

This appendix summarized our Articles of Association for the purpose of providing potential investors with an overview of it. As the information set out below is only a summary, it does not contain all of the information which may be important to potential investors. Chinese texts and English translation of our Articles of Association are available for inspection as described in the paragraph headed “Documents Delivered to the Registrar of Companies in Hong Kong and Available for Inspection—B. Documents Available for Inspection” in Appendix IX to the Prospectus.

Our Articles of Association were passed in the shareholders’ general meeting held on July 10, 2013 and subsequently revised as per the opinions from relevant supervision authorities and approved by our authorized officer as authorized by the general meeting and the board of our Bank.

(a) Classes of Shares

Shareholders holding different types of shares shall be shareholders of different classes.

Shareholders of different classes shall enjoy the rights and assume the obligations stipulated by laws, regulations, and our Articles of Association.

Except shareholders holding other types of shares, shareholders holding domestic-listed shares and shareholders holding overseas-listed shares are considered as shareholders of different classes.

Shareholders of different classes shall enjoy the same rights in any distribution in the form of dividends or any other form.

(b) Directors

Board

The Board of the Bank is accountable to the shareholders’ general meeting, and shall exercise the functions and authorities in accordance with the laws, administrative regulations and our Articles of Association. The Board is comprised of 15 directors, of which the independent directors shall account for more than one third of the total members of the Board. The Board shall have one chairman and one to two vice chairmen who shall both be held by directors of the Bank, and shall be elected and removed by more than one-half of all directors of the Bank.

The Board exercises the following functions and authorities:

- convening the shareholders’ general meeting and reporting to the shareholders’ general meeting;
- implementation of the resolutions of the shareholders’ general meeting;
- decisions on our business development strategy, business plan and investment strategy;
- formulation of proposals of our annual financial budgets, final accounts, profit distribution and loss appropriation plan;
- formulation of plans of increase or reduction of registered capital, issuance of corporate bonds or other marketable securities and listing plan;
- formulation of proposals of material acquisition, repurchase of our shares, or proposals of merger, division, dissolution or change of the legal form of our Bank;

- decisions on material external investment, purchase and sale of assets and material guarantees beyond our general bank business scope within the authorization by the shareholders' general meeting;
- review and approval of significant connected transactions and preparation of special reports to the Shareholders' general meeting on implementation of connected transactions management rules and overall connected transactions;
- decisions on the establishment of internal management organizations of the Bank;
- appointment and removal of the president and the secretary to the Board of the Directors upon the nomination by the chairman of the Board, appointment and removal of the vice president of the Bank and other senior management upon the nomination by the President, and decision on the remuneration and punishment of such personnel;
- formulation of our fundamental management rules and decisions on our risk tolerance, risk management, internal control and compliance policy;
- formulation of amendments to our Articles of Association, Rules of Procedures for Shareholders' General Meetings and Rules of Procedures for the Board;
- proposals to the shareholders' general meeting for engagement, dismissal or discontinuance of the accounting firm;
- supervision of performance for senior management, listening to the work reporting of the President and inspection of the president's work, being entitled to require the President and other senior management to provide matters and information related to our operations and ensuring they will perform their management duties efficiently;
- being responsible for information disclosure and being ultimately liable to the truthfulness, completeness, accuracy and timeliness of the accounting and financial reporting of the Bank;
- regular evaluation and consistent improvement of corporate governance of the Bank in accordance with the laws, administrative regulations, departmental rules, regulatory requirements of relevant regulatory authorities and the Articles of Association of the Bank;
- formulation of stock incentive plan and employee stock ownership plan; decisions on the business performance linked staff compensation package measures of the Bank; and
- other functions and authorities vested by laws, administrative regulations, departmental rules, regulatory requirements of the relevant regulatory authorities and our Articles of Association and authorized by the shareholders' general meeting.

Chairman of Board

The chairman of the Board shall exercise the following duties and powers:

- presiding over the shareholders' general meeting, and convening and presiding over the Board meeting;
- supervising and inspecting the implementation of resolutions of the Board;
- signing certificates of shares, bonds and others marketable securities of the Bank;
- signing important documents of the Board and other documents that shall be signed by the legal representative of the Bank;

- exercising the duties as legal representative of the Bank;
- exercising special powers in connection with the affairs of the Bank under the emergency circumstance of material natural disaster and force majeure in compliance with statutory rules and in the interest of the Bank and reporting to the Board and the shareholders' general meeting of the Bank afterwards;
- decisions on unusual information disclosure matters arising from emergencies, which will subsequently be reported to the Board; and
- other duties and powers vested by laws, regulations, rules, regulatory requirements of the relevant regulatory authorities and the Articles of Association as well as authorized by the Board.

The vice chairman assists the Chairman, and when the chairman of the Board cannot perform or fails to perform his/her duties and powers, the vice chairman shall act on his/her behalf orderly; when the vice chairman cannot perform or fails to perform his/her duties and powers, a director elected jointly by half or more of all the directors shall act on his/her behalf.

(i) Power to allot and issue shares

There is no provision in the Articles of Association empowering the directors, supervisors and senior management to allot and issue shares.

Any proposal to increase the registered capital of the Bank must be submitted for approval by a special resolution of the shareholders' general meeting. Any such increase is subject to approval of relevant regulatory authorities.

(ii) Power to dispose of the assets of the Bank or any subsidiary banks (subsidiary companies)

When disposing of fixed assets, if the expected value of the fixed assets the Board intends to dispose of and the total value of the fixed assets already disposed of four months before such disposal proposal in aggregate exceeds 33% of the fixed assets value shown in the most recent balance sheet reviewed by the shareholders' general meeting, the Board must not dispose of or consent to the disposal of such fixed assets before such disposal is approved by the shareholders' general meeting.

The effectiveness of transactions conducted by the Bank to dispose of fixed assets is not subject to the violation of the aforesaid item.

For our Articles of Association, disposal of fixed assets referred to above includes the transfer of certain interests of assets, but excludes the provision of security using fixed assets.

(iii) Remuneration, compensation or payment for loss of office

The remuneration of the directors shall be subject to the approval of shareholders' general meeting. The Bank shall sign written agreements with its directors and supervisors in the matter of remuneration with the prior approval of shareholders' general meeting. The matter of remuneration above includes:

- remuneration for positions as the Bank's directors, supervisors or senior management;

- remuneration for positions as the directors, supervisors or senior management of subsidiary banks (subsidiary companies) of the Bank;
- remuneration for other services supporting the management of the Bank and its subsidiary banks (subsidiary companies) of the Bank; and
- compensation for a director or supervisor's loss of office or retirement.

Unless pursuant to the aforesaid agreements, the directors and supervisors shall not file any lawsuit against the Bank and claim the benefits they shall obtain for the foregoing matters.

