisions specified the persons who shall not act as the Directors of Bank as set out in the Article of Association are also applicable to Chief Financial Officer.

**Article 206**

The Chief Financial Officer shall not be concurrently assumed by members of Board of Directors, Board Chairman, Vice Chairman or Bank President.

**Article 207**

Primary duties of Chief Financial Officer include:

- (1) To supervise the accounting activity of the Bank;
- (2) To review financial statements and report of the Bank to ensure the truthfulness, correctness and validity of such documents;

- (3) To supervise the implementation of resolutions of major business plans and solutions approved by the Board of the Director;
- (4) To attend the Meeting of Board of Directors as a nonvoting delegate and report to it;
- (5) Other functions and powers conferred by the Board of Directors.

**Article 208**

The Chief Financial Officer shall be liable to some extent for major economic losses to the Bank due to his failure to find and stop actions violating laws and regulations.



## **Chapter 7 The Supervisory Committee**

### **Section 1 Supervisors**

#### **Article 209**

The Supervisor is assumed by Shareholder's Representatives and staff representatives of the Bank. The number of Supervisors assumed by staff representative shall not less than the one third of the total number of supervisors; and the number of external supervisors shall be not less than the minimum requirement for regulatory department

#### **Article 210**

Those who are not allowed to act as the Supervisor of the Bank as specified in the "Company Law" and "Commercial Bank Law" as well as those who are prohibited from participating market activities by regulatory authorities and have not been relieved of the prohibition yet shall not be appointed as the Supervisor of the Bank. The provisions about prohibiting the assumption of Directors of these Articles of Association also apply to Supervisors.

The Director, Bank President and other senior management personnel shall not concurrently act as Supervisor of the bank.

#### **Article 211**

There shall be no relationship that affecting the independent discretion of the external Supervisor between external Supervisor and the Bank as well as big Shareholders. The external Supervisor shall pay special attention to the overall benefit of the depositors and the Bank.

Provisions of the Independent Director as set in these Articles of Association in respect of the qualification, election, requirement and procedures of appointment and removal, installment and resignation, rights and obligation, minimum working hour and lowest requirement for presence, working conditions as well as appraisal report for the external Supervisor are also applicable for the external Supervisor.

The allowance provided for the external Supervisor is the same as that for the Independent Director.

#### **Article 212**

The Supervisor shall be abide by laws, administrative regulations and these Articles of Association and be act honestly and diligently for the Bank, not accept bribe or other illegal income by used of his authority, and not steal the property of the Bank. The provisions about the honesty obligation of Directors of these Articles of Association also apply to Supervisors.

#### **Article 213**

The Supervisor assumed by the Shareholder is appointed and removed by Shareholders' General Meeting, while the Supervisor assumed by the staff representative is appointed and removed by the Congress of Trade Union. The Supervisor has a three-year tenure and is allowed to be re-elected or re-appointed for consecutive term of office.

#### **Article 214**

Where a succeeding Director has not been elected upon expiry of office term of former Directors or a Director's resignation results in the number of the Directors of the Board of Directors falling below the quorum as provided by law, the former Director shall fulfill the duties of Directors in accordance with the laws, regulations, department rules and these Articles of Association until the succeeding Director assumes the office.

#### **Article 215**

Any Supervisor who fails to attend a Supervisor's Meeting personally and authorize another Supervisor to attend a Supervisor's Meeting on two consecutive occasions shall be treated as

a failure to discharge his duties. In that case he shall be removed and replaced in a Shareholders' General Meeting or Staff Representatives' Meeting.

**Article 216**

The Supervisor may resign before the expiry of his term of office. Provisions in relating the resignation of Directors as set in Chapter 5 of these Articles of Association are also applicable for the Supervisors.

**Article 217**

The Supervisor shall ensure the truthfulness, correctness and completeness of the disclosed information.

