

**ARTICLES OF ASSOCIATION OF
CHINA CONSTRUCTION BANK CORPORATION**

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ARTICLES OF ASSOCIATION OF CHINA CONSTRUCTION BANK CORPORATION

Chapter 1 General Provisions

Article 1 The *Articles of Association of China Construction Bank Corporation* (the “Articles”) are formulated by China Construction Bank Corporation (the “Bank”) in accordance with the *Company Law of the People’s Republic of China* (the “Company Law”), the *Commercial Banking Law of the People’s Republic of China* (the “Commercial Banking Law”), the *Securities Law of the People’s Republic of China* (the “Securities Law”), and other laws, regulations, rules and regulatory provisions (including the relevant provisions of the securities regulatory authorities in the places where the Bank’s shares are listed) (collectively, “laws, regulations and regulatory provisions”).

The Bank was founded by means of promotion with the approval of the State Council and the Yin Jian Fu [2004] No.143 approval issued by the China Banking Regulatory Commission, and the Bank was registered with the State Administration for Industry & Commerce and obtained its business license on 17 September 2004. The unified social credit code of the Bank is 911100001000044477.

Article 2 Registered Chinese name of the Bank: 中國建設銀行股份有限公司;
Chinese name in short: 中國建設銀行;
English name of the Bank: China Construction Bank Corporation;
English name in short: CCB.

Article 3 Domicile of the Bank: No. 25 Finance Street, Beijing, Post code: 100033.

Article 4 The chairman of the Board of Directors of the Bank is the legal representative of the Bank. Where the chairman resigns, he/she shall be deemed to have resigned as legal representative at the same time.

Article 5 The Bank is a joint stock limited company without a term of business.

Article 6 The shareholders of the Bank shall be responsible for the Bank to the extent of the shares held by them. The Bank shall bear the liability for its debts with all its property.

Article 7 The Bank is operated according to the principles of safety, liquidity and efficiency and implements independent management, independent assumption of risks, independent assumption of profit and loss, and self-discipline.

Article 8 The Articles shall be a legally binding document that regulates the organization and acts of the Bank, as well as the rights and obligations between the Bank and its shareholders and among the shareholders from the date when it becomes effective.

Article 9 The Articles shall be of binding force upon the Bank, its shareholders, directors, and senior management members. The aforesaid personnel may claim their rights in relation to the Bank in accordance with the Articles.

Shareholders shall have the right to take legal proceedings against the Bank; the Bank shall have the right to take legal proceedings against its shareholders; shareholders shall have the right to take legal proceedings against other shareholders; and shareholders and the Bank shall have the right to take legal proceedings against directors and senior management members of the Bank pursuant to the Articles.

The term “legal proceedings” mentioned in the preceding paragraph shall include the commencement of legal proceedings before a court and application for arbitration to an arbitration organization.

Article 10 The “senior management members” of the Bank referred to in the Articles shall include president, vice presidents, chief financial officer, chief risk officer, chief compliance officer, chief information officer, chief audit officer, secretary to the Board of Directors, business controllers and other members of the management of the Bank appointed by the Board of Directors.

Article 11 In light of the needs of business development and with the approval of the banking regulatory institution of the State Council, the Bank may set up branches at home and abroad.

Branches of the Bank shall not have the status of legal person and shall carry out their operations according to the authorization of the Bank and accept the uniform management of the Bank.

Article 12 The Bank may invest in other enterprises according to laws. If it is prescribed by laws that the Bank shall not become the investor that assumes joint and several liability for the debts of the enterprises in which it invests, such provisions shall apply.

In case that laws, regulations and regulatory provisions impose restrictions on the Bank’s external investments, such provisions shall be observed.

Article 13 In accordance with the *Constitution of the Communist Party of China* and the Company Law, the Bank sets up organizations of the Communist Party of China to carry out Party activities. The Party Committee acts as a leader controlling the direction, managing the overall situation, and ensuring the implementation of policies and rules. The Bank also establishes a Party working mechanism, assigns sufficient personnel in charge of Party affairs, and guarantees work-related expenses of Party organizations, providing necessary conditions for the activities of Party organizations.

Chapter 2 Purpose and Scope of Business

Article 14 The operation purpose of the Bank is to uphold the people-centered value orientation, adhere to the fundamental principle of serving the real economy with financial services, establish a modern financial enterprise system with Chinese characteristics, actively foster and practice a financial culture with Chinese characteristics, and unswervingly follow the path of financial development with Chinese characteristics.

The Bank applies the new development concept in full, in the right way, and in all fields of endeavor, establishes and practices a correct view of operation, performance and risk, and further enhances its ability to serve national development, prevent financial risks and participate in international competition, makes every effort to develop the “Five Priorities” of technology finance, green finance, inclusive finance, pension finance and digital finance, serves as the main force in serving the real economy and the ballast in safeguarding financial stability, and makes contributions to the building of a nation with a strong financial sector.

The Bank shall operate steadily, prevent risks, be trustworthy, forge ahead in an innovative way, provide good-quality and efficient financial services, create good returns for all shareholders, protect rights and interests of the stakeholders and boost economic development and social advancement.

The Bank makes progress toward sustainable development, pays great attention to environmental protection, actively fulfills social responsibilities, maintains a good social reputation and creates harmonious social relations.

Article 15 The business scope of the Bank: taking public deposits; extending short, medium and long term loans; conducting domestic and international settlement; conducting acceptance and discounting of negotiable instruments; issuing financial bonds; acting as agents for issuance, honoring and underwriting of government bonds; trading government bonds and financial bonds; conducting inter-bank lending; trading foreign exchanges and trading foreign exchanges as an agent; conducting bank card business; providing letter of credit service and guarantee; acting as agents for collection, payment and issuance business; providing safe-deposit box service; and any other businesses as approved by the banking regulatory institution of the State Council and other regulatory authorities.

Chapter 3 Shares and Share Certificates

Section 1 Shares and Registered Capital

Article 16 The Bank shall have ordinary shares and may have other classes of shares such as preference shares in accordance with laws and the actual needs.

Preference shares herein refer to other classes of shares specified rather than ordinary shares under general rules in accordance with the Company Law. Preference shareholders enjoy profit distribution and remaining properties prior to ordinary shareholders, however their voting rights and other rights about participating in the Bank’s decision-making and management are subject to restriction.

Unless otherwise specified, share(s) and share certificate(s) referred in Chapter 3 to Chapter 17 and Chapter 19 herein indicate ordinary share(s) and share certificate(s), and shareholder(s) referred in Chapter 3 to Chapter 17 and Chapter 19 herein indicates ordinary shareholder(s).

Article 17 The Bank's shares are in the form of share certificates. All share certificates issued by the Bank shall have a par value of RMB1 per share.

Shares shall be issued by the Bank under the principles of openness, fairness and impartiality, and each of the shares of the same class shall carry equal rights. Shares of the same class issued at the same tranche shall be issued on the same conditions and at the same price, and subscribers shall pay the same price for each of the shares they subscribe for.

Article 18 Promoters of the Bank at the time of its incorporation are: Central Huijin Investment Ltd., China Jianyin Investment Limited, State Grid Corporation of China, Baosteel Group Corporation and China Yangtze Power Co., Ltd. The number of shares issued to the promoters when the Bank was incorporated is 194,230,250,000.

After the incorporation, the Bank issued 67,370,131,459 ordinary shares, including 46,187,069,880 overseas listed shares and 21,183,061,579 domestic listed shares.

The composition of the Bank's share capital is as follows: 261,600,381,459 ordinary shares, including 240,417,319,880 overseas listed shares, representing 91.90% of the Bank's total number of ordinary shares, 21,183,061,579 domestic listed shares, representing 8.10% of the Bank's total ordinary shares; and 600,000,000 preference shares.

Article 19 The registered capital of the Bank is RMB261,600,381,459.

Article 20 The Bank shall not provide donations, loans, guarantees or other financial aids for others to obtain its shares, unless it carries out an employee stock ownership plan.

For the benefits of the Bank, the Bank may, upon a resolution by the Shareholders' Meeting or by the Board of Directors in accordance with the Articles and the authorization of the Shareholders' Meeting, provide financial aids for others to obtain its shares, provided that the total accumulative amount of the financial aids shall not exceed ten percent (10%) of the total issued share capital of the Bank. A resolution by the Board of Directors shall be approved by two thirds (2/3) or more of all the directors.

Any director or senior management member who is liable for any loss to the Bank due to the violation of the provisions of the preceding two paragraphs shall be reliable for compensations.

Section 2 Increase, Decrease and Repurchase of Shares

Article 21 According to the demands of operation and business development, the Bank may, in accordance with relevant provisions in the Articles, increase its capital.

The Bank may increase its capital by means of the following ways:

- (1) issuing shares to non-specific targets;
- (2) issuing shares to specific targets;
- (3) issuing new bonus shares to existing shareholders;
- (4) converting reserve to share capital;
- (5) any other methods permitted by laws, regulations and regulatory provisions.

After being approved according to the Articles, the Bank's issuance of new shares shall be handled in accordance with the procedures required by relevant laws, regulations and regulatory provisions of the State.

If the Bank's issuance of convertible bonds results in capital increase, it shall be handled in accordance with relevant laws, regulations and regulatory provisions of the State, the prospectus of convertible bonds and other relevant documents.

Article 22 The Shareholders' Meeting may authorize the Board of Directors to decide to issue not more than fifty percent (50%) of the issued shares within three (3) years. However, if the capital contributions are to be made using non-monetary property, they shall be subject to a resolution made by the Shareholders' Meeting.

Where the Shareholders' Meeting authorizes the Board of Directors to decide on issuing new shares, a resolution of the Board of Directors shall be approved by two thirds (2/3) or more of all the directors.

If the securities regulatory authorities in the places where shares of the Bank are listed or this Chapter provides otherwise, such provisions shall apply.

Article 23 The Bank may reduce its registered capital in accordance with the provisions of the Articles.

The Bank shall prepare its balance sheet and an inventory of property when it proposes to reduce the registered capital.

Unless otherwise provided by laws, the Bank shall notify its creditors within ten (10) days after the Shareholders' Meeting adopts the resolution to reduce the registered capital and shall publish an announcement of the resolution in newspaper or the National Enterprise Credit Information Publicity System within thirty (30) days. Creditors shall, within thirty (30) days of receiving the notice (for those who have received the notice), or within forty-five (45) days from the date of publication of announcement (for those who have not received the notice), be entitled to request the Bank to discharge its debts or provide corresponding security.

Where the Bank reduces its registered capital, it shall reduce the amount of capital contribution or shares in proportion to shares held by the shareholders, unless otherwise provided for by laws, regulations and regulatory provisions or the Articles.

Article 24 The Bank shall not repurchase its own shares except under any of the following circumstances:

- (1) reducing the registered capital of the Bank;
- (2) merging with any other companies holding shares of the Bank;
- (3) using shares in employee stock ownership plan or share incentives;
- (4) being requested to repurchase the shares held by the shareholders who vote against the merger or division resolutions adopted by the Shareholders' Meeting;
- (5) using shares in converting convertible corporate bonds issued by the Bank;
- (6) where the Bank deems necessary in order to maintain the Bank's value and shareholders' rights and interests;
- (7) any other circumstances permitted by laws, regulations and regulatory provisions.

Where the Bank repurchases its shares under item (1) or (2) of paragraph 1 above, a resolution of the Shareholder's Meeting shall be made. Where the Bank repurchases its shares under item (3), (5) or (6) of paragraph 1 above may, pursuant to the Articles or the authorization of the Shareholders' Meeting, be subject to a resolution of a meeting of the Board of Directors at which two thirds (2/3) or more of directors are present.

Article 25 The Bank may repurchase its shares in the manner of centralized public trading, or other methods permitted by laws, regulations and regulatory provisions. Where the Bank repurchases its shares under item (3), (5) or (6) of Article 24 paragraph 1, the share repurchase shall be carried out in the manner of centralized public trading.

Where the Bank repurchases its shares under item (1) of Article 24 paragraph 1 in the Articles, it shall cancel the shares within ten (10) days from the date of repurchase. Where the Bank repurchases its shares under item (2) or (4), it shall transfer or cancel the shares within six (6) months. Where the Bank repurchases its shares under item (3), (5) or (6), the Bank shall not aggregately hold more than ten percent (10%) of the total number of shares that have been issued by the Bank, and shall transfer or cancel them within three (3) years. The total par value of shares canceled shall be deducted from the registered capital of the Bank, and the Bank shall apply to the original company registration authority for change of registered capital after being approved by the banking regulatory institution of the State Council.

The Bank's repurchase of its overseas listed shares shall further comply with relevant regulations and restrictions of the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* (the "Hong Kong Listing Rules").

Section 3 Transfer of Shares

Article 26 The shares of the Bank may be transferred according to the law.

Article 27 The transfer of shares of the Bank shall be registered with the share registration organization appointed by the Bank.

Article 28 Controlling shareholders and de facto controllers who transfer the shares held by them in the Bank shall comply with the restrictive provisions of laws, regulations and regulatory provisions on the transfer of shares as well as their commitments regarding the restriction on the transfer of shares.