There shall be a provision in the contract in relation to remuneration made between the Bank and our directors or supervisors that, in the event of a takeover of our Bank, the directors or the supervisors shall be entitled to receive compensation or other payments as a result of loss of office or retirement, provided that prior approval shall have been obtained at a shareholders' general meeting. A takeover of the Bank referred to above means either:

- a takeover offer to all shareholders has been made by any person; or
- a takeover offer has been made by any person to enable the offeror to become the controlling shareholder as defined in our Articles of Association.

If the relevant director or supervisor does not comply with this provision, any sum so received by him/her shall belong to those who have sold their shares as a result of the said offer. The expenses incurred in distributing such sum pro rata amongst those persons shall be borne by such director or supervisor and shall not be deducted from the sum to be received by him/her.

(iv) Loans to directors, supervisors and senior management

The Bank shall not, directly or indirectly, provide loans or loan guarantees for its and its parent company's directors, supervisors, or senior management, nor shall it provide the same to their related persons.

The following situations are not subject to the above provisions:

- the provision of a loan or a guarantee for a loan by the Bank to its subsidiary banks (subsidiary companies);
- the provision of a loan or a guarantee for a loan or any other funds by the Bank to any of its directors, supervisors, or other senior management to meet expenditure incurred by him/her for the purpose of the Bank or for the purpose of enabling him/her to perform his/her duties properly, in accordance with the terms of an employment contract approved by the shareholders' general meeting; and
- the Bank may provide loans or loan guarantees for directors, supervisors, and senior management and their respective related persons based on normal commercial terms.

A loan made by the Bank in breach of the above provisions shall be forthwith repayable by the recipient of the loan regardless of the terms of the loan.

A loan guarantee made by the Bank in breach of the above provisions shall not be enforceable on the Bank, with the following exceptions:

- The lender is unaware about actual situation when a loan is extended to directors, supervisors and senior management members of the Bank or its parent company and their respective associates; and
- Collaterals provided by the Bank have legally been sold to a bona fide purchaser.

(v) Financial assistance to purchase our shares

The Bank or the subsidiary banks (subsidiary companies) shall not offer any financial assistance at any time by any means to purchasers or prospective purchasers for behaviors of purchasing or proposing to purchase the Bank's shares. Such purchasers of the Bank's shares as mentioned above shall include those who directly or indirectly assume the obligations due to purchase of the shares of the Bank.

The Bank or the subsidiary banks (subsidiary companies) shall not offer any financial assistance at any time by any means in order to reduce or relieve the obligations of the aforesaid obligator due to their purchase or intention of purchase of the shares of the Bank.

For these purposes, the "financial assistance" shall include but is not limited to the following means:

- gifts;
- guarantee (including the assumption of liability by the guarantor or the provision of assets by the guarantor to secure the performance of obligations by the obligor), compensation (other than the compensation in respect of the Bank's fault) or release or waiver of any rights;
- provision of loan or any other agreement under which the obligations of the Bank are to be fulfilled before the obligations of another party, or a change in the parties to, or the novation of, or the assignment of rights arising under, such loan or agreement; and
- any other form of financial assistance given by the Bank when the Bank is insolvent or has no net assets or when its net assets would thereby be reduced to a material extent.

The "obligations" herein referred to shall include the obligations of the obligator by signing a contract or making an arrangement (regardless of whether or not the aforesaid agreement or arrangement is enforceable, or whether or not such obligations are assumed by the obligator individually or jointly with any other person), or changing its financial condition in any other way.

The acts listed below are not prohibited by the Articles of Association of the Bank, except those prohibited by relevant laws, regulations, rules and statutory documents:

- where the Bank provides the financial assistance truthfully for the interests of the Bank and the main purpose of the financial assistance is not to purchase shares of the Bank, or the financial assistance is an incidental part of an overall plan of the Bank;
- lawful distribution of the Bank's property in the form of dividends;
- distribution of dividends in the form of shares;

- reduction of registered capital, repurchase of shares, adjustment of shareholding structure, etc., in accordance with the Articles of Association of the Bank;
- provision of a loan by the Bank within its scope of business and in the ordinary course of its business (provided that the same does not lead to a reduction in the net assets of the Bank or that if the same constitutes a reduction, the financial assistance is deducted from the Bank's distributable profits); and
- provision of money by the Bank for an employee shareholding scheme (provided that the same does not lead to a reduction in the net assets of the Bank or that if the same constitutes a reduction, the financial assistance is deducted from the Bank's distributable profits).

(vi) Disclosure of interest in contracts with the Bank

Where the Bank's directors or any of its associates (as defined in the Listing Rules), supervisors and senior management are directly or indirectly relevant to the agreements, transactions or arrangements (except employment agreements between the Bank and its directors, supervisors and senior management) signed or planned by the Bank, they shall notify the Board of the nature and degree of such a relationship, no matter whether such matter, in general, shall be approved by the Board.

Unless the interested directors, supervisors and senior management of the Bank have informed the Board of the matter as specified, and the Board has approved it at a meeting where they are not incorporated into the quorum and nor do they participate in the voting, the Bank shall have the right to cancel such agreements, transactions or arrangements, except where the counterparty is an innocent party who is not aware of the relevant directors, supervisors and senior management' violation of their obligations.

The Bank's directors, supervisors and senior management shall be treated as interested parties where their related persons are interested in a certain contract, transaction or arrangement.

If, before the Bank first considers the entering into of the relevant contract, transaction or arrangement, a director, supervisor and senior management member of the Bank gives written notice to the Board and the Board of Supervisors, stating that by reasons of the facts contained in the notice, he/she will be interested in such contract, transaction or arrangement to be entered into by the Bank subsequently, such director, supervisor and senior management member shall be deemed to have made such disclosure as stipulated above to the extent as stated in the notice.

(vii) Appointment, removal and retirement

Nomination and Election of Directors

The Directors includes executive Directors and non-executive Directors (including independent non-executive Directors), and shall have a term of office of three years. All the directors may serve consecutive terms if reelected upon the expiration of his/her term of office. Candidates for directors shall be nominated by the nomination and remuneration committee of the Board, or by the shareholders who individually or in aggregate hold 3% or more of total issued shares of the Bank with voting rights, and shall be elected by the shareholders' general meeting. The qualification for serving as directors shall be submitted to and approved by the banking regulatory authorities.

The same shareholder and his/her/its connected person shall not nominate the candidates for director and supervisor concurrently. If such candidate for director (supervisor) as nominated by the same shareholder and his/her/its connected person has served as director (supervisor), such shareholder shall not nominate another candidate for supervisor (director) until the expiry of his/her term of office or the change of his/her position. In principle, the number of directors nominated by the same shareholder and his/her connected person shall not exceed one third of the total members of the Board, unless otherwise stipulated by the national laws. A shareholder who has already nominated candidate for director shall not renominate independent director.