**Article 218**

The Supervisor may attend the Board Meeting as nonvoting delegate and make inquiries or raise suggestions on resolutions of the Board of Directors.

**Article 219**

The Supervisor shall not do harm to the Bank by the use of association with related parties. The Supervisor shall be liable for the compensation if any loss of the Company is caused by his behavior.

**Article 220**

If the Supervisor has violated the law, regulations, department rules or these Articles of Association in discharging his duties thereby causing damage to the Company, he shall be liable for compensation.

**Section 2 The Supervisory Committee**

**Article 221**

The Bank has the position of Supervisor Committee which composed of nine Supervisors. The Supervisory Committee has one Chairman and one Vice Chairman (as the case may be). If the Chairman is unable to or delinquent to perform his duties, the Vice Chairman shall act as the Chairman of the meeting; if the Vice Chairman of Supervisory Committee is unable to or delinquent to perform his duties, a Supervisor jointly recommended by more half of the total Supervisory Committee members shall act as the Chairman of the meeting.

The Chief Supervisor and Vice Chief Supervisor are appointed and removed by more than half of the total Supervisory Committee members, and they shall have expertise and working experience in respect of accounting, auditing, finance, law and management.

**Article 222**

The Supervisory Committee shall exercise the following functions and powers:

- (1) To make review and give written review opinion on regular report of the Bank made by the Board of Directors;
- (2) To Check and inspect the financial information of the Bank;
- (3) To supervise the Directors and senior management personnel and make proposals to remove the Directors and senior management personnel who have violated laws, regulations, these Articles of Association or resolutions of Shareholders' General Meeting;
- (4) To demand the Directors, Bank President and other senior management personnel to rectify their error or report it in a Shareholders' General Meeting or to the relevant state regulatory authorities when necessary, if they have acted in a harmful manner to the Bank's interest;
- (5) To propose to convene an Interim Shareholders' General Meeting and convene and preside over Shareholders' General Meeting when the Board of Directors fails to convene and preside over Shareholders' General Meeting as set by "Company Law".
- (6) To put forth initiatives to the Shareholders' General Meeting;
- (7) To perform post-leave audit for Directors and Top Management members;

- (8) To perform auditing to decision-making, risk management and internal control of the Bank and guide the work of internal auditing department;
- (9) To bring proceedings against a Director or senior management personnel as set in Article 152 of "Company Law";
- (10) To conduct investigation into the abnormal operating status of the Bank; entrust professional institutions such as accounting firm and law firm to help in such investigation when necessary, and all reasonable fees here incurred which are required by the Supervisory Committee in the exercise of its functions and powers shall be borne by the Bank.
- (11) Other functions and powers as may be specified by laws, administrative rules, regulations, these Articles of Association and conferred by Shareholders' General Meeting;

**Article 223**

The Supervisory Committee has a Nomination Committee, whose function is to draft the appointment procedures and standards for Supervisor, conduct preliminary review on qualification and requirement of Supervisor and give proposals to the Supervisory Committee.

The Nomination Committee is headed by an external Supervisor.

**Article 224**

The Supervisory Committee has an office for performing the functions and powers of the Supervisory Committee.

**Article 225**

Supervisor's Meetings shall be convened regularly at least four times a year. A 10 days' prior notice shall be given to all Supervisors for the convening of a supervisors' meeting. The Supervisor may propose to convene an Extraordinary Supervisor's Meeting.

**Article 226**

The notice for a Supervisors' Meeting shall include the following information: Date, place and period, reasons and subject of the meeting as well as the date on which the notice is issued.

**Article 227**

If the Supervisory Committee finds that the Board of Directors and the Top Management have not performed according to the accounting principle of "Prudence", not strictly checked the interest receivable and not raise capital reserve for non-performing accounts, it shall order them to rectify the error.

The Supervisory Committee shall make inquiry to the Board of Directors or the Top Management when it is aware of the abnormal fluctuation in performance of the Bank.