Article 29 All paid-up overseas listed shares listed in Hong Kong may be freely transferred in accordance with the Articles. However, the Bank may refuse to recognize any transfer instruments without stating any reason unless the following conditions are met:

- (1) HKD2.5 (for each transfer instrument) or such higher fee as determined by the Bank (such fee shall not exceed the amount specified in the Hong Kong Listing Rules) shall be paid to the Bank, to register share transfer instruments and other documents that are pertinent to share ownership or will affect share ownership;
- (2) the transfer instruments only involve the overseas listed shares listed in Hong Kong;
- (3) the required stamp duty has been paid for transfer instruments;
- (4) the relevant share certificate(s), as well as the evidence reasonably required by the Bank certifying that the transferor has the right to transfer the shares, shall be provided;

- (5) if shares are to be transferred to joint holders, the number of shareholders jointly registered shall not exceed four (4);
- (6) relevant shares of the Bank are not attached with any lien of any company.

If the Bank refuses to register the share transfer, the Bank shall send a notice of refusal to the transferor and the transferee within two (2) months from the date on which the transfer application is officially filed.

Article 30 For transfer of all overseas listed shares, a written transfer instrument in the general or ordinary form or in such other form as accepted by the Board of Directors shall be adopted. The written transfer instruments may be signed manually. If the shareholders are the recognized clearing house as defined in the *Securities and Futures Ordinance* (Chapter 571 of the laws of Hong Kong) or its agent, the written transfer instrument may be signed in printed form.

Article 31 Directors and senior management members of the Bank shall declare to the Bank the shares held by them and the changes thereof. During the term of office as determined when they take offices, the shares transferred each year shall not exceed twenty-five percent (25%) of the total shares held by them in the Bank in the same class. The shares held by them in the Bank shall not be transferred within one (1) year as of the day when the shares of the Bank are listed and traded on the stock exchange. Any of the aforesaid persons shall not transfer the shares held by them in the Bank within six (6) months after they leave office.

Article 32 An investor and its related persons and parties acting in concert, either individually or jointly, intending to initially hold or hold accumulatively five percent (5%) or more of the total issued and outstanding shares of the Bank shall obtain a prior approval from the banking regulatory institution of the State Council.

An investor and its related persons and parties acting in concert that hold, either individually or jointly, not less than one percent (1%) but not more than five percent (5%) of the Bank's total issued and outstanding shares shall, within ten (10) working days after the date of obtaining corresponding shares, report to the banking regulatory institution of the State Council.

Shareholders shall not exercise the right of request for holding a shareholders' meeting, voting right, nominating right, proposing right, disposing right and other rights, if they are subject to but have not been approved by or have not reported to the regulatory authorities.

Article 33 Through securities trading on the stock exchange, when the investors hold, or jointly hold with others by agreement or other arrangement, five percent (5%) of the issued voting shares of the Bank, they shall, within three (3) days from the date of occurrence of such fact, make a written report pursuant to the requirements of the securities regulatory authorities in the places where shares of the Bank are listed and notify the Bank to make an announcement. The investors shall not trade any shares of the Bank within the aforesaid period, unless otherwise specified by the securities regulatory authorities in the places where shares of the Bank are listed.

When the investors hold, or jointly hold with others by agreement or other arrangement, five percent (5%) of the issued voting shares of the Bank, for every five percent (5%) increase or decrease in the proportion of the issued voting shares of the Bank held by the investors, they shall report pursuant to the requirements of the securities regulatory authorities in the places where shares of the Bank are listed and make an announcement. The investors shall not trade any shares of the Bank from the date of occurrence of such fact to three (3) days after the announcement, unless otherwise specified by the securities regulatory authorities in the places where shares of the Bank are listed.

If a shareholder purchases the voting shares of the Bank in violation of the provisions set out in the first two paragraphs of this Article, the voting rights shall not be exercised for the shares exceeding the prescribed proportion within thirty-six (36) months after the purchase, and such shares shall not be included in the total number of voting shares held by the shareholders who attend the shareholders' meeting.

When the investors hold, or jointly hold with others by agreement or other arrangement, five percent (5%) of the issued voting shares of the Bank, for every one percent (1%) increase or decrease in the proportion of the issued voting shares of the Bank held by the investor, the investor shall notify the Bank on the next day after the occurrence of such fact and make an announcement.

Notwithstanding the above provisions, the shareholder holding excess shares shall not be restricted in the way when exercising the shareholders' rights specified in items (1) and (5) of Article 45 herein.

Section 4 Share Certificates and Register of Shareholders

Article 34 The share certificates of the Bank shall be in registered form.

Share certificates of the Bank in paper form shall state the following major items:

- (1) the name of the Bank;
- (2) the incorporation date of the Bank or the time for the issuance of the share certificates;
- (3) the class, par value and number of shares represented by the share certificate;
- (4) the serial number of the share certificate;
- (5) other items that should be stated pursuant to the Company Law and relevant regulations of the securities regulatory authorities in the places where shares of the Bank are listed.

Article 35 When the Bank's overseas listed shares are listed in The Stock Exchange of Hong Kong Limited ("SEHK"), the Bank shall ensure that the share certificates listed on the SEHK carry the following statements:

- (1) the share transferee and the Bank (including its shareholders), as well as the Bank and its shareholders shall agree to comply with, by entering into an agreement, and satisfy the provisions in the Company Law and the Articles;
- (2) the share transferee shall reach an agreement with each of the shareholders, directors and senior management members of the Bank, and the Bank (representing the Bank itself, each director and each of senior management members of the Bank) shall reach an agreement with each shareholder, that any dispute and claim arising from the Articles as well as any dispute and claim in connection with the Bank's affairs arising from the rights and obligations specified in the Company Law and other Chinese laws, regulations and regulatory provisions shall be settled through arbitration according to the Articles, and any submission for arbitration shall be deemed as an authorization to the arbitral tribunal for public hearing and announcement of its award. The arbitration award shall be final;
- (3) the share transferee shall reach an agreement with the Bank and its shareholders that the shares of the Bank may be freely transferred by holders, unless otherwise specified in laws, regulations and regulatory provisions;
- (4) the share transferee shall authorize the Bank to enter into an agreement with each of the directors and senior management members of the Bank on behalf of the transferee, under which such directors and senior management members of the Bank shall undertake to comply with and perform their obligations to shareholders as specified in the Articles.

The Bank shall instruct and procure its share registrar to refuse to register the subscription, purchase or transfer of shares in the name of a shareholder unless the shareholder provides to the share registrar a completed form which must contain the aforesaid statements, for subscription, purchase or transfer of shares.

Article 36 The share certificate shall be signed by the chairman of the Board of Directors. Where the signatures of other senior management members of the Bank are required by the securities regulatory authorities in the places where shares of the Bank are listed, the share certificate shall also be signed by such other senior management members of the Bank. The share certificate of the Bank shall come into force after the Bank's seal is affixed thereto or printed thereon. The signatures of the chairman of the Board of Directors, or other senior management members on the share certificates may also be in printed form. Provisions of the securities regulatory authorities in the places where shares of the Bank are listed shall be applicable where shares of the Bank are issued and transacted in a paperless manner.

Article 37 The Bank shall maintain a register of shareholders according to the certificates provided by the securities registration institution to record the following items:

- (1) the name and domicile of the shareholder;
- (2) the class and number of shares subscribed by each shareholder;
- (3) in the case of the issuance of share certificate in paper form, the serial number of share certificate;
- (4) the date on which each shareholder acquired the shares;
- (5) related information about share pledge.

Unless proven to the contrary, the register of shareholders shall be the sufficient proof to substantiate that the shareholder holds the shares of the Bank.

Article 38 The Bank shall make register of shareholders available at the Bank. The Bank may maintain the register of shareholders of its overseas listed shares abroad and entrust a foreign agent to manage it in accordance with the understanding and agreement reached between the securities regulatory institution of the State Council and the overseas securities regulatory authorities. The original of register of shareholders of overseas listed shares listed in Hong Kong shall be maintained in Hong Kong.

Change in the register of shareholders shall not be allowed within twenty (20) days before a shareholders' meeting is held or within five (5) days prior to the record day on which the Bank decides to distribute dividends.

If registration of changes in the register of shareholders is otherwise prescribed in laws, regulations and regulatory provisions, such provisions shall apply.

Article 39 If the Bank intends to hold a shareholders' meeting, distribute dividends, conduct liquidation or other activities where shareholder identity needs to be confirmed, the Board of Directors or other conveners of shareholders' meeting shall decide the date of record. Registered shareholders after the market closes on the date of record shall be shareholders entitled to the relevant rights and interests.

Article 40 Anyone who has dispute over the register of shareholders and requires to register his/her/its name in the register of shareholders or to delete his/her/its name from the register of shareholders may apply to the competent court for rectification of the register of shareholders.

Article 41 Where the share certificate (the "original share certificate") held by any shareholder registered in the register of shareholders or by any person who requests to register his/her/its name in the register of shareholders is lost, the shareholder may apply to the Bank for reissuing new share certificate concerning the shares that the original share certificate represents.

Application for reissuing the share certificate from holders of domestic listed shares whose share certificate is lost shall be dealt with in accordance with relevant provisions of the Company Law.

Applications for reissuing the share certificate from holders of overseas listed shares whose share certificate is lost shall be dealt with in accordance with laws, regulations and regulatory provisions or other relevant regulations in the place where the original register of shareholders for overseas listed shares is deposited.

Where the share certificate held by holders of overseas listed shares listed in Hong Kong is lost, the application for reissuing shall comply with the following requirements:

- (1) the applicant shall file the application in the standard form specified by the Bank and enclose the notarized certificate or the statutory declaration documents. The notarized certificate or the statutory declaration documents shall include the reason for the application, the circumstance and proof of how the share certificate is lost, and the declaration that no one else may request to register as shareholder of the shares represented by the original share certificate;
- (2) before the Bank decides to reissue the new share certificate, the Bank has to ensure that it has not received any declaration requesting for registration as the shareholder of such shares represented by the original share certificate except from the applicant;
- (3) if the Bank decides to reissue the new share certificate to the applicant, it shall publish an announcement on reissuing such share certificate on the designated newspapers. The period of announcement shall be ninety (90) days and the announcement shall be republished at least once every thirty (30) days;
- (4) before the Bank publishes the announcement on its intention to reissue the new share certificate, it shall submit a copy of the announcement to be published to the stock exchange where its shares are listed. After the stock exchange gives its reply confirming that such announcement has been displayed in the stock exchange, the announcement may be published. The display period of the announcement in the stock exchange is ninety (90) days;

If the application for reissuing of new share certificate has not been consented by the registered shareholders of relevant shares represented by the original share certificate, the Bank shall mail the copy of the announcement to be published to such shareholders;

- (5) if the ninety (90)-day period for the announcement and display as defined in item (3) and item (4) of this Article lapses and the Bank has not received any objection against such reissuing of new share certificate from any person, then the Bank may reissue such new share certificate in accordance with the application of the applicant;
- (6) when the Bank reissues the new share certificate according to this Article, it shall immediately cancel the original share certificate;

- (7) all costs and expenses incurred by the Bank's cancellation of the original share certificate and reissuance of new share certificate shall be borne by the applicant. The Bank shall have the right to refuse to take any action before the applicant provides any reasonable guarantee for payment.

Article 42 After the Bank reissues the new share certificate in accordance with the Articles, the names of the bona fide purchasers who obtain the aforesaid new share certificate or the shareholders who are subsequently registered as the owners of such shares (provided that they are bona fide purchasers) shall not be deleted from the register of shareholders.

Article 43 The Bank shall assume no obligation to compensate those who suffer loss due to the Bank's cancellation of the original share certificate or reissuing of new share certificate, unless such persons can prove fraud on the part of the Bank.

Chapter 4 Rights and Obligations of Shareholders

Article 44 Shareholders of the Bank shall be persons who lawfully hold the shares of the Bank and whose names are registered in the register of shareholders.

Shareholders shall enjoy rights and undertake obligations according to the class and proportion of shares held by them. Shareholders who hold the same class of shares shall enjoy equal rights and undertake equal obligations.

If two (2) or more persons are registered as joint shareholders of any share, they shall be regarded as common owners of relevant shares, but shall be subject to the following provisions:

- (1) the Bank shall not register more than four (4) persons as joint shareholders of any shares;
- (2) all joint shareholders of any shares shall assume joint and several liability for all amount payable for relevant shares;
- (3) if one of the joint shareholders dies, then only the other surviving persons of the joint shareholders shall be deemed by the Bank as owners of the relevant shares; however, the Bank shall have right to request the surviving shareholders to provide death certification documents that it deems appropriate for the purpose of amending the register of shareholders;
- (4) for joint shareholders of any shares, only the joint shareholder whose name appears first in the register of shareholders shall have right to receive relevant share certificate from the Bank, to receive notice from the Bank, to attend a shareholders' meeting of the Bank or to exercise all voting rights concerning the relevant shares. The notice delivered to the aforesaid person shall be deemed to have been delivered to all the joint shareholders of relevant shares.

Article 45 Holders of ordinary shares of the Bank shall have the following rights:

- (1) to collect dividends and other forms of benefits distributed on the basis of the number of shares held by them;
- (2) to request to hold, convene, preside over, attend or entrust proxy to attend shareholders' meetings and exercise the relevant rights to speak and vote in accordance with laws;
- (3) to supervise the operation of the Bank and put forward suggestions or inquiries accordingly;
- (4) to transfer, donate and pledge shares or dispose of shares in other ways in accordance with laws, regulations and regulatory provisions as well as the Articles;
- (5) to participate in the distribution of the Bank's remaining property in proportion to the number of shares held by shareholders when the Bank is dissolved or liquidated;
- (6) to request the Bank to repurchase the shares held by the shareholders who vote against the resolutions on merger or division of the Bank adopted by the Shareholders' Meeting;
- (7) other rights given by laws, regulations and regulatory provisions as well as the Articles.