Candidates for independent directors shall be nominated by the nomination and remuneration committee of the Board, and shareholders who individually or in aggregate hold 1% or more of total outstanding shares of the Bank with voting rights to the Board and shall be elected by the shareholders' general meeting. Service term of an independent director is the same as that of other directors of the Bank. Independent directors may serve consecutive terms if reelected upon the expiration of his/her term. The successive term of office of an independent director in the Bank shall not exceed six years.

Nomination and Election of Supervisors

Supervisors of the Bank include supervisors representing shareholders, external supervisors and supervisors representing employees. The proportion of the Bank's supervisors representing employees ("Employee Supervisors") and the external supervisors shall not be less than one third of the total number of supervisors respectively.

Candidates for supervisors representing shareholders shall be nominated by the Board of Supervisors or the shareholders holding individually or in aggregate 3% or more of total outstanding shares of the Bank with voting rights, and shall be elected by the shareholders' general meeting.

Employee Supervisors shall be nominated by our board of supervisors and Labor Union of the Bank, and shall be subject to the election, removal or change at the employee representative meeting or through any other democratic procedure.

The external supervisor of the Bank shall be nominated by the Board of Supervisors or the shareholders holding individually or in aggregate 1% or more of shares of the Bank with voting rights, and shall be elected by the shareholders' general meeting.

Removal and Resignation of Directors

Subject to compliance with relevant laws and administrative regulations, the shareholders' general meeting may dismiss any director during his/her service term through a general resolution (provided the director's claim that can be proposed in accordance with any contract will not be affected).

A director may resign prior to the expiry of his/her service term. When a director intends to resign, he/she shall submit a written resignation to the Board. The Board shall notify the Board of Supervisors within 2 days upon receipt of such a resignation, and report this fact to the latest shareholders meeting.

If failure to re-elect a candidate upon the expiry of a director's service term or the resignation of any director within his/her term of office has an impact on our normal operation or causes the number of members of the Board to fall below the minimum number of directors required by law, such

director shall continue to perform his/her duties as a director in accordance with laws, administrative regulations, departmental rules and the Bank's Articles of Association until a new director is elected and assumes his/her office. Save as stated above, the resignation of a director shall become effective when it is served to the Board.

There is no provision in the Articles of Association regarding retirement or non-retirement of directors under an age limit.

Removal and Resignation of Supervisors

A supervisor may offer to resign before the expiry of his/her term of office. The provisions concerning the resignation of directors shall apply to supervisors.

(viii) Borrowing powers

The Articles of Association of the Bank do not specifically provide for the manner in which borrowing powers may be exercised nor do they contain any specific provision in respect of the manner in which such borrowing powers may be amended, except for:

- provisions which authorize the Board to formulate proposals for the issuance of corporate bonds or other marketable securities by the Bank and public listing; and
- provisions which provide that the issuance of corporate bonds and other marketable securities shall be approved by the shareholders' general meeting by a special resolution.

(ix) Proceedings of the Board

Resolutions of board meetings shall be passed by more than half of all directors and resolutions of board meetings approving connected transactions shall be passed by more than half of the votes cast by all directors who have no material interest in such transactions.

A special resolution of board meetings shall be passed by a two-thirds of all directors. For the following matters, a special resolution shall be passed by the Board and the meeting shall not be held in the manner of written resolution:

- our plans for annual fiscal budget and final accounts;
- our plans for capital replenishment, allocation of risk capital, profit distribution and making up loss;
- our plans for the increase or decrease of registered capital;
- our plans for issuance of corporate bonds or other marketable securities and public listing;
- our plans for merger, division, dissolution, liquidation or change of corporate form;
- our plans for repurchase of the shares of the Bank;
- appointment and dismissal of senior management;
- amendments to the Articles of Association;
- consideration and approval of setup of material legal persons, material acquisition and merger, material investments, material purchase of assets, material disposal of assets, material write-off of assets, and material guarantee within the authorization of the shareholders' general meeting;

- material changes in the Bank's shareholding and other significant events such as the financial restructuring, etc.;
- other matters that require more than two thirds votes of all directors by virtue of laws, administrative regulations, and provisions of Departmental rules, normative documents of the relevant regulatory authorities and the Bank's Articles of Association, and that are material to the Bank in the opinion of more than half of all directors.

(c) Revision of the Bank's Articles of Association

In any of the following circumstances, our Bank shall amend the Articles of Association:

- If upon amendments to the Company Law, Commercial Banking Law or other applicable laws and regulations, any terms contained in the Articles of Association become inconsistent with the provisions of the amended laws, regulations;
- Certain terms specified in our Articles of Association changes; and
- a resolution being passed by the shareholders' general meeting to amend our Articles of Association.

For any amendments to our Articles of Association, the Board shall propose the plan on amendments, which are subject to approval by the shareholders' general meeting. The amendments to the Articles of Association passed by the shareholders' meeting shall be subject to the approval by the relevant regulatory authorities, if required; and where an amendment to the Articles of Association shall be subject to registration, the Bank shall register such amendment in accordance with relevant laws.

(d) Variation of Rights of Existing Shares or Classes of Shares

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

In the following conditions, rights of a class of shareholders shall be deemed to have been changed or abrogated:

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

- a removal or reduction of rights to receive amounts payable by the Bank in a particular currency attached to shares of such class;
- a creation of a new class of shares with voting rights, distribution rights or other privileges equal or superior to those of the shares of such class;
- an imposition of restrictions or additional restrictions on the transfer or ownership of shares of such class;
- an issuance of rights to subscribe for, or convert into, shares of such type or other classes;
- an increase in the rights and privileges of shares of other classes;
- restructuring of the Bank causing shareholders of different classes to bear liability to different extents during the restructuring; and
- amendment or cancellation of provisions as required by “Special Procedures for Voting by a Class of Shareholders” of our Articles of Association.

Interested shareholders shall not enjoy voting rights in class shareholders’ general meeting. “Interested shareholders” shall have the following meanings:

- after the Bank has made a repurchase offer to all shareholders equally pro rata or made a repurchase by means of public transaction at the stock exchange in accordance with the Articles of Association, “interested shareholders” refers to the controlling shareholders defined in the Articles of Association;
- after the Bank has made a repurchase by means of agreement outside the stock exchange in accordance with the Articles of Association, “interested shareholders” refers to the shareholders concerned with this agreement; and
- in the Bank’s restructuring plan, “interested shareholders” refers to those shareholders who assume responsibilities with smaller proportion than other shareholders of the same class or those shareholders who enjoy different interests from other shareholders of the same class.