**Article 228**

The results of the auditing made by internal auditing department of the Bank to internal functional department and branch offices shall be reported to the Supervisory Committee on a timely and complete basis.

If the Supervisory Committee has question on the results submitted by the internal auditing department, it is entitled to demand the Bank President or Auditing Department to make explanation.

**Article 229**

The Supervisor Committee is entitled to learn get information from relevant personnel and departments of the Bank when performing its duties, and said personnel and departments shall give reasonable assistance.

**Article 230**

The dividend distribution solution drawn by the Board of Directors shall be firstly submitted to the Supervisory Committee who shall give comments on the solution.

**Article 231**

The Supervisor is entitled to attend the Meeting of Board of Directors as a nonvoting delegate who has the right to express opinion but no right to vote. The Supervisor attending the Meeting of Board of Directors shall report the meeting to the Supervisory Committee. The Supervisory Committee may designate Supervisors to attend the Top Management's Meeting as nonvoting delegates when it thinks necessary.

**Article 232**

If the Supervisory Committee finds that the Board of Directors, the Top Management and its members have violated laws, regulations, rules and these Articles of Association, it shall propose penalty to responsible persons and give rectification notice in time; meanwhile, the Board of Directors or the Top Management shall receive the penalty, rectify the errors and submit written report to the Supervisory Committee on a timely basis.

In the case that the Board of Directors or the Top Management rejects or delays the penalty or rectification measures, the Supervisory Committee shall report to both state banking regulatory authorities and the Shareholders' General Meeting.

**Section 3 Resolutions of the Supervisory Committee**

**Article 233**

A Supervisors' Meeting shall be validly convened by the presence of not less than two-thirds of the supervisors. Each Supervisor shall cast one vote.

**Article 234**

The Supervisory Committee shall review all initiatives proposed by Supervisors. The resolutions concluded by the Supervisory Committee take effect only after obtaining approval of more than half of the Supervisors.

**Article 235**

Records shall be made for all Supervisors' Meetings and be signed by all attending supervisors and the recording person. Supervisors shall have the right to ask for the making of a descriptive record of what he speaks in the meeting. Records of supervisors' meetings shall be treated as the Bank's files, kept permanently in the Bank, and reported to Supervisory Department for filing.

## **Chapter 8 Financial , Accounting and Audit**

### **Section 1 Financial and Accounting System**

#### **Article 236**

The Bank should establish its financial and accounting system in accordance with the laws, administrative regulations and the stipulations of relevant state departments.

#### **Article 237**

The Bank should submit its annual financial and accounting report to CSRC and Shanghai Stock Exchange within 4 months after each fiscal year, its half-yearly financial and accounting report to the local office of CSRC and Shanghai Stock Exchange within 2 months after the first 6 months of each fiscal year and its quarterly financial and accounting report to the local office of CSRC and Shanghai Stock Exchange within 1 month after the first 3 months and the first 9 months of each fiscal year.

The above financial and accounting reports should be prepared in accordance with relevant laws, administrative regulations and department rules.

#### **Article 238**

The Bank has no other account books except its statutory account books. The assets of the Bank should not be deposited by opening accounts in the name of individuals.

#### **Article 239**

Where the Bank distributes its after-tax profits of the current year, it should appropriate 10 percent of the profits as the Bank's statutory common reserve. The Bank may stop appropriation if the accumulative balance of the common reserve has already accounted for over 50 percent of the Bank's registered capital.

If the accumulative balance of the Bank's statutory common reserve is not enough to make up for the losses of the Bank of the previous year, the current year's profits should first be used for making up the losses before the statutory common reserve is appropriated therefrom according to the provisions of the preceding paragraph.

After the Bank appropriates the statutory common reserve, discretionary common reserve and general reserves from the after-tax profits in accordance with the law and upon a resolution made by the Shareholders' General Meeting, it may also appropriate share incentive fund from the after-tax profits.