Article 46 Shareholders are entitled to review and make copies of the Articles, register of shareholders, minutes of shareholders' meetings, resolutions of meetings of the Board of Directors, and financial and accounting reports of the Bank.

The shareholders who individually or jointly hold three percent (3%) or more of the Bank's shares for 180 consecutive days or more may request to review the accounting books or accounting vouchers of the Bank. Where a shareholder requests to review the accounting books or accounting vouchers of the Bank, it shall make a written request to the Bank and state the purposes therefor. The Bank reserves the right to reject a shareholder's request to review the accounting books or accounting vouchers if it reasonably believes that the purpose of the request is improper and may potentially harm the Bank's legitimate rights and interests. In that case, the Bank shall, within fifteen (15) days from the day when the shareholder makes the written request, give the shareholder a written reply and state the reasons therefor. If the Bank refuses to provide access, the shareholder may bring a lawsuit to the people's court.

Shareholders may choose to entrust intermediary agency, such as accounting firm or law firm, to review the materials as mentioned in the preceding paragraph. The shareholders and the accounting firms, law firms or other intermediary agency entrusted by them shall comply with the laws, regulations and regulatory provisions on protecting state secrets, trade secrets, personal privacy, personal information, etc. when reviewing or making copies of the relevant materials.

The shareholders shall comply with the Company Law, the Securities Law and other laws, regulations and regulatory provisions when reviewing or making copies of the relevant materials.

Where a shareholder requests to review the relevant information as mentioned in the preceding Article or request the relevant materials, he/she/it shall provide the Bank with written documents proving the class and number of shares held by him/her/it in the Bank, and the Bank shall provide the information or materials as requested after verifying the shareholder's identity.

Where a shareholder requests to review or make copies of the relevant materials of the wholly-owned subsidiaries of the Bank, the provisions of the preceding paragraphs in this Article shall apply.

Article 47 Shareholders of the Bank shall undertake the following obligations:

- (1) to abide by laws, regulations, regulatory provisions, the Articles and resolutions of the Shareholders' Meeting;
- (2) to pay share capital according to the number of shares subscribed by them and the method of capital contribution;
- (3) to acquire shares of the Bank with proprietary funds from lawful sources, instead of entrusted funds, debt funds and other non-proprietary funds, unless otherwise provided by the state;
- (4) to make their shareholding percentage and the number of institutional shareholders comply with regulatory provisions, and not to authorize others or be authorized by others to hold shares of the Bank;
- (5) not to redeem their shares except under the circumstances provided by laws, regulations and regulatory provisions;
- (6) (for substantial shareholders) to replenish the capital or give a written undertaking to the Bank to replenish the capital of the Bank when necessary, except for Ministry of Finance, Central Huijin Investment Ltd., National Council for Social Security Fund and shareholders approved to be exempted by the banking regulatory institution of the State Council, and to support the measures proposed by the Board of Directors to raise the capital adequacy ratio when such ratio of the Bank is below the statutory standard;
- (7) in case where the shareholder transfers or pledges the shares of the Bank held by him/her/it, or conducts a related party transaction with the Bank, to comply with laws, regulations and regulatory provisions, and not to harm the interests of other shareholders or the Bank;
- (8) shareholders and their controlling shareholders and de facto controllers shall not abuse the shareholder's rights or make use of related party relationship to impair the lawful rights and interests of the Bank, other shareholders and stakeholders. The shareholder that causes detriments to the Bank or other shareholders by abusing shareholder's rights shall undertake the compensation liability according to laws;

- (9) not to interfere with the decision-making right and management right of the Board of Directors and senior management under the Articles, and not to bypass the Board of Directors and senior management and directly interfere with the operation and management of the Bank;
- (10) not to abuse the independent status of the Bank as a legal person and limited liability of the shareholders to impair the interests of creditors of the Bank. Any shareholder that evades debt payment obligation and seriously impairs the interests of creditors of the Bank by abusing the independent status of the Bank as a legal person and limited liability of the shareholders shall assume joint and several liability for the debts of the Bank;
- (11) in accordance with laws, regulations and regulatory provisions, to truthfully notify the Bank of its financial information, equity structure, source of funds to acquire shares, controlling shareholders, de facto controllers, related persons, parties acting in concert, ultimate beneficial owners, investment in other financial institutions and other information;
- (12) in the event of any changes in the controlling shareholders, de facto controllers, related persons, parties acting in concert or ultimate beneficial owners of the shareholder, to notify the Bank of the changes in writing in a timely manner in accordance with laws, regulations and regulatory provisions;
- (13) in case where a shareholder is involved in a merger or split, is subject to an order for suspension of business for rectification, designated custody, receivership, abolishment or any measures, is subject to a dissolution, liquidation or bankruptcy proceedings, or has a change in its legal representative, company name, business premises, business scope, or any other important matters, to notify the Bank of the relevant situation in writing in a timely manner in accordance with laws, regulations and regulatory provisions;
- (14) in case where the shares of the Bank held by a shareholder are involved in litigation or arbitration, are subject to legal compulsory measures taken by the judicial authorities, among others, are pledged or released from a pledge, to notify the Bank of the relevant situation in writing in a timely manner in accordance with laws, regulations and regulatory provisions;
- (15) in case where the Bank has a risk event or commits a material violation of provisions, to cooperate with the regulatory authorities in investigation and risk disposal;
- (16) other obligations imposed by laws, regulations and regulatory provisions as well as the Articles.

The Bank shall specify the corresponding loss absorption and risk defense mechanism when a material risk incurs.

Article 48 The controlling shareholders and de facto controllers of the Bank shall comply with the requirements of laws, regulations and regulatory provisions to exercise their rights and perform their obligations while safeguarding the interests of the Bank.

Article 49 The controlling shareholders and de facto controllers of the Bank shall comply with the following provisions:

- (1) to have a fiduciary duty to other shareholders, exercise shareholders' rights in accordance with the law, and not abuse the controlling shareholding position or the right of control to gain improper benefits or cause detriments to the legitimate rights and interests of the Bank or other shareholders;
- (2) to strictly fulfill the public statements and commitments made and not change or waive them without permission;
- (3) to fulfill the information disclosure obligations in strict accordance with the relevant regulations, proactively cooperate with the Bank in information disclosure, and promptly inform the Bank of any material events that have occurred or may occur;
- (4) not to occupy the Bank's funds by any means;
- (5) not to force, instruct or require the Bank and relevant persons to provide guarantees in violation of laws and regulations;
- (6) not to make use of the Bank's undisclosed material information to seek benefits, disclose undisclosed material information relating to the Bank by any means, or engage in insider trading, short-term trading, market manipulation and other acts in violation of laws and regulations;
- (7) not to harm the legitimate rights and interests of the Bank or other shareholders by any means, such as non-fair related party transactions, profit distribution, asset restructuring, and external investment;
- (8) to ensure the integrity of the Bank's assets, personnel independence, financial independence, institutional independence and business independence, and not to affect the Bank's independence by any means;
- (9) other provisions prescribed by laws, regulations and regulatory provisions as well as the Articles.

Any controlling shareholder or de facto controller of the Bank who instructs any director or senior management member to carry out any act that damages the interests of the Bank or the shareholders shall bear joint and several liability with such director or senior management member.

Article 50 The controlling shareholders shall strictly comply with the requirements of laws, regulations and regulatory provisions as well as the conditions and procedures provided by the Articles when they nominate candidates for directors of the Bank. The candidates for directors nominated by the controlling shareholders shall have relevant professional knowledge as well as decision-making and supervision capacity. The resolution on personnel election by the Shareholders' Meeting or resolution on engagement by the Board of Directors does not require any approval of any shareholder. The appointment and removal of the senior management members by shareholders superseding the Shareholders' Meeting and the Board of Directors shall be deemed as invalid.

Article 51 The substantial shareholders who owe overdue loans to the Bank, shall be restricted from exercising voting rights at the shareholders' meetings; and the directors recommended by such shareholders shall be restricted from exercising such rights at the meetings of the Board of Directors.

If any other shareholder owes overdue loans to the Bank, the Bank shall restrict his/her relevant rights in light of the actual circumstances.

Article 52 The banking regulatory institution of the State Council may restrict or prohibit the Bank from carrying out related party transactions with the shareholders who make false statements, abuse the shareholder's rights or otherwise damage the interests of the Bank, and restrict the limit of the Bank's shares held by and the proportion of shares pledged by such shareholders. Such shareholders may be restricted from exercising their rights to request, vote, nominate, propose and dispose of at the shareholders' meetings.

The substantial shareholders of the Bank shall make relevant commitments and earnestly fulfill the commitments in accordance with relevant laws, regulations and regulatory provisions. The Bank has the right to adopt relevant restrictions against substantial shareholders who violate their commitments.

Article 53 If any director, senior management member or shareholder holding five percent (5%) or more of the Bank's shares sells the shares or other securities with an equity nature within six (6) months from the day of purchase or purchase shares within six (6) months of the sale of shares, the profit deriving therefrom shall belong to the Bank and shall be recovered by the Bank's Board of Directors, except for a securities company holding five percent (5%) or more of the shares due to purchasing the remaining unsold stock underwritten by it or under any other circumstances prescribed by the securities regulatory institution of the State Council. If applicable laws, regulations and regulatory regulations provide otherwise, relevant provisions shall be observed.

The shares or other securities with an equity nature held by a director, a senior management member, or a natural person shareholder as mentioned in the preceding paragraph shall include the shares or other securities with an equity nature held by his/her spouse, parents and children and held through any other person's account.

Where the Board of Directors of the Bank fails to perform pursuant to the provision of paragraph 1, the shareholders could require the Board of Directors to perform accordingly within thirty (30) days. Where the Board of Directors of the Bank fails to perform within the aforesaid period, the shareholders could bring a lawsuit directly to the people's court in their own name for the benefit of the Bank.

Where the Board of Directors fails to perform pursuant to the provision of paragraph 1, the liable director shall bear joint and several liability according to laws.

Article 54 The Bank shall not grant loans to its shareholders under more favorable terms than those set for other customers.

The Bank shall not accept the shares of the Bank as collateral for any pledge.

Where a shareholder pledges his/her shares of the Bank for himself/herself or any other person, the shareholder shall strictly comply with laws, regulations and regulatory provisions, and inform the Board of Directors in advance. The Board of Directors office or any other department designated by the Board of Directors shall be responsible for undertaking the collection, review, submission and other routine work of the Bank's share pledge information.

A shareholder holding the position of director of the Bank, or directly, indirectly or jointly holding or controlling two percent (2%) or more shares or voting rights of the Bank that plans to pledge its shares shall apply to the Board of Directors for filing in advance, and state such basic information as the reason for pledge, number of shares, pledge term and pledgee. If the Board of Directors determines that the pledge has any material adverse impact on its share stability, corporate governance, and control of risks and related party transactions, among others, it shall not grant filing. When the Board of Directors reviews on the relevant matters for filing, the directors delegated by the shareholders that plan to pledge shares shall abstain from review.

Shareholders shall, after completing share pledge registration, cooperate in the Bank's risk management and information disclosure, and provide the information involving share pledge to the Bank in a timely manner.

Shareholders shall not pledge their shares of the Bank if the balance of their loans exceeds the audited net value of the equities of the Bank they hold for the previous year.

When the quantity of the Bank's shares pledged by a shareholder reaches or exceeds fifty percent (50%) of equities of the Bank the shareholder holds, the shareholder's voting rights at the shareholders' meeting and the voting rights of directors assigned by the shareholder at the meeting of the Board of Directors shall be restricted.

Any controlling shareholder or de facto controller who pledges shares of the Bank held by them or under their actual control shall maintain the stability of the Bank's control, production and operation.

Article 55 Transactions between the Bank and the shareholders shall be conducted based on the principles of fairness, voluntariness, arm's length, and paying consideration, and the Bank shall disclose relevant transactions according to relevant regulations.

Chapter 5 Organizations of the Communist Party of China

Article 56 The Bank sets up the China Construction Bank Committee of the Communist Party of China (the “Party Committee”). The Party Committee has one (1) Party Secretary, one (1) or two (2) Deputy Secretaries, and several members. The chairman of the Board of Directors concurrently acts as the Party Secretary, and one (1) Deputy Party Secretary is designated to assist the Party Secretary in overseeing Party building activities. Qualified Party Committee members may join the Board of Directors and the senior management through legal procedures, and qualified Party members at the Board of Directors and the senior management may join the Party Committee pursuant to relevant provisions and procedures. In the meantime, the Bank also sets up a discipline inspection and supervision agency as provided.

The Bank makes continuous efforts to unify the Party’s leadership and corporate governance, deepen the organic integration of Party building and corporate governance, and implements Party leadership in all aspects of decision-making, execution and supervision, so as to promote the high-quality development of the Bank through high-quality Party building.

Article 57 The Bank adheres to the centralized and unified leadership of the Central Committee of the Communist Party of China in financial work. It studies and implements in depth Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, enhances the political building of the Party in the Bank, adheres to and implements the fundamental system, basic system and important system of socialism with Chinese characteristics. The Party Committee ensures the implementation of the Party and national policies in the Bank and implements major strategic decisions of the Central Committee of the Communist Party of China and the State Council as well as important work arrangements of superior Party organizations, and unswervingly follows the path of financial development with Chinese characteristics.