A resolution of class shareholders’ meeting shall be passed after it is adopted by two-thirds or more of voting shares present at a class shareholders’ meeting.

Special procedures for voting by shareholders of different classes do not apply to the following cases:

- after approval by the shareholders’ general meeting through special resolution, the Bank issues domestic listed shares and overseas-listed shares every other 12 months, either separately or simultaneously, and the domestic listed shares and overseas-listed shares to be issued do not exceed 20% of this kind of shares already issued to the public;
- the plan to issue domestic listed shares and overseas-listed shares during the Bank’s establishment is accomplished within 15 months from the date of approval of the securities regulatory authorities of the State Council.
- the unlisted shares held by our shareholders, after approval from the banking regulatory authorities of the State Council and the securities regulatory authorities of the State Council can be listed and traded on an overseas stock exchange.

(e) Alteration of capital***Increase of Registered Capital***

Upon the demands of operation and business development and in accordance with relevant laws and regulations, the Bank may, subject to resolutions of the shareholders' meeting and the approval of the relevant regulatory authorities, increase its registered capital in the following ways:

- public Offering of Shares;
- non-public Offering of Shares;
- placing new shares to existing shareholders;
- transferring capital reserve funds to increased capital; and
- other methods permitted by laws and regulations or by relevant competent authorities.

The Bank's increase of its capital by issuing new shares shall be conducted in accordance with the procedures provided in relevant laws and regulations after being approved according to the Articles of Association.

Reduction of Registered Capital

The Bank may reduce its registered capital. The reduction of the registered capital of the Bank shall be handled in accordance with the procedures stipulated by *the Company Law, the Commercial Banking Law* and other relevant regulations and provisions of the Bank's Articles of Association.

The Bank must prepare a balance sheet and a list of properties when it is to reduce its registered capital.

The Bank shall notify its creditors within ten days of adopting the resolution to reduce its registered capital and shall publish an announcement of the resolution in the media designated by the Bank within 30 days. Creditors shall, within 30 days of receiving a written notice or within 45 days since the date of the announcement for those who have not received a written notice, be entitled to require the Bank to pay its debts or to provide a corresponding guarantee for repayment.

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

(f) Special Resolution—Majority Required

The resolutions of the shareholders' general meeting are divided into two types: (i) general resolutions, and (ii) special resolutions.

General resolutions made by shareholders' general meeting shall be adopted by more than half of the voting shares represented by the shareholders present at the meeting (including their proxies).

Special resolutions made by shareholders' general meeting shall be adopted by two-thirds or more of the voting shares represented by the shareholders present at the meeting (including their proxies).

The following items shall be adopted by shareholders' general meeting through general resolution:

- work reports of the Board and the Board of Supervisors;

- profit distribution plans and plans to cover company losses proposed by the Board;
- appointment and dismissal of directors and supervisors and their remuneration and payment thereof;
- plans for financial budget and final budgets;
- engagement and dismissal of the accounting firms;
- assessment reports prepared by the Board in respect of the performance of duties by the directors (including independent directors);
- assessment reports prepared by the Board of Supervisors in respect of the performance of duties by the supervisors (including external supervisors); and
- other matters than those stipulated by laws, regulations, rules, relevant regulatory authorities or the Articles of Association, which require the adoption through a special resolution.

The following items shall be adopted by shareholders' general meeting through special resolution:

- increase or reduction of the Bank's registered capital and issuance of stock, warrants of any type or any other similar securities;
- issuance of corporate bonds or other marketable securities and listing plan by the Bank;
- such matters as merger, division, dissolution, liquidation and change of corporate form of the Bank;
- revision of the Articles of Association;
- purchase or sale by the Bank of material assets or the granting of security with a value exceeding 30% of the latest audited total asset value of the Bank within one year;
- stock incentive plans and employee stock ownership plan; and
- other matters stipulated by laws, regulations, rules, regulatory authorities or the Articles of Association, and determined by the shareholders' general meeting by a general resolution that are significant to the Bank and shall be approved by special resolution.

(g) Voting Rights (generally, on a poll and right to demand a poll)

If the Bank intends to hold a shareholders' general meeting, distribute dividends, conduct liquidation and other activities where the shareholders' identities need to be confirmed, the Board or the person convening the general meeting shall decide the record date, and the shareholders recorded in the register of members after the market closes on the record date shall be the shareholders who are entitled to relevant rights and interests.

Shareholders (including their proxies) shall exercise their voting rights according to the voting shares held by them, with each share representing one voting right.

Shares held by the Bank have no voting rights, and will not be counted toward the total voting shares present in the shareholders' general meeting.

All matters which require a resolution at a general meeting shall be voted by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

Ballot voting requested for matters concerning the election of chairman of the meeting or termination of the meeting shall be conducted immediately; for other matters, the chairman of the meeting shall decide when to conduct ballot voting. The meeting can continue to discuss other matters, and the voting result there from will still be deemed as the resolution adopted in this meeting.

During ballot voting, shareholders (including their proxies) with two or more voting rights do not necessarily use them all for affirmative or negative votes or abstention of votes.

(h) Annual General Meetings

There are two types of shareholders' general meeting: annual shareholders' general meeting and interim shareholders' general meeting. The shareholders' general meeting is generally convened by the board.

The annual shareholders' general meeting shall be held once a year within six months after the end of the previous fiscal year. If the meeting has to be postponed due to special reasons, it shall be reported to the banking regulatory authorities in time with the reasons stated and make announcement thereof.

An interim shareholders' general meeting shall be convened within two months from the occurrence date of any of the following events:

- the number of directors is less than the quorum as specified by the Company Law, or two-thirds of the number as stipulated by the Articles of Association;
- the outstanding balance of the Bank's loss reaches one-third of the Bank's total paid-up share capital;
- shareholders who individually or jointly hold more than 10% of the voting shares in the Bank submit a written request. The number of shares held shall be decided as of the date when the written request is submitted;
- the Board deems it as necessary;
- the Board of Supervisors proposes its opening; and
- other situations, as stipulated by laws, administrative regulations, departmental rules, regulatory authorities and the Articles of Association.

(i) Accounts and Audit

The Bank shall establish its financial and accounting systems according to provisions as stipulated by laws, regulations and regulatory authorities.

The Board shall at each annual shareholders' general meeting submit to the Shareholders the financial statements prepared by the Bank as required by the relevant laws, administrative regulations, departmental rules and statutory documents.

The Bank shall prepare its financial statement not only according to the Chinese accounting standards and regulations but also according to the international accounting standards or the accounting

standards in the overseas-listing place. In case there are major differences between the financial statements prepared according to the two accounting standards, they should be indicated clearly in the notes of the financial statements. When distributing the after-tax profit for the related accounting year, the Bank shall adopt whichever is the lower of the after-tax profit in the aforesaid two financial statements.