After the losses have been made up and common reserve, discretionary common reserve, general reserves and share incentive funds have appropriated, the Bank should distribute the remaining profits in light of the proportions of shares held by shareholders.

If the Shareholders' General Meeting distributes the profits by violating the provisions of the preceding paragraph before the losses are made up and the statutory common reserves are appropriated, the profits distributed must be refunded to the Bank.

No profit may be distributed for the Bank's shares held by the Bank.

#### **Article 240**

The common reserves of the Bank should be used for making up losses, expanding the operations or increasing the registered capital of the Bank. But the capital reserve should not be used for making up the Bank's losses.

When the statutory common reserve is changed to capital, the remainder of the common reserve should not be less than 25 % of the registered capital.

**Article 241**

After the Shareholders' General Meeting of the Bank makes a resolution on profit distribution plan, the Board of Directors should fulfill the distribution of dividends (or shares) within two (2) months thereafter.

**Article 242**

The Bank may distribute dividends by cash or shares.

**Article 243**

The welfares and bonus funds of the management and employees of the Bank should be recognized as costs according to a specific proportion of total profits and tax payments should be adjusted.

**Section 2 Internal Audit****Article 244**

The Bank carries out internal audit system and is staffed with full-time auditors to perform the internal audit and supervision of the Bank's financial receipts, payments and economic activities.

**Article 245**

The Bank's internal audit system and the responsibilities of its auditors should be subject to the approval by the Board of Directors. The person in charge of audit affairs should be accountable to and report work to the Board of Directors.

**Section 3 Engagement of Accounting Firm****Article 246**

The Bank engages the accounting firm with the "securities-related business qualification" to audit its accounting statements, verify its net assets and provide other relevant consulting services. The term of engagement is one year and may be renewed.

**Article 247**

The engagement of an accounting firm by the Bank should be determined by the shareholders in a general meeting. The Board of Directors should not engage an accounting firm before the Shareholders' General Meeting adopts such a resolution.

**Article 248**

The accounting firm engaged by the Bank should enjoy the following rights:

- (1) a right to review the financial books, records and vouchers of the Bank, the right to require the directors, Bank President or other senior management personnel of the Bank to supply relevant information and explanations;
- (2) a right to require the Bank to supply such information and explanation as are necessary for the accounting firm to perform its duties;
- (3) a right to attend Shareholders' General Meetings and to receive all notices of, and other communications relating to, any Shareholders' General Meeting which any shareholder is entitled to receive, and to speak at any Shareholders' General Meeting in relation to matters concerning its role as the Bank's accounting firm.

The Bank pledges that it will provide the retained accounting firm with true and complete accounting certificate, accounting book, accounting report and other accounting documents, and will not refuse reasonable requests from the accounting firm, conceal accounting documents or provide false statements.

**Article 249**

The remuneration of an accounting firm is to be remunerated should be determined by the shareholders in a general meeting.

**Article 250**

Prior notice should be given to the accounting firm 30 days in advance if the Bank decides to remove such accounting firm or not to renew the engagement thereof. Such accounting firm should be entitled to make representations at the Shareholders' General Meeting. Where the accounting firm resigns from its position, it should make clear to the shareholders in a general meeting whether there has been any impropriety on the part of the Bank.

**Chapter 9 Notices and Announcements****Section 1 Notices****Article 251**

The notices of the Bank may be delivered in any of the following ways:

- (1) Hand delivery;
- (2) By fax;
- (3) By mail;
- (4) By public announcement;
- (5) Other ways as stipulated in the Articles of Association.

**Article 252**

The notices of the Bank, if by public announcement, should be deemed to be received by all relevant persons upon their publishing.

**Article 253**

The notice of the Shareholders' General Meeting of the Bank should be delivered by public announcement.

**Article 254**

The notice of the meeting of the Board of Directors of the Bank should be delivered by mail or fax.

**Article 255**

The notice of the meeting of the Supervisory Committee of the Bank should be delivered by mail or fax.