Article 58 The Party Committee shall adapt to the requirements of modern enterprise system and market competition, strengthen leadership and control of talent selection and employment, focus on the building of leadership team and cadre talent team of the Bank, with a strong record of political integrity, professional competence and excellent conduct, take charge of standards, procedures, investigations, recommendations and supervision, and adhere to the combination of the principle of the Party managing the cadres and the Party managing the talents with the Board of Directors selecting management members and the management members exercising the powers to employ personnel according to laws to train a team of high-caliber financial professionals who are loyal, clean and responsible.

Article 59 The Party Committee studies and discusses the Bank’s reform, development and stability, major operation and management issues and major issues relating to employees’ immediate interests, and gives opinions and suggestions. The Party Committee respects and supports that the Shareholders’ Meeting, the Board of Directors and the senior management perform their duties in accordance with the law, and directs and promotes the senior management to implement the decisions of the Shareholders’ Meeting and the Board of Directors; the Party Committee supports the employee representatives’ meeting.

For material operation and management matters, the Party Committee shall conduct researches and discussions before the Board of Directors makes a decision according to its authority and prescribed procedures and performs decision-making procedures related to corporate governance. If required, the senior management shall perform the procedures in accordance with relevant regulations.

Article 60 The Party Committee shall assume the principal responsibility of exercising full and rigorous governance over the Party, lead the Bank's ideological and political work, the promotion of cultural and ideological progress, the cultivation of corporate culture, the united front work and the work of the Labor Union, the Communist Youth League, etc., and stimulate the creativity of the staff and create strong cohesive and centripetal force. The Party Committee shall play a leading role in promoting the building of a clean and honest Party, intensify efforts to build a clean CCB, and assist the discipline inspection agency in practically performing supervision responsibility.

Article 61 The Party Committee shall strengthen the building of the Bank's grass-roots Party organizations and Party member teams, fully give play to the role of Party branches as a fortress and Party members as models, and unify and lead cadres to actively commit themselves in the Bank's reform and development.

Article 62 The Party Committee supports the Bank to abide by the national laws and regulations as well as the supervision and management systems of the regulatory authorities, and supports and promotes the Bank's compliant operation.

Article 63 The Party Committee shall comply with the Articles and safeguard the interests of investors, the interests of customers, the interests of the Bank and the legitimate rights and interests of the employees.

Chapter 6 Shareholders' Meeting

Section 1 General Provisions Concerning the Shareholders' Meeting

Article 64 The Shareholders' Meeting is the organ of power of the Bank and shall exercise functions and powers according to the law.

Article 65 The Shareholders' Meeting shall legally exercise functions and powers on the following matters:

- (1) to elect and replace directors and decide on remuneration of relevant directors;
- (2) to review and approve the report of the Board of Directors;
- (3) to review and approve the Bank's annual financial budgets and final accounts;
- (4) to review and approve the Bank's profit distribution plan and plan for making up for losses;
- (5) to make resolutions on the Bank's increase or reduction of registered capital;

- (6) to make resolutions on the Bank's merger, division, dissolution, liquidation, change of corporate form or other matters;
- (7) to make resolutions on the issuance and listing of corporate bonds or other negotiable securities;
- (8) to make resolutions on the Bank's material acquisitions and repurchase of the Bank's shares;
- (9) to make resolutions on the engagement or removal of the accounting firm that conducts regular statutory audit on the financial reports of the Bank;
- (10) to amend the Articles, the Procedural Rules for the Shareholders' Meeting and the Procedural Rules for the Board of Directors;
- (11) to review and approve the Bank's significant equity investment, bond investment, asset purchase, asset disposal, asset write-off, asset mortgage, and other non-commercial banking business guarantee;
- (12) to review and approve changes in the use of raised proceeds;
- (13) to review the share incentive plan and employee stock ownership plan;
- (14) to decide the issuance of preference shares; to decide or authorize the Board of Directors to decide the matters relating to the Bank's issued preference shares, including but not limited to repurchase, conversion and dividend distribution, etc.;
- (15) to review other matters that shall be decided by the Shareholders' Meeting according to the laws, regulations and regulatory provisions as well as the Articles.

Article 66 Matters that shall be decided by the Shareholders' Meeting in accordance with laws, regulations and regulatory provisions as well as the Articles shall be considered by the Shareholders' Meeting, to guarantee the decision-making rights of the Bank's shareholders on such matters. However, if necessary and under reasonable and lawful circumstances, the Shareholders' Meeting may authorize the Board of Directors to make decision on specific matters that are related to those to be decided but cannot or need not be decided promptly at the shareholders' meetings. The content of authorization shall be clear and specific.

Article 67 The shareholders' meetings are categorized into annual shareholders' meeting and extraordinary shareholders' meeting.

- (1) the annual shareholders' meeting is held on a yearly basis and shall be convened within six (6) months from the end of the previous fiscal year.

- (2) an extraordinary shareholders' meeting may be convened when the Board of Directors considers it necessary. In any of the following circumstances, the Bank shall hold an extraordinary shareholders' meeting within two (2) months from the date of the occurrence of such circumstance:
- (a) the number of directors is less than two thirds (2/3) of the minimum number specified in the Articles or less than the minimum quorum provided in the Company Law;
 - (b) the Bank's uncovered losses account for one third (1/3) of the total share capital;
 - (c) shareholders who individually or jointly hold ten percent (10%) or more of the Bank's issued and outstanding shares with voting rights submit a written request to convene an extraordinary shareholders' meeting. The number of shares held shall be as of the date when the written request is submitted;
 - (d) the Audit Committee proposes to convene an extraordinary shareholders' meeting;
 - (e) more than half (1/2) of all independent directors propose to hold an extraordinary shareholders' meeting;
 - (f) other circumstance provided by laws, regulations and regulatory provisions as well as the Articles.

In the event that shareholders' meetings fail to be convened within the periods prescribed in the preceding paragraphs due to special reasons, a report shall be promptly presented to the banking regulatory institution of the State Council and the securities regulatory authorities in the places where shares of the Bank are listed, indicating the reasons, and a public announcement shall be made.

Article 68 The Bank shall hold a shareholders' meeting at the Bank's domicile or other designated location.

Shareholders' meetings shall be held by means of on-site meeting. The Bank shall also provide an online voting system or other means for the convenience of the shareholders. Shareholders who participate in shareholders' meetings through the aforesaid means are deemed to be present.

The convener shall ensure that the shareholders' meeting is convened on a continuous basis and comes up with the final resolutions. In case that the shareholders' meeting is suspended or cannot make resolutions due to special reasons such as force majeure, necessary measures shall be adopted to resume the shareholders' meeting as soon as possible or the meeting should be directly terminated with a timely announcement. The convener shall make report to the local office of the China Securities Regulatory Commission (CSRC) in the place where the Bank is located and the stock exchanges of the places where the shares of the Bank are listed.

Section 2 Convening of Shareholders' Meetings

Article 69 Shareholders' meetings shall be convened by the Board of Directors according to the law, unless otherwise specified in the Articles. The Board of Directors shall convene the shareholders' meetings within the period specified in the Articles.

Article 70 Independent directors shall have the right to propose to the Board of Directors to convene an extraordinary shareholders' meeting, subject to consent by more than half (1/2) of all the independent directors. Upon receiving the proposal to convene an extraordinary shareholders' meeting from independent directors, the Board of Directors shall revert in writing whether to agree to hold an extraordinary shareholders' meeting within ten (10) days after receiving such proposal according to laws, regulations and regulatory provisions as well as the Articles.

The Board of Directors shall issue a notice on convening an extraordinary shareholders' meeting within five (5) days after making the resolution if it agrees with such convening; otherwise, the Board of Directors shall explain the reasons and make an announcement.

Article 71 The Audit Committee shall have the right to propose the holding of an extraordinary shareholders' meeting to the Board of Directors. The Audit Committee shall propose the holding of an extraordinary shareholders' meeting to the Board of Directors in writing. The Board of Directors shall revert in writing whether to agree to hold an extraordinary shareholders' meeting or not within ten (10) days after receiving such proposal according to laws, regulations, regulatory provisions and the Articles.

In case the Board of Directors agrees to hold an extraordinary shareholders' meeting, it shall issue corresponding meeting notice within five (5) days after the resolution is made, and changes to the original proposal shall be agreed by the Audit Committee.

In case the Board of Directors refuses to hold an extraordinary shareholders' meeting, or makes no feedback within ten (10) days after receiving the proposal, the Board of Directors shall be deemed as incapable of fulfilling or failing to fulfill the obligation of holding such meeting, in which case the Audit Committee may convene and preside over such meeting on its own initiative within four (4) months after the Board of Directors receives the written proposal.

Article 72 Ordinary shareholders who independently or jointly hold ten percent (10%) or more voting shares in the Bank (including the preference shareholders with restored voting rights) (the "proposing shareholders") shall have the right to request the Board of Directors to hold an extraordinary shareholders' meeting with a written request. The Board of Directors shall revert in writing whether to agree to hold an extraordinary shareholders' meeting according to the laws, regulations, regulatory provisions and the Articles within ten (10) days after the request is received.

In case the Board of Directors agrees to hold an extraordinary shareholders' meeting, it shall issue corresponding meeting notice within five (5) days after the resolution of the Board of Directors is made, and changes to the original proposal shall be agreed by the proposing shareholders.

In case the Board of Directors refuses the holding of an extraordinary shareholders' meeting, or makes no feedback within ten (10) days after receiving the proposal, the proposing shareholders shall have the right to request the Audit Committee to hold an extraordinary shareholders' meeting in a written form.

In case the Audit Committee agrees to hold an extraordinary shareholders' meeting, it shall issue corresponding meeting notice within five (5) days after the request is received, and changes to the original proposal shall be agreed by the proposing shareholders.

In case the Audit Committee fails to issue the notice of extraordinary shareholders' meeting in the prescribed period, the Audit Committee shall be deemed as refusing to convene or preside over such meeting. Shareholders who independently or jointly hold ten percent (10%) or more voting shares in the Bank (including the preference shareholders with restored voting rights) for ninety (90) or more successive days may convene and preside over such meeting on their own initiative within four (4) months after the Audit Committee receives the written proposal.

Article 73 In case the Audit Committee or the proposing shareholders decide to convene an extraordinary shareholders' meeting on their own initiative, they shall inform the Board of Directors in writing and file relevant information in accordance with the relevant provisions of the securities regulatory authorities in the places where the shares of the Bank are listed.

Article 74 The expenses necessary for convening shareholders' meetings by the Audit Committee or the shareholders on their own initiatives shall be borne by the Bank. The Board of Directors and the secretary to the Board of Directors shall cooperate and provide assistance, and shall provide the register of shareholders as of the record date.

Section 3 Proposals and Notices for Shareholders' Meetings

Article 75 The following provisions shall be complied with when proposals are submitted to the Shareholders' Meeting:

- (1) The following institutions or persons may submit proposals to the Shareholders' Meeting:
 - (a) proposals of the Shareholders' Meeting shall be submitted by the Board of Directors in general;
 - (b) the Audit Committee shall have the right to submit proposals directly to the Shareholders' Meeting on matters within its authority as set forth in Paragraph 1 of Article 163 of the Articles;
 - (c) the shareholders who, either individually or jointly, hold one percent (1%) or more of shares of the Bank shall have the right to submit proposals to the Bank;
 - (d) the Audit Committee shall be responsible for submitting proposals when it considers necessary to convene an extraordinary shareholders' meeting;

- (e) if shareholders who hold, individually or jointly, ten percent (10%) or more of total issued and outstanding voting shares of the Bank propose to convene an extraordinary shareholders' meeting, the proposing shareholders shall be responsible for submitting proposals no matter whether the meeting is convened by the Board of Directors or not;
 - (f) if more than half (1/2) of the independent directors propose to the Board of Directors to convene an extraordinary shareholders' meeting, these independent directors shall be responsible for submitting proposals.
- (2) Shareholders who, individually or jointly, hold one percent (1%) or more of shares of the Bank may present interim proposals to the convener in writing fifteen (15) days prior to the holding of a shareholders' meeting. Upon receipt of such proposals, the convener shall issue supplementary notices of the shareholders' meeting in accordance with laws, regulations, and regulatory provisions for the shareholders' meeting to announce the contents of the interim proposals and submit such proposals to the shareholders' meeting for consideration, unless the interim proposals violate the provisions of laws, regulations, regulatory provisions or the Articles, or do not fall within the authority of the Shareholders' Meeting. Except for the aforesaid circumstances, the convener shall neither modify the proposals listed in, nor add new proposals to, the notice of a shareholders' meeting after the notice of the shareholders' meeting has been issued.