The annual financial report prepared by the Bank within four-month period after the end of each fiscal year shall be submitted to the relevant regulatory authorities according to law. The Bank shall publish its financial report twice in each fiscal year, i.e. publish the interim financial report within 60 days after the end of the first six months of a fiscal year, and publish the annual financial report within 120 days after the end of a fiscal year. Where there are otherwise provisions by the securities regulatory authority in the listing place where our shares are listed in relation thereto, those provisions shall be observed.

(j) Notice of Meetings and Business to be Conducted

When the Bank is to convene a shareholders' general meeting, written notice shall be given to all Shareholders 45 days prior to the meeting. Shareholders to be present in the shareholders' general meeting shall send a written reply of attendance to the Bank 20 days before the meeting is convened.

The Bank shall calculate the number of shares with voting rights based upon the written reply received 20 days prior to the shareholders' general meeting. Where the number of voting rights shares held by Shareholders who are going to attend the meeting reaches half or more of the total of shares with voting rights of the Bank, then the meeting can be held. Otherwise, the Bank shall inform the Shareholders again, in the form of an announcement about the matters to be discussed in the meeting, with the location and date of the meeting to be held within five days. The Bank may convene such a Shareholders' general meeting after such announcement has been made.

The meeting notice for the Shareholders' general meeting shall satisfy the following conditions:

- made in writing;
- specifying the date, location, and duration of the meeting;
- describing the matters and proposals to be considered at the meeting;
- providing the materials and explanations necessary for shareholders to make sensible decisions regarding the matters to be discussed, principally including (but not limited to) specific terms and agreements (if any) for a proposed transaction, and a detailed explanation of its reason and sequence where the Bank proposes a merger, repurchase of shares, restructuring of shares or other form of restructuring;
- where any Directors, Supervisors and senior management have an important interest with regard to matters to be discussed, then the nature and extent of that interest shall be disclosed. Further, where the impact of the matters to be discussed by such directors, supervisors and senior management who are shareholders is different from the impact on other shareholders of the same class, then that difference shall be illustrated;
- containing the full text of any special resolution proposed to be passed at the meeting;
- providing a clear description stating that shareholders who are entitled to attend the shareholders' general meeting have the right to entrust at least one proxy, as necessary, who does not need to be a shareholder of the Bank, to attend the meeting and also to put forward a resolution;

- specifying Date of Record for the shareholders who are entitled to attend the shareholders' general meeting;
- setting the deadline and place for the delivery of the proxy letter of the meeting;
- specifying the name and telephone number of the contact person for the meeting; and
- other circumstances provided by laws, administrative regulations, departmental rules, statutory documents, relevant regulatory authorities and our Articles of Association.

The notice of shareholders' general meeting shall be delivered together with samples of authorized proxy letter.

(k) Transfer of Shares

Unless otherwise specified by the relevant laws, administrative regulations and the regulations of the securities regulatory authorities in the locality where the shares of the Bank are listed, the fully paid shares of the Bank may be transferred legally without any lien attached. To transfer the shares of the Bank, the transferor shall register with the stock registration organization entrusted by the Bank.

All fully paid H shares may be freely transferred in accordance with the Articles of Association. However, the Board may refuse to recognize any transfer documents without stating any reason unless the conditions stipulated in the Articles of Association are met.

All transfers of H shares shall adopt written instruments of transfer in writing in an ordinary or usual form or in any other form acceptable to the Board. The instruments of transfer may be signed by hand or (where the transferor or transferee is a corporation) by the company's seal. Where the transferor or transferee is a recognized clearing house (as defined by relevant regulations in accordance with Hong Kong laws from time to time) or its proxy, the instruments of transfer may be signed by hand or in a machine-imprinted format.

The transfer of our shares shall comply with relevant provisions as required by the banking regulatory authorities and other regulatory authorities.

The Bank shall not accept any pledge with its own shares as the subject matters.

(l) Power of the Bank to Repurchase Its Own Shares

The Bank may repurchase its issued shares in the following circumstances in accordance with the provisions of the Article of Associations and subject to the approval from the relevant regulatory authorities:

- reducing the registered capital of the Bank;
- merging with any other companies holding the shares of the Bank;
- giving the shares to employees of the Bank as a reward;
- being requested to repurchase the shares of the Bank by the shareholders who object to the resolutions adopted at the shareholders' general meeting concerning merger and division of the Bank; and
- other circumstances permitted by laws, administrative regulations and relevant regulatory authorities.

Where the Bank repurchases its shares under circumstances (1) to (3), it shall obtain approval from shareholders' general meeting. Where the Bank repurchases its shares under circumstance (1), it shall cancel the shares within 10 days from the date of repurchase. Where the Bank repurchases its shares under circumstances (2) and (4), the Bank shall transfer or cancel the shares within 6 months.

The shares repurchased by the Bank under circumstance (3) shall not exceed 5% of the total issued shares of the Bank. The funds for repurchase shall be paid from the after-tax profits of the Bank. The shares redeemed shall be transferred to the employees within one year.

The Bank may repurchase its shares in any of the following ways after being approved by relevant regulatory authorities:

- making a repurchase offer pro rata to all shareholders;
- repurchasing by means of open transaction at a stock exchange;
- repurchasing by means of contractual agreement outside a stock exchange; and
- other methods as permitted by laws, administrative regulations and relevant regulatory authorities.

(m) Power of Any of the Subsidiary Banks (subsidiary companies) to Own our Shares

There are no provisions in the Articles of Association restricting ownership of shares in our Bank by any of our subsidiary banks (subsidiary companies).

(n) Dividends and Other Methods of Distributions

The Bank may distribute dividends in the form of cash or shares.

The Bank's current year profits shall be distributed in the following order of priority:

- offsetting the losses in previous years;
- contributing 10% of them to its statutory reserve fund;
- making general reserve;
- contributing to its discretionary reserve fund; and
- distributing profits and paying dividends to its shareholders at the proportion of the shares held by a shareholder.

In the event that the accumulated statutory reserve exceeds 50 percent of the Bank's registered capital, no further allocation is needed. The shareholders' general meeting shall decide whether any further allocation to the discretionary reserve shall be made after making allocations to the statutory reserve and the general reserve. The Bank shall not distribute dividends to shareholders before making up losses, making allocations to the statutory reserve and the general reserve. Any dividend distributed to shareholders by the shareholders' general meeting in contravention of the requirements provided above shall be refunded to the Bank by the shareholders. Shares of the Bank held itself shall not participate in any distribution of profits. Shareholders shall not be entitled to dividends in case that the capital adequacy ratio of the Bank fails to meet the requirements as stipulated by law.