**Article 256**

The notice given by fax should be deemed to be received on the sending date. The notice given by mail should be deemed to be received on the fifth workday after posting. The notice given by public announcement should be deemed to be received on the date when the public announcement is published for the first time.

**Article 257**

Where the notice of meeting is not served to persons who have the right to receive it for special reasons or they do not receive such notice, the meeting and the resolutions adopted at it should not be thus null and void.

**Section 2 Announcements****Article 258**

The Bank will publish its announcements and other information needing to be disclosed on "China Securities Journal", "Shanghai Securities Journal", "Securities Times" and websites of securities exchanges where the Bank executes securities trading which are designated by the CSRC.

## Chapter 10 Merger, Division, Dissolution & Liquidation

### Section 1 Merger or Division

#### Article 259

The Bank may be merged or divided according to law.

The merger of the Bank may take the form of merger by absorption or merger by new establishment.

#### Article 260

The merger or division of the Bank should follow the following procedures:

- (1) The Board of Directors draws up the plan of merger or division;
- (2) The Shareholders' General Meeting makes its resolution according to the provisions of the Articles of Association;
- (3) All interested parties sign merger or division contract;
- (4) Handle relevant examination and approval formalities according to law;
- (5) Handle merger or division matters concerning credits, debts, etc;
- (6) Handle dissolution registration or change registration.

#### Article 261

As for the merger of the Bank, all parties to the merger should conclude an agreement and formulate a balance sheet and an inventory of properties. The Bank should, within ten days as of making the decision of merger, notify the creditors, and should make a public announcement on "China Securities Journal", "Shanghai Securities Journal", "Securities Times" and websites of securities exchanges where the Bank executes securities trading within 30 days. The creditors may, within 30 days as of the receipt of the notice or within 45 days as of the issuance of the public announcement if it fails to receive a notice, require the Bank to clear off its debts or to provide corresponding guarantees.

#### Article 262

In the case of a merger, the credits and debts of the companies involved should be succeeded by the Bank that survives the merger or by the newly established company.

#### Article 263

As for the division of the Bank, the properties thereof should be divided accordingly

A balance sheet and an inventory of properties should be worked out. The Bank should, within 10 days as of the day when the decision of division is made, notify the creditors and should make a public announcement on "China Securities Journal", "Shanghai Securities Journal", "Securities Times" and websites of securities exchanges where the Bank executes securities trading within 30 days.

#### Article 264

The post-division companies should bear joint liabilities for the debts of the Bank before it is divided, unless it is otherwise prescribed by the Bank and the creditors before the division with regard to the clearance of debts in written agreement.

#### Article 265

Where the Bank finds it necessary to reduce its registered capital, it must work out a balance sheet and an inventory of properties.

The Bank should, within ten days as of the day when the decision of reducing registered capital, notify the creditors and make a public announcement on "China Securities Journal", "Shanghai Securities Journal", "Securities Times" and websites of securities exchanges where the Bank executes securities trading within 30 days. The creditors should, within 30



days as of the receipt of a notice or within 45 days as of the issuance of the public announcement if it fails to receive a notice, be entitled to require the Bank to clear off its debts or to provide corresponding guarantees.

The registered capital of the Bank after reducing its registered capital should not be any lower than the bottom line requirement as provided for by law.

#### **Article 269**

Where any of the registered items is changed during the process of merger or division of the Bank, the Bank should go through modification registration with the registration authorities. If it is dissolved, it should be deregistered according to law. If any new company is established, it should go through the procedures for company establishment according to law.

In the case of increasing or reducing its registered capital, the Bank should go through the modification registration with the registration authorities according to law.