Article 76 Nomination and election of candidates for directors shall comply with the following provisions:

- (1) shareholders who individually or jointly hold one percent (1%) or more of the total issued and outstanding voting shares of the Bank and the Board of Directors may put forward proposals on candidates for directors to the Shareholders' Meeting.
- (2) procedures for nominating candidates for directors are:
 - (a) proposals on nomination put forward by the shareholders with the right of nomination, and the Board of Directors shall be submitted to the convener of the shareholders' meeting before the notice of the shareholders' meeting is sent; after the notice of the shareholders' meeting is sent, the interim nomination proposals put forward by the shareholders with the right of nomination shall be submitted to the convener of the shareholders' meeting fifteen (15) days before the meeting is held;
 - (b) candidates for directors nominated by the Board of Directors to the Shareholders' Meeting shall be examined by the Nomination and Remuneration Committee of the Board of Directors and approved with a resolution of the Board of Directors;

- (c) for candidates for directors nominated by the shareholders who have the right of nomination, their appointment qualifications and requirements shall be examined by the Nomination and Remuneration Committee of the Board of Directors in accordance with relevant laws, regulations and regulatory provisions as well as the Articles, and the examination results of review shall be reported to the convener of the shareholders' meeting; those who satisfy the appointment qualifications and requirements shall be submitted to the shareholders' meeting for consideration;
- (d) candidates for directors shall make a written commitment before the shareholders' meeting and agree to accept the nomination, guarantee the authenticity, accuracy and completeness of publicly disclosed information and promise to earnestly fulfill their duties after being elected;
- (e) the Bank shall disclose the detailed information of candidates for directors to shareholders in accordance with laws, regulations and regulatory provisions as well as the Articles before the holding of the shareholders' meeting to guarantee that shareholders have a sufficient understanding of these candidates when voting.

The shareholders and their related parties that have nominated non-independent directors shall not nominate independent directors.

Article 77 Proposals of the shareholders' meeting shall meet the following conditions:

- (1) the contents shall not conflict with laws, regulations, regulatory provisions and the Articles, and shall fall within the Bank's business scope and the authority of the Shareholders' Meeting;
- (2) it shall have a clear topic and specific matters for resolution;
- (3) it shall be submitted to the Board of Directors in writing (except in the circumstance that the shareholders' meeting is not convened by the Board of Directors in accordance with the Articles).

Article 78 The Board of Directors shall include matters that satisfy the criteria set out in Article 77 above into the agenda of the shareholders' meeting.

The shareholders' meeting shall not pass any resolution for the proposals not satisfying the above provisions.

Article 79 The convener shall notify the shareholders by way of announcement of the holding of an annual shareholders' meeting twenty (20) days in advance and of the holding of an extraordinary shareholders' meeting fifteen (15) days in advance. The Bank shall be deemed to have notified all holders of domestic listed shares on the date of issuance of the announcement.

In the event that the securities regulatory authorities in the places where the shares of the Bank are listed provide otherwise with respect to the methods of notification of shareholders' meetings, such provisions shall prevail.

Article 80 Notice on the shareholders' meeting shall contain the following contents:

- (1) the time, the venue and the time frame of the meeting;
- (2) matters and proposals to be submitted for consideration at the meeting;
- (3) clear statement indicating that all ordinary shareholders (including preference shareholders with restored voting rights) are entitled to attend shareholders' meeting and may entrust proxies in writing to attend and participate in voting at the meeting, and that the proxy need not be a shareholder of the Bank;
- (4) the record date for shareholders that are entitled to attend the shareholders' meeting;
- (5) the name and telephone number of the permanent contact person for the meeting;
- (6) the voting time and procedures for voting via Internet or other methods.

Article 81 If a shareholders' meeting intends to discuss the election of directors, the notice of shareholders' meeting shall fully disclose the detailed information of the candidates for directors, and contain at least the following contents:

- (1) educational background, working experience, concurrent positions and other personal information;
- (2) whether there is related-party relationship with the Bank or its controlling shareholders or de facto controllers;
- (3) the number of shares held by them in the Bank;
- (4) whether they have received any penalty from the CSRC and other relevant authorities or any disciplinary action from the stock exchanges.

Article 82 After issuing the notice of the shareholders' meeting, the shareholders' meeting shall not be postponed or cancelled and the proposals listed in the meeting notice shall not be cancelled without a proper reason. In case of any postponement or cancellation, the convener shall make an announcement at least two (2) working days before the originally scheduled date with reasons explained.

Section 4 Holding of Shareholders' Meetings

Article 83 All the ordinary shareholders (including preference shareholders with restored voting rights) registered as at the record date shall have the right to attend or authorize their proxies to attend shareholders' meetings and exercise the voting right according to relevant laws, regulations and regulatory provisions as well as the Articles.

The convener and the lawyers engaged by the Bank shall jointly check the legitimacy of shareholders' qualification based on the register of shareholders provided by the securities depository and clearing agency, and register the names of shareholders and the numbers of voting shares held by them. The registration shall end before the chairman of the meeting announces the number of shareholders and proxies attending the meeting onsite and the total number of voting shares held by them.

Individual shareholders who attend the meeting in person shall show their identity certificates or other valid certificates that can evidence their identities; proxies attending the meeting shall show their valid identity certificates and the power of attorney issued by shareholders.

Corporate shareholders shall send their legal representatives or proxies entrusted by the legal representatives to attend the meeting. The legal representatives attending the meeting shall show their identity certificates and valid certificates that can evidence the qualification of legal representative; proxies attending the meeting shall show their identity certificates and the written power of attorney issued by the legal representatives of corporate shareholders according to laws.

Article 84 The power of attorney for proxy shall state the following contents:

- (1) name of the principal, and class and number of shares held in the Bank;
- (2) name of the proxy;
- (3) specific instructions from shareholders, including instruction on whether to cast an affirmative or negative vote or abstain from each item listed on the agenda of the shareholders' meeting;
- (4) the issuance date and effective period of the power of attorney;
- (5) the signature (or seal) of the principal. The corporate seal shall be given if the principal is a legal person shareholder.

The power of attorney shall indicate that the proxy is allowed to vote at his/her own discretion if the shareholder does not give specific instructions.

If the securities regulatory authorities in the places where shares of the Bank are listed provide otherwise, such provisions shall apply.

Article 85 The power of attorney for proxy shall be placed at the domicile of the Bank or other place designated in the notice of the shareholders' meeting twenty-four (24) hours prior to the holding of relevant shareholders' meeting or twenty-four (24) hours prior to the given voting time. If the power of attorney is signed by a person authorized by the principal, the power of attorney for signature authority and other relevant authorization documents shall be notarized. The notarized power of attorney or other relevant authorization documents shall be placed at the domicile of the Bank or other place designated in the notice of the shareholders' meeting together with the power of attorney for proxy.

If the shareholder is a recognized clearing house or its agent, the shareholder may authorize one or more persons it deems appropriate to act as its proxy at any shareholders' meetings or the meeting for a certain class of shareholders; however, if two (2) or more persons are authorized, the power of attorney shall explicitly indicate the number and class of shares each proxy represents. Persons obtaining the above authorization may exercise corresponding rights on behalf of the recognized clearing house or its agent in the same way as that of a natural person shareholder of the Bank.

Article 86 If the principal dies, loses his/her civil capacity, cancels the authorization, withdraws the authorization to sign the power of attorney, or relevant shares held by him/her have been transferred prior to the voting, the proxy's voting in accordance with the power of attorney remains valid as long as the Bank does not receive the written notice on such matters before the commencement of the relevant shareholders' meeting.

Article 87 As to inquiries and suggestions made by shareholders concerning the matters under consideration at the shareholders' meetings, directors and senior management members of the Bank shall make explanations.

Article 88 Shareholders' meetings shall vote upon all the proposals one by one. Votes shall be casted upon the different proposals for the same matter in the chronological order based on the submission of the proposal. Except that the shareholders' meeting is suspended or cannot make resolutions due to special reasons such as force majeure, it shall not lay aside or withhold voting upon any proposal.

The shareholders' meeting shall not revise any proposal during the process of review; otherwise, the revision shall be deemed as a new proposal and shall not be voted on the current shareholders' meeting.

Proposals not listed in the notice of the shareholders' meeting or its supplementary notice shall not be voted on and resolved at the shareholders' meeting.

Article 89 Resolutions of the shareholders' meeting are divided into ordinary resolutions and special resolutions.

The ordinary resolutions adopted at a shareholders' meeting shall be approved by more than half (1/2) of the voting rights represented by shareholders (or proxies) attending the meeting.

The special resolutions adopted at a shareholders' meeting shall be approved by two thirds (2/3) or more of the voting rights represented by shareholders (or proxies) attending the meeting.

Article 90 When voting at the shareholders' meeting, a shareholder (including the proxy), except for holders of class shares, shall exercise the voting rights according to the number of voting shares the shareholder represents, with each share representing one (1) vote. However, shares held by the Bank itself do not have voting rights, and shall not be included into the total number of voting rights of shares attending a shareholders' meeting.

Article 91 The shareholders' meeting shall adopt registered ballot for voting.

Article 92 The shareholders attending the shareholders' meeting shall put forth one of the following opinions on the proposals submitted for voting: for, against or abstain from voting.

Blank ballots, incorrectly filled ballots and ballots with unidentifiable characters as well as ballots not cast shall be deemed as that the voters waive the voting right, and the voting result for the shares held by them shall be recorded as "abstaining from voting".

Article 93 The following matters shall be approved by ordinary resolutions passed at a shareholders' meeting:

- (1) report of the Board of Directors;
- (2) profit distribution plan and plan for making up for losses drafted by the Board of Directors;
- (3) election and replacement of directors and decision on remuneration of relevant directors;
- (4) the Bank's annual financial budget and final accounts;
- (5) the Bank's material acquisitions;
- (6) the Bank's significant equity investment, bond investment, asset purchase, asset disposal, asset write-off, asset mortgage, and other non-commercial banking business guarantee;
- (7) engagement or removal of the accounting firm that conducts regular statutory audit on the financial reports of the Bank;
- (8) matters other than those required to be approved with special resolutions as provided by laws, regulations and regulatory provisions or the Articles.

Article 94 The following matters shall be approved by special resolutions passed at a shareholders' meeting:

- (1) increase or reduction of the Bank's share capital, issuance of any class of shares, warrants or other similar securities;
- (2) repurchase of the Bank's shares;
- (3) issuance of corporate bonds;
- (4) division, split, merger, dissolution, liquidation or change of corporate form of the Bank;
- (5) purchase or sale of material assets or provision of guarantee to others by the Bank of which the total amount in a year exceeds thirty percent (30%) of the Bank's audited total assets in the latest period;
- (6) share incentive plan;
- (7) adjustments to the profit distribution policy;
- (8) amendments to the Articles, the *Procedural Rules for the Shareholders' Meeting of China Construction Bank Corporation* and the *Procedural Rules for the Board of Directors of China Construction Bank Corporation*;
- (9) removing independent directors;
- (10) other matters prescribed by laws, regulations and regulatory provisions or the Articles as well as approved by ordinary resolutions at shareholders' meetings that are considered to have material impact on the Bank and shall be approved by special resolutions.

Article 95 For the authorization to the Board of Directors by the Shareholders' Meeting, if matters authorized shall be adopted by means of an ordinary resolution, they shall be approved by more than half (1/2) of the voting rights held by the shareholders (including shareholder proxies) present at the shareholders' meeting. If matters authorized shall be approved by means of special resolution, they shall be approved by two thirds (2/3) or more of the voting rights held by the shareholders (including shareholder proxies) present at the shareholders' meeting.

Article 96 In case a related party transaction is reviewed at the shareholders' meeting, the related shareholders shall not vote; the voting shares represented by them shall not be included into the total effective voting shares of the shareholders' meeting. The announcement on resolutions of the shareholders' meeting shall fully disclose information on voting of non-related shareholders.

The "related party transaction" as mentioned in the preceding paragraph shall mean those defined by the securities regulatory authorities in the places where shares of the Bank are listed and the banking regulatory institution of the State Council in the place where the Bank is located.

If any shareholder cannot exercise the voting right regarding a certain proposal, or is restricted to cast either affirmative or negative vote in accordance with the Hong Kong Listing Rules, the vote cast by such shareholder or the proxy, which violates the aforesaid provisions or restrictions, shall not be counted into the voting result.

Article 97 Except otherwise provided in the Articles, the shareholders' meetings shall be convened by the Board of Directors, and the chairman of the Board of Directors shall preside over the meeting; if the chairman is unable or fails to perform his/her duties for any reason, the vice chairman of the Board of Directors shall preside over the meeting; if the chairman and vice chairman are both unable or fail to perform their duties, a director voted by more than half (1/2) of the directors shall preside over the meeting.

The shareholders' meetings convened by the Audit Committee on its own initiative shall be presided over by the chairman of the Audit Committee. The member of the Audit Committee elected by more than half (1/2) of the members shall preside over the meeting if the chairman of the Audit Committee fails or is unable to perform his/her duties.

The shareholders' meeting convened by shareholders on their own initiative shall be presided over by the convening shareholder or the representative elected by the convening shareholders.

Article 98 Before voting, the chairman of the shareholders' meeting shall announce the number of shareholders and proxies attending the meeting onsite and the total number of voting shares held by them, which shall be subject to the meeting registration.

Before voting on proposals at the shareholders' meeting, two (2) shareholder representatives shall be elected to count votes and scrutinize the ballot. If any shareholder has any interest in the matter under review, such shareholders or their proxies shall not participate in counting votes and scrutinizing the ballot.

After voting on the proposals is completed at the shareholders' meeting, the lawyer and shareholder representatives shall jointly be responsible for counting the votes and scrutinizing the ballot. The results shall be announced at the meeting in general case, and be recorded in the minutes of the meeting.

The close of onsite shareholders' meeting shall not be earlier than the deadline of voting via Internet or other means. The Bank's shareholders or their proxies who vote through Internet or other methods may inquire their own voting result through corresponding voting system.