The Bank shall appoint receiving agents on behalf of the shareholders of overseas-listed shares. Receiving agents shall receive on behalf of the relevant shareholders dividends distributed and other monies payable by the Bank in respect of the overseas-listed shares. The receiving agents appointed by the Bank shall comply with the laws and the requirements of the regulations of the securities regulatory authorities where the shares of the Bank are listed. The receiving agents appointed by the Bank on behalf of H shareholders shall be a trust company registered in accordance with the Trustee Ordinance of Hong Kong.

Subject to compliance with the relevant laws, administrative regulations and departmental rules of the PRC, the Bank may exercise right to forfeit unclaimed dividends, provided that such right shall be exercisable only after the applicable limitation period expires.

(o) Proxies

Any shareholders entitled to attend and vote at a shareholders' meeting shall have the right to appoint one or more persons (who need not be shareholders) as his/her proxies to attend and vote on his/her behalf.

Shareholders shall entrust the proxy in writing, and the proxy shall be signed by the shareholders or agents authorized by the shareholders in writing. If a shareholder is a legal person, the instrument shall be sealed with the legal person's stamp or signed by its directors or agents authorized in writing.

The proxy form shall specify, in the absence of specific instructions from the shareholder, whether the proxy may vote at his/her own discretion. If there is no such specification in the proxy form, the proxy is deemed to be entitled to vote at his/her own discretion for any resolution lack of specific instruction from the shareholder, and the shareholder shall assume responsibility for such vote.

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

(p) Calls on Shares and Forfeiture of Shares

For dividends that are not claimed by anyone, the Bank may exercise the right of expropriation under the precondition of complying with the relevant laws, administrative regulations and departmental rules, but the right shall be exercised only after the expiration of the applicable period.

The Bank shall have the right to terminate sending dividend warrants to holders of overseas-listed shares by mail, but the Bank shall exercise the right only after a dividend warrant fails to be redeemed for two consecutive occasions, however, the Bank can exercise the right after the first occasion on which such a dividend warrant is returned as undelivered.

The Bank shall have the right to sell the shares of shareholders of overseas-listed shares who are untraceable in a way deemed appropriate by the Board, provided the following conditions are met:

- the Bank has distributed dividends at least three times to the shares within 12 years, and the dividends are not claimed by anyone during the period; and

- the Bank publishes announcements in one or more newspapers where the Bank's shares are listed after the expiration of the 12-year period, stating its intention to sell the shares, and informs the securities regulatory authorities where the Bank's shares are listed.

(q) Inspection of Register of Members

Our shareholders are entitled to inspect all parts of the register of members and make photocopies upon payment of a reasonable cost according to the Articles of Association of the Bank.

(r) Quorum for Meetings and Separate Class Meetings

The Bank shall calculate the number of shares with voting rights represented by the shareholders who are going to attend the shareholders' general meeting based upon the written reply received 20 days prior to the shareholders' general meeting. Where the number of voting rights shares held by shareholders who are going to attend the meeting reaches half or more of the total of shares with voting rights of the Bank, then the meeting can be held. Otherwise, the Bank shall inform the shareholders again, in the form of an announcement about the matters to be reviewed in the meeting, with the date and place of the meeting to be held within five days. The Bank may convene such shareholders' general meeting after such announcement has been made.

When the voting shares represented by the shareholders to be present in the meeting reach half or more of the total voting shares of that class in the meeting, the Bank can convene class shareholders' general meeting; otherwise, the Bank shall, within five days, inform the shareholders again of the matters to be reviewed in the meeting, the meeting date and place through public announcement, after which it can convene class shareholders' general meeting.

(s) Rights of Minorities in Relation to Fraud or Oppression

A controlling shareholder and the actual controller of the Bank have a duty of fidelity to the Bank and other public shareholders. The controlling shareholder shall exercise the rights of contributors in strict compliance with the laws, and it shall not jeopardize legitimate rights and interests of the Bank and other public shareholders by profit distribution, assets reorganization, external investments, capital occupation or loan guarantee or by taking advantage of its controlling status.

In addition to the obligations imposed by the laws and administrative regulations or the relevant regulations required by securities regulatory authorities where the shares of the Bank are listed, our controlling Shareholder, in exercising the power as a Shareholder, shall not exercise his voting rights in a manner prejudicial to the interests of all or part of the shareholders when making decision on the following matters:

- exempting the responsibility of the directors and the supervisors to act in good faith for the maximum benefit of the Bank;
- approving the directors and the supervisors to deprive the property of the Bank (including but not limited to the opportunities that are favorable to the Bank) in any form for their own benefit or for the benefit of others; and
- approving the directors and the supervisors to deprive the individual rights and interests of other shareholders (including but not limited to any distribution rights, voting rights, but excluding the reorganization of the Bank which is submitted to the shareholders' general meeting for approval in accordance with the Articles of Association) for their own benefit or for the benefit of others.

The term “controlling shareholder(s)” herein shall refer to the person(s) satisfying any of the following conditions:

- acting alone or in concert with others, has the right to elect half or more of the directors;
- acting alone or in concert with others, has the right to exercise or control the exercise of 30% or more of the voting rights of the Bank;
- acting alone or in concert with others, holds 30% or more of the issued shares of the Bank; and
- acting alone or in concert with others, can de facto control the Bank in any other manners.

(t) Limitation to the rights of the shareholders under certain circumstances

Any unit or individual which or who purchases the issued shares outside of the Bank shall be subject to the requirements of the banking regulatory authorities and the relevant regulatory authorities. The major shareholders shall make a true, accurate and complete disclosure of the particulars of the related parties to the Board, and undertake to promptly report to the Board of the Bank in case of any changes of their relationship.

Any unit or individual which or who purchases 5% or more of the total number of the issued shares outside of the Bank should obtain a prior approval of the banking regulatory authorities. If, in the absence of the prior approval of the banking regulatory authorities, the number of shares held by a shareholder is equal to or in excess of 5% of the total number of the issued shares outside of the Bank (the “Excess Shares”), prior to the approval of the banking regulatory authorities, such shareholder holding the Excess Shares shall be subject to the necessary restrictions when exercising the shareholders’ rights in respect of the Excess Shares as stipulated in the Articles of Association, including but not limited to:

- no voting rights shall be attached to the Excess Shares when a vote is taken at the shareholders’ general meeting (including the class shareholders’ general meeting); and
- the right to nominate directors and supervisors as stipulated in the Articles of Association shall not be attached to the Excess Shares.

If a shareholder holding the Excess Shares fails to obtain the approval from the banking regulatory authorities, such shareholder must transfer such Excess Shares within the period prescribed by the banking regulatory authorities.

Notwithstanding the foregoing provisions, shareholders of the Bank holding the Excess Shares shall not be subject to any restriction when exercising part of their rights.