### **Section 2      Dissolution and Liquidation**

#### **Article 270**

The Bank may be dissolved under any of the following circumstances:

- (1) The Shareholders' General Meeting decides to dissolve it;
- (2) It is necessary to be dissolved due to merger or division of the Bank;
- (3) Its business license is canceled or it is ordered to close down or to be dissolved according to law; or
- (4) Where the Bank meets any serious difficulty during its operation or management so that the interests of the shareholders will be subject to heavy loss if it continues to exist and it cannot be solved by any other means, the shareholders who hold ten percent or more of the voting rights of all the shareholders of the Bank may plead the people's court to dissolve the Bank.

#### **Article 271**

Where the Bank is dissolved according to the provisions of Items (1), (3) or (4) of the foregoing article, a liquidation group should be formed, within fifteen days as of the occurrence of the causes of dissolution, to carry out a liquidation. The liquidation group should comprise the directors or any other people as determined by the Shareholders' General Meeting. Where no liquidation group is formed within the time limit, the creditors may plead the people's court to designate relevant persons to form a liquidation group.

#### **Article 272**

During the liquidation period, the liquidation group should exercise the following functions and powers:

- (1) to notify the creditors or to publish public announcements;
- (2) to categorize the Bank's assets and prepare a balance sheet and an inventory of assets respectively;
- (3) to dispose of and liquidate any unfinished businesses of the Bank relating to settlements;
- (4) to pay all outstanding taxes and the taxes arising during liquidation;
- (5) to clear off credits and debts;
- (6) to deal with the surplus assets remaining after repayment by the Bank of its debts;
- (7) to represent the Bank in any civil proceedings.

#### **Article 273**

The liquidation group shall, within ten days as of its formation, notify the creditors, and shall make a public announcement within 60 days on at least one newspaper designated by the CSRC. Creditors shall, within thirty days as of the receipt of a notice or within 45 days as of the issuance of the public announcement in the case of failing to receiving a notice, declare credits against the liquidation group.

To declare credits, a creditor shall explain the relevant matters and provide relevant evidential materials. The liquidation group shall check in the credits.

The liquidation group may not clear off any of the debts of any creditor during the period of credit declaration.

#### **Article 274**

After the liquidation group has checked up on the Bank's assets and formulated the balance sheet and a detailed inventory of assets, it should formulate a liquidation plan and should submit it to the Shareholders' General Meeting or the relevant supervisory authorities or the people's court for approval.

#### **Article 275**

The Bank's property is liquidated in the following sequence:

1. Liquidation fee;
2. Wages, labor insurance premiums and legal premium of its staff and workers;
3. Taxes due;
4. Debts of the Bank;
5. Subordinated debts of the Bank;
6. Allocated in proportion to shareholders' shareholdings.
- 7.

During liquidation, the Bank exists, but cannot develop the operating activities unrelated to liquidation. No assets of the Bank should be distributed to the shareholders prior to full payments prescribed in Items 1-5 of this Article.

#### **Article 276**

Upon completion of the categorization of the Bank's assets and preparation of a balance sheet and an inventory of assets in connection with the liquidation of the Bank, the liquidation group discovers that the Bank's assets are insufficient to repay the Bank's debts in full, the liquidation group should immediately apply to the People's Court for a declaration of insolvency. After the Bank is declared insolvent by a ruling of the People's Court, the liquidation group should transfer all matters arising from the liquidation to the People's Court.

#### **Article 277**

Upon completion of liquidation, the liquidation group should formulate a liquidation report and the receipt/payment statement and account books during the liquidation and submit them to the Shareholders' General Meeting, the relevant supervisory authorities or people's court for approval.

Within thirty (30) days after the Shareholders' General Meeting, the relevant supervisory authorities or people's court approves the liquidation report, the liquidation group should handle the de-registration of the Bank with the registration authorities according to law and publicly announce the Bank's termination.

#### **Article 278**

Members of the liquidation group should be devoted to their duties and perform their liquidation obligations in accordance with the law and should not accept bribes or other illegal income by taking advantage of their position and power or misappropriate the properties of the Bank.