Relevant parties including the Bank, counters, scrutineers, shareholders and Internet service providers involved in onsite, Internet and other voting methods of the shareholders' meetings shall be subject to the confidentiality obligation toward the voting before the voting result is announced formally.

When the shareholders' meeting considers major matters affecting the interests of minority investors, the votes of minority investors shall be counted separately. The separate vote counting results shall be disclosed publicly in a timely manner.

Article 99 If the chairman of the meeting questions the voting results, he/she may re-count the number of ballots; if the chairman of the meeting has not proceeded with the counting of votes, shareholders or proxies present at the meeting who dispute the announced voting results shall have the right to request for recount immediately following the announcement, in which case the chairman of the meeting shall tally the ballots immediately.

Article 100 Any contents of the resolutions passed at a shareholders' meeting which violate the laws or administrative regulations shall be invalid.

If the convening procedure or voting method of the shareholders' meeting violates the laws, administrative regulations or the Articles, or resolution contents violate the Articles, shareholders may, within sixty (60) days upon the date of adoption of the resolution, request the people's court to rescind the resolutions, except where the convening procedures or the voting method of the shareholders' meeting has only minor defects, which produces no substantial effect on the resolution.

Shareholder who are not notified of the shareholders' meeting may, within sixty (60) days from the day when he/she knows or ought to know that the resolution of the shareholders' meeting is made, request the people's court to rescind the resolution. If the right to rescind is not exercised within one (1) year from the date when the resolution is made, it shall be extinguished.

Before the people's court makes a judgment or ruling, including rescinding a resolution, the relevant parties shall enforce the resolution of the shareholders' meeting. If the people's court makes a judgment or ruling on the relevant matters, the Bank shall fulfill its information disclosure obligations in accordance with laws, regulations and regulatory provisions, and fully explain the impact.

Article 101 In case a proposal on election of directors is approved at shareholders' meeting, the appointment qualification of the newly-appointed directors shall be approved by the banking regulatory institution of the State Council or reported in accordance with laws, regulations and regulatory provisions. The newly-appointed directors' term of office shall start from the date when his/her appointment qualification is approved by the banking regulatory institution of the State Council. For directors whose appointment qualifications do not require approval under relevant provisions, or for directors re-elected consecutively after the expiration of their term, the commencement of their term shall be calculated from the date of election.

Article 102 The chairman of the shareholders' meeting shall be responsible for announcing whether a proposal of the shareholders' meeting is approved pursuant to the Articles and the voting results; and the decisions of the chairman are final.

Article 103 The shareholders' meetings shall have the meeting minutes. The minutes of a shareholders' meeting shall record the following contents:

- (1) time, venue and agenda of the meeting, and name of the convener;
- (2) name of the chairman of the meeting, and names of the directors and senior management members who attend the meetings as non-voting attendees;

- (3) the number of shareholders and their proxies present at the shareholders' meeting, the total number of voting shares held by them, and the proportion thereof relative to the Bank's total number of shares;
- (4) review process, main views, and voting results of each proposal;
- (5) inquiries or suggestions of shareholders and the corresponding answers or explanations;
- (6) names of lawyers, vote counters and scrutineers;
- (7) other matters that shall be included into the minutes in accordance with the Articles or of which the shareholders' meeting concludes should be recorded.

Article 104 Minutes of a shareholders' meeting shall be signed by directors present at the meeting or attending the meeting as non-voting attendees, the secretary to the Board of Directors, the convener or its representative, the chairman of the meeting and the recorder, and together with the attendance roster and the power of attorney for proxy shall be kept by the secretary to the Board of Directors as the Bank's archives at the Bank's domicile.

Article 105 The shareholders' meeting shall be witnessed by a lawyer, and the lawyer shall issue and announce the relevant legal opinions on the following matters:

- (1) whether the convening and holding procedures of the meeting are in compliance with laws, regulations, regulatory provisions and the Articles;
- (2) whether the qualification of attendees and convener of the meeting is legal and valid;
- (3) whether the voting procedures and results of the meeting are legal and valid;
- (4) legal opinions on other matters issued as required by the Bank.

Section 5 Special Procedures for Voting by a Certain Class of Shareholders

Article 106 Shareholders are classified into different classes according to the classes of shares they hold.

Except shareholders of other classes of shares, holders of domestic listed shares and holders of overseas listed shares are deemed as shareholders of different classes.

Shareholders of different classes shall enjoy rights and assume obligations in accordance with laws, regulations and regulatory provisions as well as the Articles.

Article 107 If the Bank proposes to change or nullify certain rights of a certain class of shareholders, this proposal should be passed by special resolutions at a shareholders' meeting and passed at the meeting held by and for the class of shareholders being affected which is convened according to Article 109 to Article 113.

Article 108 Under the following circumstances, rights of a certain class of shareholders shall be deemed to be changed or nullified:

- (1) to increase or reduce the quantity of certain class of shares, or increase or reduce the quantity of other class(es) of shares which enjoy the same or more voting rights, distribution rights or other privileges as compared with this class of shares;
- (2) to convert whole or part of certain class of shares into other class(es), convert whole or part of other class(es) of shares into this class, or grant such conversion rights;
- (3) to nullify or reduce the rights of certain class of shares to receive payable dividends or cumulative dividends;
- (4) to reduce or nullify the privileged rights of a class of shares to acquire dividends or obtain property distribution during liquidation of the Bank;
- (5) to increase, nullify or reduce the conversion, option, voting, transfer or privileged allotment rights of a class of shares or the rights of such class of shares to obtain securities issued by the Bank;
- (6) to nullify or reduce the rights of a class of shares to receive amounts payable by the Bank in a particular currency;
- (7) to establish new class(es) of shares which enjoy the same or more voting rights, distribution rights or other privileges as compared with a certain class of shares;
- (8) to restrict the transfer and ownership of a certain class of shares, or increase the restrictions;
- (9) to grant the share subscription options or share conversion options of this or another class of shares;
- (10) to increase the rights or privileges of other class(es) of shares;
- (11) any restructuring scheme of the Bank that may result in the assumption of disproportionate responsibilities by different classes of shareholders during the restructuring;
- (12) to revise or nullify the provisions in this Section.

Article 109 The shareholders of the class of shares that is affected, whether or not having voting right at the former shareholders' meeting, shall have the voting right on the matters specified in items (2) to (8) and (11) to (12) of Article 108 at the meeting for this class of shareholders, but the shareholders with conflict of interests therein shall have no voting rights at the meeting for this class of shareholders.

The shareholders with conflict of interests mentioned in the preceding paragraph shall have the meaning as follows:

- (1) where the Bank issues repurchase tender offer at the same proportion to all shareholders or repurchase the Bank's shares through public transaction on the stock exchanges, the "shareholders with conflict of interests" shall mean the controlling shareholders defined in Article 251 of the Articles;
- (2) where the Bank repurchases shares with contractual agreements outside the stock exchange, the "shareholders with conflict of interests" shall mean the shareholders who are relevant to the aforementioned agreements;
- (3) if the Bank's restructuring plan is concerned, the "shareholders with conflict of interests" shall mean the shareholders who assume the liability in a lower proportion than other shareholders of the same class or those who own different interests as compared with other shareholders of the same class.

Article 110 Resolutions of the meeting for a certain class of shareholders shall be approved by two thirds (2/3) or more of the voting rights represented by shareholders of that class present at the meeting according to Article 109.

Article 111 The provisions on the procedures for the notice of shareholders' meeting herein shall be applicable to the shareholders' meeting for a certain class of shareholders.

Notice of the shareholders' meeting for a certain class of shareholders shall only be delivered to shareholders who have the rights to vote at such meeting.

Article 112 The procedure to convene a shareholders' meeting for a certain class of shareholders shall be similar to that of shareholders' meeting to the extent practical. Provisions in the Articles which are related to the procedure to convene a shareholders' meeting shall apply to the shareholders' meeting for a certain class of shareholders.

Article 113 Upon the approval of the Shareholders' Meeting with special resolutions, if the Bank independently or simultaneously issues domestic listed shares and overseas listed shares at intervals of twelve (12) months, and the number of the domestic listed shares and overseas listed shares intended to be issued is not more than twenty percent (20%) of the issued and outstanding shares of the respective class, it shall not be applicable to the special voting procedure at a shareholders' meeting for a certain class of shareholders.

Chapter 7 Directors and the Board of Directors

Section 1 General Provisions for Directors

Article 114 The directors of the Bank shall be natural persons and meet the appointment qualifications and requirements prescribed by laws, regulations and regulatory provisions.

Persons who fall under any of the following circumstances shall not serve as a director of the Bank:

- (1) those without capacity or with limited capacity for civil conduct;
- (2) those sentenced to criminal punishment for corruption, bribery, encroachment of property, appropriation of property or disrupting socialist market economic orders, or those deprived of political rights for crimes committed, within five (5) years upon the expiration of the execution period, or within two (2) years upon the expiration of the probation period if having been placed on probation;
- (3) those who have served as directors, factory directors, or managers of bankrupt and liquidated companies or enterprises and are personally liable for the bankruptcy of such companies or enterprises, within three (3) years from the completion date of the bankruptcy liquidation of the companies or enterprises;
- (4) those who have served as legal representatives of companies or enterprises that have the business license revoked and are ordered to close down due to violations of the law, and are personally liable for such punishment, within three (3) years from the date of revocation of the business licenses or order to close down;
- (5) those who have relatively large amounts of personal debts that have fallen due but have not been repaid and who therefore have been included in the list of the faithless persons subjected to enforcement by the people's court;
- (6) those subject to a securities market entry prohibition imposed by the securities regulatory institution of the State Council, with the prohibition period not yet expired;
- (7) those who have been publicly declared by a stock exchange as unfit to serve as directors or senior management members of a listed company, with the period not yet expired;
- (8) other circumstance prescribed by the laws, regulations and regulatory provisions as well as the Articles.

Election of directors that are in violation of this Article shall be invalid. The Bank shall remove a director from office and suspend his/her performance of duties if the circumstances set out in this Article arise during his/her term of office.

Article 115 Directors shall be elected, replaced and removed by the Shareholders' Meeting. Employee directors are democratically elected, replaced and removed by the Bank's employees through the employee representatives' meeting.

If the number of directors elected through voting at the Shareholders' Meeting exceeds the maximum number for directors as specified by the Articles, candidates with the highest votes shall be elected as directors according to the maximum number of directors specified in the Articles.

Article 116 The term of office of a director shall be three (3) years, and upon expiration of term of office, he/she may serve consecutive terms if re-elected.

Directors shall have their appointment qualifications and requirements approved by the banking regulatory institution of the State Council, or reported as required by laws, regulations and regulatory provisions, with the specific scope of personnel determined in accordance with the regulatory requirements of the banking regulatory institution of the State Council. A director's term of office shall start from the date of approval by the banking regulatory institution of the State Council. For directors whose appointment qualifications do not require approval under relevant provisions, or for directors re-elected consecutively after the expiration of their term, the commencement of their term shall be calculated from the date of election.

The Bank shall enter into a contract with each director, clearly defining the rights and obligations between the Bank and the director, the director's term of office, the director's liability for violating laws, regulations, regulatory provisions or the Articles, and the compensation in the event the Bank terminates the contract early for any reason.

Article 117 A director may resign from office prior to the expiration of his/her term of office. When a director intends to resign, he/she shall submit a written resignation to the Bank.

If the fact that a new director is not elected in a timely manner upon the expiration of the term of the former director or the resignation of a director before the expiration of his/her term causes the number of directors to be less than the minimum quorum specified by laws or two thirds (2/3) of the minimum quorum specified in the Articles, or the resignation of a member of the Audit Committee causes the number of committee members to be less than the minimum quorum specified by laws or the minimum quorum specified in the Articles, or there is a shortage of accounting professionals, the former director shall continue to perform his/her duties as a director pursuant to laws, regulations and regulatory provisions as well as the Articles, before the newly elected director takes office.

If the resignation of an independent director results in the proportion of independent directors in the Board of Directors or its special committees not complying with laws, regulations and regulatory provisions or the Articles, or a lack of accounting professionals among the independent directors, the independent director shall continue to perform his/her duties before the new independent director takes office, except for those who resign or are removed from office due to failure to comply with qualification requirements for independent directors or loss of independence.

Except for circumstances in paragraphs 2 and 3 of this Article, the resignation shall take effect on the date the Bank receives the resignation report, and the Bank shall disclose the relevant information within two (2) trading days.

If the case mentioned in paragraphs 2 and 3 of this Article occurs, the Board of Directors shall convene an extraordinary shareholders' meeting as soon as possible to elect new directors to fill in the vacancy.

The Shareholders' Meeting may, in compliance with applicable laws, regulations and regulatory provisions as well as the Articles, resolve to remove a director, with the removal taking effect on the date of the resolution. If a director is removed without a proper reason before the expiration of his/her term of office, the director may, in accordance with laws, regulations and regulatory provisions as well as contractual terms with the Bank, request compensation from the Bank.

Article 118 Directors of the Bank shall have fiduciary and duties of diligence to the Bank, abide by laws, regulations, regulatory provisions and the Articles, act with integrity, diligence, and probity, and refrain from jeopardizing the interests of the State, the interests of the general public or the legitimate rights and interests of financial consumers.