Any shareholder shall be in strict compliance with the laws and regulations, and the requirements of the regulatory authorities if any shares of the Bank are to be pledged for the benefits of his/her own or others. Also, such shareholder must serve a prior notice to the Board.

If the balance of loans from the Bank by a shareholder exceeds the audited net value of equity held by him for the previous year, he/she/it shall not create further pledge over his/her/its shares in the Bank.

The shareholders, especially the major shareholders, shall support the reasonable capital planning formulated by the Board of the Bank so that our capital will continue to meet the regulatory requirements. When our capital fails to comply with the regulatory requirements, a capital replenishment plan shall be made to enable the capital adequacy ratio to satisfy the regulatory requirements within the time framework, and other measures to replenish capital such as increase of core capital shall be taken. The major shareholders shall not hinder other shareholders from replenishing the capital of the Bank or new eligible shareholders from participating.

The major shareholders shall make a long-term capital replenishment commitment to the Bank in writing as a part of capital planning of the Bank.

The term “major shareholders” herein shall refer to the shareholder that holds (directly, indirectly or jointly) or controls 5% of the shares or voting rights and has significant influence on the decision-making of the Bank.

(u) Procedure on liquidation

The Bank shall be dissolved according to laws, if:

- its shareholders’ meeting has resolved to do so;
- it is dissolved as a result of the merger or division of the Bank;
- the Bank’s business license is suspended, or it is ordered to be terminated or revoked according to laws; or
- in case the Bank encounters significant difficulties in its operation and management, under the circumstance of which continuing existence will cause material harm to shareholders’ interests, and the problems could not be solved by other means, the shareholders holding 10% or more of all the voting shares may request the People’s Court to dissolve the Bank; and
- the Bank has been declared bankrupt by the People’s Court according to law.

If the Board decides the Bank shall carry out liquidation (except for liquidation resulting from the Bank’s declaration of bankruptcy), it shall state in the notice of the shareholders’ general meeting convened for this purpose that the Board has conducted comprehensive investigation of the Bank’s condition and believes that the Bank is able to pay off all its debts within 12 months after starting the liquidation.

The powers and functions of the Board shall terminate immediately upon the resolution on liquidation passed by shareholders’ general meeting and the establishment of the liquidation committee.

The liquidation committee shall follow the directions of the shareholders’ general meeting to report on its income and expenditures, the Bank’s business and progress of liquidation at least once a year to the shareholders’ general meeting and make a final report to shareholders’ general meeting at the end of liquidation.

The liquidation committee shall give notice of its establishment to the creditors within 10 days of its establishment and publish an announcement of the establishment in the media designated by the Bank within 60 days of its establishment.

The creditors shall declare their claims to the liquidation committee within 30 days of the date of receiving the notice or within 45 days of the date of the announcement in the case of not receiving the notice.

The creditors shall explain the matters related to their claims and provide supporting materials when declaring their claims. The liquidation committee shall register the claims.

The liquidation committee shall not settle any debt with the creditors during the period of claim declaration.

(v) Other Provisions Material to Our Shareholders

Functions and Authority of the Shareholders' Meeting

The shareholders' meeting is the authorized entity to exercise the functions and authorities as follows:

- decision on business policies and material investment plans;
- election and replacement of directors and supervisors who are not employee representatives and decision on their remuneration;
- review and approval of reports of the Board;
- review and approval of reports of the Board of Supervisors;
- review and approval of proposed annual financial budgets and final accounts;
- review and approval of profit distribution and loss appropriation plan;
- resolutions on increase or reduction of registered capital;
- resolutions on issuance of corporate bonds or other marketable securities and listing;
- resolutions on merger, division, dissolution, liquidation or change of the legal form of the Bank;
- revision of our Articles of Association; review and approval of Rules of Procedure for Shareholders' General Meeting, Rules of Procedure for Meetings of Board and Rules of Procedure for Meetings of Board of Supervisors;
- decision on engagement, dismissal or discontinuance of engagement of accounting firm;
- review and approval of proposals by shareholders independently or collectively representing more than 3% of voting rights;
- consideration and review of matters relating to the acquisition or disposal of material assets with a value exceeding 30% of the latest audited total asset value of the Bank within one year;
- review and approval of provision of guarantees as stipulated in our Articles of Association;
- review and approval of related party transactions which shall be approved by the shareholders' general meeting in accordance with laws, administrative regulations, departmental rules, statutory documents, requirements by relevant regulatory authorities and the Articles of Association of the Bank;

- review and approval of the change of use of proceeds;
- review and approval of stock incentive plan and employee stock ownership plan; and
- review and approval of other matters which shall be determined by the shareholders' general meeting in accordance with laws, administrative regulations, departmental rules and requirements by relevant regulatory authorities and the Articles of Association of the Bank.

Loans to Shareholders

The conditions of facility that the Bank offers to the shareholders shall not be more favorable than those offered to other customers of the same type of facility.

Where the Shareholders, especially the major shareholders, owe overdue facility to the Bank, the Bank shall restrict his/her/its rights to vote at the shareholders' general meeting and the rights of the directors delegated by such shareholders to vote at the Board of Meeting in accordance with the requirements of relevant regulatory authorities.

Directors' Qualification Shares

A director is a natural person, who does not necessarily hold the shares of the Bank.

Board Committees

The Board shall establish special committees, including Development Strategy Committee, Personnel Nomination & Remuneration Committee, Risk Management Committee, Related Party Transactions Supervision Committee, and Audit Committee. Each special committee shall be responsible to the Board, and shall have one chairman who is responsible for convening the activities of the special committee. In principle, the principal chairman of each special committee shall be separated.

Each special committee shall be composed of no less than three members. In which, Audit Committee, Related Party Transactions Supervision Committee and Personnel Nomination & Remuneration Committee shall be composed mainly by independent directors, and shall be chaired by an independent director as person in charge.

Audit Committee shall be composed of non-executive directors (including independent directors) who have expertise and experience in any of finance, auditing and accounting, and shall include at least one independent director who is a financial or accounting professional. The chairman of the Risk Management Committee shall have experience in judging and monitoring various risks.