Members of the liquidation group who cause losses to the Bank or its creditors, either willfully or through gross negligence, should be liable for compensations.

**Article 279** If the Bank is announced bankrupt, a legal liquidation shall be carried out pursuant to laws regarding bankruptcy of company.

## Chapter 11 Amendments to Articles of Association

### Article 279

Where any of the following situations is involved, the Bank should amend the Articles of Association:

- (1) After the “Company Law”, “Commercial Bank Law”, “Banking Regulation and Supervision Law” or relevant laws and administrative regulations are amended, the provisions of the Articles of Association are conflictive with such amended laws or administrative regulations;
- (2) The situations of the Bank change, thus not complying with the items as specified in the Articles of Associations; or
- (3) The Shareholders’ General Meeting resolves to amend the Articles of Association.

Where the registered capital or total amount or structure of share capital of the Bank changes following the share capital increase from profits or common reserves, new share issue, placement or conversion of convertible corporate bonds into shares resolved by the Shareholders’ General Meeting and approved by the relevant regulatory body and the Articles of Association thus need to be amended, the Bank should amend the above provisions of the Articles of Association and register changes at the industrial and commercial registration authorities and other regulatory bodies.

### Article 280

Where the amendments to the Articles of Association adopted by the resolution of the Shareholders’ General Meeting should be examined and approved by the supervisory authorities, they should be submitted to the original examination and approval authorities for approval. Where the registration items of the Bank are involved, the Bank should handle change registration formalities in accordance with law.

### Article 281

The Board of Directors should amend the Articles of Association of the Bank in accordance with the resolution of the Shareholders’ General Meeting on amendments to the Articles of Association and the examination and approval opinions of relevant supervisory authorities.

**Article 282** Where the amendments to the Articles of Association involve the information required to be disclosed according to the laws and regulations, they should be publicly announced.

## Chapter 12      Supplementary Provisions

### **Article 283**

#### **Definitions**

(1) The “controlling shareholder” refers to a shareholder whose capital contribution occupies 50% or more of the total share capital of the Bank, or a shareholder whose stocks are less than 50% of the total equity stocks of the Bank, but who enjoys a voting right according to the stocks it holds that is large enough to impose a big impact upon the resolution of the Shareholders’ General Meeting.

(2) The “actual controller” refers to anyone who is not a shareholder but is able to hold actual control of the acts of the Bank by means of investment relations, agreements or any other arrangements.

(3) The “connection relationship” refers to the relationship between the controlling shareholder, actual controller, director, supervisor or senior management person of the Bank and the enterprise directly or indirectly controlled thereby, and any other relationship that may lead to the transfer of any interests of the Bank. However, the enterprises controlled by the state do not incur a connection relationship simply because their shares are controlled by the state.

(4) The senior management is composed of the Bank President and other senior management personnel.

### **Article 284**

The “Rules of Procedure of Shareholders’ General Meeting”, “Rules of Procedure of the Board of Directors” and “Rules of Procedure of the Supervisory Committee” of the Bank are annexes to these Articles of Association. The amendments of such rules should be subject to the approval by Shareholders’ General Meeting.

### **Article 285**

The Board of Directors may formulate the rules of the Articles of Association in accordance with its provisions. The rules of the Articles of Association should not be conflictive with the provisions of the Articles of Association.

### **Article 286**

These Articles of Association are written in Chinese. Where the articles of association in another language or version are inconsistent with these Articles of Association, the latest articles of association in Chinese ratified by and registered with the industrial and commercial administration should prevail.

### **Article 287**

In these Articles of Association, “over”, “within” or “not more than” includes this figure and “less than”, “below” or “more than” does not include this figure.

### **Article 288**

The present amendments to the Articles of Association should become effective as from the date when it is approved by Shareholders’ General Meeting of the Bank and state banking regulatory authorities..

### **Article 289**

The right to interpret these Articles of Association hereof rests with the Board of Directors of the Bank.