Article 119 Directors shall have the following fiduciary duties to the Bank:

- (1) not to encroach upon the property or misappropriate the funds of the Bank;
- (2) not to deposit the funds of the Bank into accounts opened in their personal name or in the name of other individuals;
- (3) not to use their position to offer or accept bribes or receive other illegal income;
- (4) not to directly or indirectly enter into contracts or transactions with the Bank without reporting to the Board of Directors or the Shareholders' Meeting and obtaining approval by a resolution of the Board of Directors in accordance with the Articles;
- (5) not to take advantage of their position to seek business opportunities for themselves or others that rightfully belong to the Bank, except when such business opportunities are reported to the Board of Directors or the Shareholders' Meeting and obtaining approval by a resolution of the Shareholders' Meeting, or when the Bank is unable to utilize such business opportunities in accordance with laws, regulations, regulatory provisions or the Articles;
- (6) not to engage in business of the same kind as that of the Bank, either on their own or for others, without reporting to the Board of Directors or the Shareholders' Meeting and approved by a resolution of the Shareholders' Meeting;
- (7) not to accept commissions from others' transactions with the Bank for their own benefit;

- (8) not to disclose the Bank's secrets without authorization;
- (9) not to utilize their related-party relationships to harm the interests of the Bank;
- (10) other fiduciary duties as stipulated by laws, regulations and regulatory provisions as well as the Articles.

Directors of the Bank shall take measures to avoid conflicts between their own interests and the interests of the Bank, and shall not utilize their position to gain undue benefits.

The income derived by a director from violating the provisions under this Article shall belong to the Bank. In case of any loss to the Bank, such director shall assume compensation liability.

The provisions of item (4) of paragraph 1 of this Article shall apply to the conclusion of contracts or transactions with the Bank by close relatives of a director, enterprises directly or indirectly controlled by the director or his/her close relatives, and associates with whom the director has other related-party relationships.

Article 120 Directors shall have the following duties of diligence to the Bank:

- (1) continuously focusing on the operation and management of the Bank, and having the right to request the senior management to provide comprehensive, timely and accurate information reflecting the operation and management of the Bank or explain the relevant matters thereof;
- (2) attending the meetings of the Board of Directors in a timely manner, fully reviewing the matters to be considered by the Board of Directors, giving independent, professional and objective opinions, and casting votes independently at their prudent discretion;
- (3) supervising the implementation of the resolutions of the Shareholders' Meeting and the Board of Directors by the senior management;
- (4) actively participating in relevant training organized by the Bank and regulatory authorities, understanding the rights and obligations of directors, being familiar with relevant laws, regulations and regulatory provisions, and perpetuating their professional knowledge and competence essential to perform their duties;
- (5) guaranteeing sufficient time and efforts to perform their duties;
- (6) exercising the rights vested by the Bank prudently, conscientiously, and diligently to ensure that the commercial activities of the Bank comply with the requirements of laws, regulations and regulatory provisions as well as the economic policies of the State and not exceeding the scope of business outlined in its business license;
- (7) treating all shareholders fairly;

- (8) signing written confirmation of the Bank's periodic reports to ensure that the information disclosed by the Bank is truthful, accurate and complete;
- (9) truthfully providing relevant information and materials to the Audit Committee and not impeding the Audit Committee from exercising its functions and powers;
- (10) other duties of diligence as stipulated by laws, regulations and regulatory provisions as well as the Articles.

Directors shall perform their duties with all the reasonable care ordinarily expected of a manager in the best interests of the Bank.

Article 121 Employee directors enjoy the same rights as other directors in accordance with the law and bear corresponding obligations. They shall fulfill the special duties of representing the interests of employees, voicing the reasonable demands of employees, and safeguarding the legitimate rights and interests of employees and the Bank in accordance with the laws and regulations.

Article 122 Executive directors of the Bank and the senior management members of the Bank engaged by the Board of Directors shall not hold any position in the enterprise which is not controlled by the Bank or the Bank has no equity participation. Any executive director or the senior management members of the Bank who holds position in the aforesaid enterprise shall inform the Board of Directors, and his/her performance of duties and powers in the Bank shall not be affected. In case any remuneration (including allowances) is involved, the measures formulated separately by the Nomination and Remuneration Committee of the Board of Directors shall be applied.

Article 123 The Bank shall take measures to protect directors' right of information and right to attend meetings of the Board of Directors.

The Bank shall provide directors with necessary working conditions for performing their duties and powers. The secretary to the Board of Directors shall actively assist directors to perform duties and powers.

When directors are exercising their functions and powers, the relevant personnel of the Bank shall cooperate and shall not reject, hinder or conceal anything, or interfere with the directors in their exercising of such functions and powers.

Article 124 If not specified in the Articles or without legal authorization by the Board of Directors, any director shall not act on behalf of the Bank or the Board of Directors in the name of individual. Where a director acts in the name of individual, but a third party might reasonably believe that the director is acting on behalf of the Bank or the Board of Directors, the director shall make a prior declaration of his/her position and capacity.

Article 125 The Bank shall bear liability for compensation for any harm caused to others by a director in the performance of his/her duties for the Bank. The director shall also bear liability for compensation if he/she acts with any intentional or gross negligence. In case any director violates laws, regulations, and regulatory provisions or the Articles when performing his/her duties and causes loss to the Bank, such person shall be responsible for the compensation.

Article 126 The Bank may purchase liability insurance to cover directors for any liability arising from the execution of their duties during their term of office.

Article 127 The Bank shall establish a management system for the resignation of directors, specifying the safeguards to ensure accountability and recourse for unfulfilled public commitments and other outstanding matters. Upon the effectiveness of a director's resignation or expiration of his/her term of office, the director shall promptly complete all hand-over procedures. The fiduciary duties owed by the director to the Bank and shareholders shall not automatically terminate upon the expiration of his/her term of office, and shall remain effective within a reasonable period. The liability of a director arising from the performance of his/her duties during his/her term of office shall not be exempted or terminated by his/her resignation.

Section 2 Independent Directors

Article 128 The Bank shall establish an independent director system. The term "independent director(s)" refers to directors who do not hold any positions in the Bank other than director, and have no relationship with the Bank and its shareholders and de facto controllers that may affect their independent and objective judgment.

Article 129 Persons serving as independent directors of the Bank shall satisfy the following conditions:

- (1) possessing the qualifications for serving as a director of the Bank as stipulated in laws, regulations and regulatory provisions as well as the Articles;
- (2) complying with the independence requirements stipulated in laws, regulations and regulatory provisions as well as the Articles;
- (3) having basic knowledge of the operation of listed companies, and being familiar with the relevant laws, regulations and regulatory provisions;
- (4) having five (5) or more years of working experience in law, accounting, economics or other fields deemed necessary for performing duties and powers as an independent director;
- (5) having good personal morality without any material dishonesty or other negative records;
- (6) being able to analyze and assess the operation and management activities and risk status of financial institutions based on their financial statements and statistical reports;

- (7) other conditions stipulated by laws, regulations and regulatory provisions as well as the Articles.

Article 130 Independent directors shall maintain their independence. The following persons may not serve as independent directors of the Bank:

- (1) persons serving in the Bank or its affiliates, and their spouses, parents, children, and major social relations;
- (2) natural person shareholders who directly or indirectly hold one percent (1%) or more of the Bank's total issued shares or who are among the Bank's top ten (10) shareholders, and their spouses, parents and children;
- (3) persons serving in a shareholder who holds, directly or indirectly, five percent (5%) or more of the Bank's issued shares or who are among the Bank's top five (5) shareholders, and their spouses, parents and children;
- (4) persons serving in the affiliates of the Bank's controlling shareholders or de facto controllers, and their spouses, parents and children;
- (5) persons who have significant business dealings with the Bank, its controlling shareholders, de facto controllers, or their respective affiliates, or persons serving in entities that have significant business dealings with the Bank as well as their controlling shareholders and de facto controllers;
- (6) persons providing financial, legal, consulting, sponsorship and other services to the Bank, its controlling shareholders, de facto controllers or their respective affiliates, including but not limited to, all the personnel of the project team of an intermediary agency providing the services, reviewers at all levels, persons signing the report, partners, directors, senior management members and chief principals;
- (7) persons who have had any of the circumstances listed in the preceding items (1) to (6) within the last twelve (12) months;
- (8) other persons who do not possess independence as stipulated by laws, regulations and regulatory provisions as well as the Articles.

The major social relations in this Article refer to siblings, spouses of siblings, parents of spouses, siblings of spouses, spouses of children, and parents of children's spouses, etc.

Affiliates of the Bank's controlling shareholders or de facto controllers under items (4) to (6) of paragraph 1 of this Article do not include enterprises that are controlled by the same state-owned asset management institution as the Bank and that do not constitute a related party relationship with the Bank in accordance with relevant provisions.

Independent directors shall conduct annual self-examination of their independence and submit the self-examination results to the Board of Directors. The Board of Directors shall annually assess and issue a special opinion on the independence of the incumbent independent directors, which shall be disclosed along with the annual report.

Article 131 The Board of Directors and shareholders who individually or jointly hold one percent (1%) or more of the total issued and outstanding shares of the Bank may nominate candidates for independent directors, who shall be elected by the Shareholders' Meeting.

The Bank shall, prior to a shareholders' meeting for the election of independent directors, submit the relevant materials of the candidates for independent directors to the relevant stock exchange(s) in accordance with laws, regulations and regulatory provisions as well as the relevant requirements of the stock exchanges in the places where the Bank's shares are listed. Where the relevant stock exchange(s) raises objections as to whether a candidate for independent director satisfies the appointment qualifications, the Bank shall not submit such candidate to the Shareholders' Meeting for election.

Article 132 Independent directors shall conscientiously fulfill their duties in accordance with laws, regulations and regulatory provisions as well as the Articles, and play the roles of participation in decision-making, supervision, checks and balances, and professional consulting in the Board of Directors, so as to safeguard the interests of the Bank as a whole and to protect the legitimate rights and interests of minority shareholders.

Article 133 Independent directors, as members of the Board of Directors, shall have the fiduciary duties and duties of diligence to the Bank and all shareholders. They shall prudently fulfill the following duties:

- (1) to participate in the decision-making of the Board of Directors and express clear opinions on the matters under consideration;
- (2) to supervise matters of potential material conflicts of interest between the Bank and its controlling shareholders, de facto controllers, directors and senior management members, and to protect the legitimate rights and interests of minority shareholders;
- (3) to provide professional and objective advice on the Bank's operation and development, and to enhance the quality of the Board of Directors' decision-making;
- (4) other duties stipulated by laws, regulations and regulatory provisions as well as the Articles.

Article 134 Independent directors shall perform the following special functions and powers:

- (1) to independently engage intermediary agency to audit, consult or verify specific matters of the Bank;
- (2) to propose the Board of Directors to convene extraordinary shareholders' meetings;

- (3) to propose to convene meetings of the Board of Directors;
- (4) to publicly solicit shareholders' rights from shareholders in accordance with the law;
- (5) to express independent opinions on matters that may jeopardize the interests of the Bank or minority shareholders;
- (6) other functions and powers stipulated by laws, regulations and regulatory provisions as well as the Articles.

The exercise of the functions and powers listed in items (1) to (3) herein by independent directors shall be approved by more than half (1/2) of all independent directors, unless otherwise provided for by laws, regulations and regulatory provisions.

The Bank shall disclose in a timely manner any exercise of the functions and powers in item (1) herein by independent directors. In the event that the above functions and powers cannot be exercised properly, the Bank shall disclose the details and reasons.

Article 135 The following matters shall be submitted to the Board of Directors for consideration after being approved by more than half (1/2) of all independent directors of the Bank:

- (1) related party transactions that should be disclosed as stipulated by the securities regulatory institution of the State Council and the domestic stock exchanges;
- (2) programs for the Bank and related parties to change or waive their commitments;
- (3) decisions made and measures taken by the Board of Directors in response to the acquisition of the Bank when the Bank is acquired;
- (4) other matters stipulated by laws, regulations and regulatory provisions as well as the Articles.

Article 136 The Bank shall convene a meeting attended by all independent directors (the "special meeting(s) of independent directors") on a regular or irregular basis. Matters listed in items (1) to (3) of paragraph 1 of Article 134 and Article 135 of the Articles shall be considered at the special meeting of independent directors. The special meetings of independent directors may study and discuss other matters of the Bank as needed.

The special meetings of independent directors shall be convened and chaired by an independent director jointly elected by more than half (1/2) of the independent directors; if the convener fails to or is unable to perform his/her duties, two (2) or more independent directors may convene and elect a representative to preside over the meeting on their own.

The special meetings of independent directors shall produce minutes in accordance with the provisions, and the opinions of independent directors shall be set forth in the minutes. Independent directors shall sign the minutes to confirm them.

The Bank shall provide convenience and support for the convening of the special meetings of independent directors.

Article 137 Independent directors shall give objective, impartial and independent opinions on matters discussed by the Bank. In particular, they shall express their opinions to the Board of Directors or the Shareholders' Meeting especially on the following matters:

- (1) major related party transactions;
- (2) nomination, appointment and removal of directors;
- (3) appointment and removal of the senior management member of the Bank;
- (4) remuneration of directors and senior management member;
- (5) profit distribution plan;
- (6) engagement or removal of the accounting firm that conducts regular statutory audit on the financial reports of the Bank;
- (7) matters deemed by independent directors as such that may cause a material impact on the lawful rights and interests of the Bank, minority shareholders, and financial consumers;
- (8) other matters stipulated by laws, regulations and regulatory provisions as well as the Articles.