Secretary to the Board

There shall be a secretary to the Board. The main duties and responsibilities of the secretary to the Board shall include:

- to assist the directors in handling the day-to-day work of the Board; in charge of the office of the Board; to provide to, and remind the directors of the rules, policies and requirements of regulatory authorities in relation to the operation of the Bank and ensure that the directors understand them; in charge of the communication between the directors and the

Bank to ensure that the directors obtain the information and documents necessary for their performance of duties; to assist the directors and president in complying with the relevant provisions of the laws, administrative regulations, departmental rules, provisions of the relevant regulatory authorities, the Articles of Association and other relevant requirements when exercising their functions and powers;

- to prepare and submit the reports and documents requested by the relevant regulatory authorities;
- to organize and prepare board meetings and shareholders' general meetings and the relevant meeting files, to keep meeting records, to ensure the decision-making at the meetings in compliance with the statutory procedures and to understand proactively the implementation of resolutions of the Board; to reply questions raised by directors in relation to meeting procedure and applicable rules;
- to prepare the documents for the Board and the relevant rules; to ensure complete constitutional documents and records of the Bank;
- to organize and arrange a comprehensive, formal and specially produced inaugural guideline for every newly appointed director on the first occasion of his/her appointment, and subsequently to provide the newly appointed director with necessary introduction and professional development to ensure the newly appointed director has a proper understanding to operations and business of the Bank and a full awareness of his/her own duties and responsibilities under laws and administrative regulations, departmental rules, provisions of the relevant regulatory authorities as well as the business and management policies of the Bank;
- to coordinate information disclosure of the Bank, and to enhance the information transparency of the Bank;
- to coordinate and organize market promotion; to coordinate reception of visitors and handle investor relations, and to keep communications between the Bank and regulatory authorities, investors, intermediary institutions and news media; and to coordinate public relations;
- to organize the preparation and timely submission of the files required by the securities regulatory authorities of the place where the Bank's shares are listed, to receive and complete the assigned tasks by the securities regulatory authorities of the place where the Bank's shares are listed as the contact person between the Bank and the securities regulatory authorities of the place where the Bank's shares are listed;
- to ensure the Bank's register of members are properly maintained, and to ensure the relevant records and files available in a timely manner to those who are entitled to access the relevant files and records;
- to manage the information of the Bank's shareholders, and to ensure the identities of independent directors are clearly stated in all the Bank's communications containing the names of the directors; and
- other functions and powers as prescribed in the laws, administrative regulations, departmental rules, provisions of the relevant regulatory authorities, the Articles of Association and authorized by the Board.

Board of Supervisors

The Bank has established the Board of Supervisors. The Board of Supervisors shall exercise by laws the following functions and duties:

- to review the regular reports prepared by the Board and to provide comments on the reports in writing;
- to supervise the duty performance of the Board and senior management;
- to supervise the duty performance of directors, chairman and senior managers and their activities in violation of laws, administrative regulations or the Articles of Association when performing their duties in the Bank;
- to carry out an audit, if required, to any resigning director or senior management;
- to urge directors and senior management to correct their acts which impair the benefits of the Bank;
- to inspect and supervise the financial activities of the Bank;
- to supervise and review the business decisions, risk management and internal control of the Bank, and to urge for rectification;
- to make proposals to remove or to bring actions against directors and senior management according to laws if they breach any applicable laws, administrative regulations, Articles of Association of the Bank or the resolutions of the shareholders' general meeting;
- to propose the convening of interim shareholders' general meetings, and, if the Board fails to convene and preside over such a meeting as required under the Company Law, to convene and preside over the shareholders' general meetings;
- to submit proposals to the shareholders' general meeting;
- to propose to convene an interim board meeting;
- to check the financial reports, operation reports, profit distribution plan and other financial information the Board intends to submit to the shareholders' general meeting, and to investigate if in doubt or discovering any irregularities in the operations of the Bank, and (if necessary) may engage accounting firms, law firms or other professional firms to assist its work at the costs of the Bank;
- to propose remuneration arrangements of Supervisors; and
- other functions and powers as prescribed in the laws, administrative regulations, departmental rules, provisions of the relevant regulatory authorities, the Articles of Association and authorized by the shareholders' general meetings.

The supervisors may present at meetings of the Board, Board Committees and senior management, and shall have the rights to raise questions or suggestions to resolutions except the voting right. The supervisors present at the meeting shall make corresponding report to the Board of Supervisors.

President

The president shall be responsible to the Board and exercise the following functions and duties:

- in charge of daily operation and management of the Bank, organizing the implementation of the resolutions of the Board and to report his/her work to the Board;
- to submit the annual operation plans and investment proposals to the Board, and to organize the implementation upon approval;
- to draft plans for the establishment of internal management structure;
- to formulate the basic management system;
- to formulate specific regulations of the Bank;
- to propose to the Board the appointment or dismissal of vice president(s) and other senior management;
- to decide the appointment or dismissal of persons in charge of internal functional departments and branches of the Bank (other than those required to be appointed or dismissed by the Board);
- to authorize senior management, persons in charge of internal functional departments and branches to engage in operating activities;
- to formulate proposals of our annual financial budgets, final accounts, profit distribution and loss appropriation plan, plans of increase or reduction of registered capital, issuance of bonds or other marketable securities and listing plan, and make recommendations to the Board;
- to approve the general related party transactions;
- to decide the appointment and dismissal of employees and to determine their salaries, benefits and punishment;
- to develop emergency response and risk prevention plans, and to take contingency measures where there is a material emergency and to immediately report to the Board, the Board of Supervisors and the banking regulatory authorities; and
- other functions and powers as prescribed in the laws, administrative regulations, departmental rules, provisions of the relevant regulatory authorities, the Articles of Association and authorized by the Board.

The president who is not a director shall be present at meetings of the Board, but have no voting rights at such meetings of the Board.

Dispute Resolutions

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

- Whenever any disputes or claims relating to the affairs of the Bank arise from the rights and obligations provided for in the Articles of Association of the Bank, the Company Law and other relevant laws and administrative regulations, between the shareholders of overseas-listed shares and the Bank, between the shareholders of overseas-listed shares and the directors, supervisors and senior managers of the Bank, between the shareholders

of overseas-listed shares and other shareholders, the parties involved shall refer such disputes or claims to arbitration.

- The disputes or claims mentioned above which are referred to arbitration shall be the entire dispute and claim; all persons having a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of the disputes or claims, if they are, shareholders of the Bank, directors, supervisors, or senior managers of the Bank, shall abide by such arbitration.
- Disputes over the definition of a shareholder and over the register of shareholders need not be resolved through arbitration.
- The party seeking arbitration may elect to have the dispute or claim arbitrated either by the China International Economic and Trade Arbitration Commission according to its arbitration rules or by the Hong Kong International Arbitration Centre according to its securities arbitration rules. Once the party seeking arbitration submits a dispute or claim to arbitration, the other party shall submit to the arbitral body selected by the party seeking arbitration.
- If the party seeking arbitration elects to arbitrate at the Hong Kong International Arbitration Centre, either party may apply to have such arbitration conducted in Shenzhen in accordance with the securities arbitration rules of the Hong Kong International Arbitration Centre.
- The laws of the PRC shall govern the arbitration of disputes or claims described in above unless otherwise provided by the laws, administrative regulations, departmental regulations and regulatory documents.

The ruling of the arbitral body shall be final and binding on the parties thereto.