Article 138 Independent directors shall submit their personal annual performance reports to the Shareholders' Meeting to explain their performance of duties.

Independent directors may directly report to the Shareholders' Meeting, the securities regulatory institution of the State Council and other relevant institutions.

Article 139 The term of office of an independent director shall not be more than six (6) years accumulatively. In principle, a person shall serve as an independent director in a maximum of three (3) domestic listed companies and in a maximum of five (5) domestic and overseas enterprises at the same time. An independent director of the Bank shall not serve as an independent director of more than two (2) commercial banks at the same time, and if he/she also serves as an independent director of other banking and insurance institutions, the relevant institutions shall have no related party relationship or conflict of interest with the Bank.

Article 140 Independent directors shall work at the Bank for at least fifteen (15) working days each year.

Article 141 To ensure effective performance of duties by independent directors, the Bank shall provide the following necessary conditions for independent directors:

- (1) to ensure that independent directors have the same right of information as other directors.
- (2) for matters that need to be decided by the Board of Directors, the Bank shall give notice of a meeting of the Board of Directors to independent directors in a timely manner. If two (2) or more independent directors consider that the meeting materials are incomplete, the elaboration is insufficient, or the materials are not provided in a timely manner, they may propose in writing to the Board of Directors to postpone the convening of the meetings of the Board of Directors or the review of such matter, and the Board of Directors shall adopt such proposal;
- (3) to provide necessary working conditions and personnel support for independent directors to perform their duties. The secretary to the Board of Directors shall ensure the smooth flow of information between independent directors and other directors, senior management members and other relevant personnel, and ensure that independent directors have access to adequate resources and necessary professional advice in the performance of their duties;
- (4) to ensure cooperation of relevant personnel such as other directors and senior management members when independent directors are performing their duties without any refusal, hindering, concealment of relevant information or intervention of their independent performance;
- (5) to assume reasonable expenses incurred from engaging intermediary agencies and other expenses incurred from performing their duties by independent directors;
- (6) other duty performance guarantees stipulated by laws, regulations and regulatory provisions as well as the Articles.

Section 3 Board of Directors

Article 142 The Bank shall have the Board of Directors, which is responsible to the Shareholders' Meeting.

Article 143 The Board of Directors shall consist of thirteen (13) to nineteen (19) directors, and its members are composed of executive directors and non-executive directors (including independent directors). At least one (1) of the members of the Board of Directors shall be employee director. The number of executive directors shall not exceed one-third (1/3) of the total number of members of the Board of Directors, and the total number of executive directors and employee director(s) shall not exceed one-half (1/2) of the total number of members of the Board of Directors.

The Board of Directors shall consist of no less than one-third (1/3) independent directors and shall include at least one (1) accounting professional.

The Board of Directors shall have one (1) chairman, and may have one (1) or two (2) vice chairmen. The positions of chairman and vice chairman of the Board of Directors shall be assumed by directors, and elected and removed by more than half (1/2) of the directors.

No more than two (2) members from the controlling shareholders' chairman of the Board of Directors, vice chairman of the Board of Directors and executive director shall concurrently hold positions of chairman of the Board of Directors, vice chairman of the Board of Directors or executive director of the Bank.

Legal representatives of controlling shareholder shall not assume the position of the chairman of the Board of Directors of the Bank concurrently.

Article 144 The Board of Directors shall perform its duties in accordance with laws, regulations, regulatory provisions, the Articles and resolutions of the Shareholders' Meeting.

Article 145 The Board of Directors shall exercise the following functions and powers:

- (1) to convene shareholders' meetings and report its work to the Shareholders' Meeting;
- (2) to implement resolutions of the Shareholders' Meeting;
- (3) to determine the Bank's development strategy, and supervise its implementation;
- (4) to decide on the Bank's business plans and investment plans;
- (5) to prepare annual financial budget and final accounts of the Bank;
- (6) to prepare profit distribution plan and plan for making up for losses of the Bank;
- (7) to prepare plans for the increase or decrease of the Bank's registered capital, capital replenishment plan, and plans for the issuance and listing of bonds or other marketable securities;
- (8) to prepare plans for the Bank's major acquisition and repurchase of shares;
- (9) to prepare plans for share incentive plan and employee stock ownership plan;
- (10) to prepare plans for merger, division, dissolution, liquidation and change of corporate form of the Bank;
- (11) to decide on the Bank's equity investment, bond investment, asset acquisition, asset disposal, asset written-off, asset mortgage, other non-commercial banking business guarantees, external donations and data governance in accordance with laws, regulations, regulatory provisions and the Articles;

- (12) to decide on the establishment of the Bank's internal management departments;
- (13) to decide on the establishment of domestic tier-one branches, overseas branches, and domestic and overseas subsidiaries;
- (14) to appoint or remove president and other senior management members and determine their remuneration, reward and penalty;
- (15) to formulate the Bank's basic management rules, and supervise the implementation of these rules;
- (16) to approve risk appetites, formulate risk management and internal control policies of the Bank, and assume the ultimate responsibilities for comprehensive risk management;
- (17) to propose the engagement or removal of accounting firm that conducts regular statutory audit on the financial reports of the Bank to the Shareholders' Meeting;
- (18) to approve major related party transactions and make a special report to the Shareholders' Meeting on the overall status of related party transactions annually;
- (19) to listen to work reports of the senior management, and supervise, check and assess their work and adopt an accountability system for senior management;
- (20) to assess and evaluate duty performance of the senior management members;
- (21) to listen to work reports of chief audit officer or internal audit department, and exam, supervise, access and evaluate internal audit work;
- (22) to regularly evaluate and improve corporate governance, risk management and internal control systems of the Bank, and conduct a regular evaluation of the performance of the Board of Directors in accordance with relevant provisions of the listing rules of the places where the Bank's shares are listed;
- (23) to formulate the amendments to the Articles, the *Procedural Rules for the Shareholders' Meeting of China Construction Bank Corporation* and the *Procedural Rules for the Board of Directors of China Construction Bank Corporation*, and formulate other policies, rules and measures of the Board of Directors;
- (24) to formulate the capital planning of the Bank, and assume the ultimate responsibility for capital management;
- (25) to formulate the policies on the management of accounting consolidation of the Bank and its affiliates, and supervise the implementation of such policies;

- (26) to be responsible for the information disclosure of the Bank, and assume the ultimate responsibility for the authenticity, accuracy, completeness and timeliness of the accounting and financial reports;
- (27) to determine the Bank's environmental, social and governance policies and objectives, to determine the Bank's development strategy for green finance, and to supervise and assess the implementation of the strategy;
- (28) to determine the strategy, policy and objective for the Bank's consumer protection, and to safeguard the lawful rights and interests of financial consumers and other stakeholders;
- (29) to establish a mechanism to identify, review and manage the conflicts of interest between the Bank and its shareholders, especially the substantial shareholders;
- (30) to be responsible for the management of shareholders' affairs;
- (31) to exercise other functions and powers stipulated by laws, regulations, regulatory provisions and the Articles as well as those authorized by the Shareholders' Meeting.

Article 146 The authority of the Board of Directors to decide on equity investment, bond investment, asset acquisition, asset disposal, asset written-off, asset mortgage, other non-commercial banking business guarantees, external donations and other matters shall be decided by the Shareholders' Meeting. The Board of Directors shall establish strict examination and decision-making procedures for exercising the above authority.

For major investment projects, relevant experts and professionals shall be organized to review, and these projects shall be reported to the Shareholders' Meeting for approval.

For equity investment, bond investment, asset acquisition, asset disposal, asset written-off, asset mortgage and other non-commercial banking business guarantees and external donations within the scope of authority of the Board of Directors up to a certain limit, the Board of Directors may grant limited authority to the president of the Bank. The Board of Directors shall formulate specific authorization system for the foregoing authorizations.

Article 147 The Board of Directors shall give explanations to the Shareholders' Meeting for audit reports with qualified opinion, adverse opinion or disclaimer of opinion issued by certified public accountants with respect to financial reports of the Bank.

Article 148 The chairman of the Board of Directors shall perform the following duties:

- (1) to preside over the shareholders' meetings, and convene and preside over meetings of the Board of Directors;

- (2) to ensure that directors can timely receive sufficient information and relevant information received is complete and reliable;
- (3) to supervise and inspect the implementation of resolutions of the Board of Directors;
- (4) to sign share certificates and other marketable securities of the Bank;
- (5) to sign important documents of the Board of Directors and other documents that shall be signed by the legal representative of the Bank;
- (6) to exercise other functions and powers of a legal representative;
- (7) other functions and powers stipulated by laws, regulations and regulatory provisions or granted by the Board of Directors.

The vice chairman assists the chairman of the Board of Directors. When the chairman of the Board of Directors cannot or fails to perform his/her duties, the vice chairman designated by the chairman or elected by more than half (1/2) of all the directors shall act on his/her behalf; when the vice chairman cannot or fails to perform his/her duties, a director elected by more than half (1/2) of all the directors shall act on his/her behalf.

Article 149 The meetings of the Board of Directors shall include regular meetings of the Board of Directors and interim meetings of the Board of Directors.

The regular meetings of the Board of Directors shall be convened by the chairman of the Board of Directors at least six (6) times a year. A written notice shall be delivered to all directors fourteen (14) days prior to date of the regular meetings of the Board of Directors. The cause shall be stated in the written notice.

The interim meetings of the Board of Directors may be convened when the chairman of the Board of Directors thinks necessary. The chairman of the Board of Directors shall sign and deliver a notice on convening an interim meeting of the Board of Directors within seven (7) working days, in any of the following circumstances:

- (1) when one third (1/3) or more of the directors propose to convene the meetings of the Board of Directors;
- (2) when the Audit Committee proposes to convene the meetings of the Board of Directors;
- (3) when two (2) or more independent directors propose to convene the meetings of the Board of Directors;
- (4) when the president of the Bank proposes to convene the meetings of the Board of Directors;

- (5) when shareholders who individually or jointly hold ten percent (10%) or more of total issued and outstanding shares with voting rights of the Bank propose to convene the meetings of the Board of Directors in writing.

The Bank shall give a written notice to all directors five (5) days before the convening of an interim meeting of the Board of Directors. In case an interim meeting of the Board of Directors shall be held as soon as possible under emergency, the meeting notice may be sent at any time by telephone or other oral means, but the convener shall make an explanation at the meeting.

Article 150 The notice of meetings of the Board of Directors shall contain the following contents:

- (1) venue, date and time of the meeting;
- (2) duration of the meeting;
- (3) agenda, reason for holding the meeting, topics for discussion and relevant materials;
- (4) date of issuance of meeting notice;
- (5) except for meetings convened by the chairman of Board of Directors, the meeting notice shall state that the meeting is not convened by the chairman of Board of Directors and the basis for convening the meetings of the Board of Directors.

The notice of meetings of the Board of Directors shall be made in Chinese, and may be attached with an English translation if necessary.

Article 151 A meeting of the Board of Directors may be held by means of on-site meeting or written resolutions.

The Bank's profit distribution plan, remuneration plan, equity investment, asset disposal plan, appointment or removal of senior management members, capital replenishment plan and other major matters shall not be considered or voted on at the meetings of the Board of Directors convened by way of written resolution. If laws, regulations and regulatory provisions provide otherwise, such provisions shall apply.

Article 152 A meeting of the Board of Directors shall only be held when more than half (1/2) of the directors attend the meeting.

Article 153 Every director shall have one voting right.

Where a meeting of the Board of Directors is held by way of on-site meeting, it may vote by show of hands, orally or by ballot.

Where a meeting of the Board of Directors is held by way of written resolution, the resolution shall be adopted by way of separate delivery or circulation for consideration. Directors shall clearly indicate their agreement, disagreement or abstention. The notice of the meeting shall indicate the final deadline for voting, provided that such final deadline for voting stipulated in the notice shall not be shorter than five (5) days from the date of dispatch of the notice. A director who votes earlier shall be deemed to have waived the time requirement set forth in the notice.

Article 154 Resolutions of the Board of Directors may be adopted when more than half (1/2) of the directors agree through voting, except for the following matters that shall be agreed by two thirds (2/3) or more of all directors through voting:

- (1) profit distribution plan;
- (2) capital replenishment plan;
- (3) repurchase of the Bank's shares;
- (4) issuance of bonds or other marketable securities and listing plans;
- (5) plans for equity investment, asset acquisition, asset disposal and asset written-off;
- (6) remuneration plan;
- (7) appointment or removal of senior management members of the Bank;
- (8) change of the Bank's registered capital;
- (9) plans of merger, division, dissolution, and liquidation of the Bank;
- (10) annual budget and final accounts of the Bank;
- (11) engagement or removal of the accounting firm that conducts regular statutory audit on the financial reports of the Bank;
- (12) authorization management measures of the Board of Directors to president of the Bank;
- (13) amendments to the Articles;
- (14) external donations to areas hit by unexpected material events which exceed the annual total amount or limit of single external donation authorized by the Shareholders' Meeting;
- (15) other matters that require the adoption by special resolutions in accordance with laws, regulations and regulatory provisions.

Article 155 In case a director has any related party relationship with the matter to be discussed by the Board of Directors, such director shall promptly report the situation in writing to the Board of Directors.

The director who has any related party relationship with the relevant matter shall withdraw from considering such matter by the Board of Directors. He/she may neither vote on the matter nor exercise voting rights on behalf of other directors. The meetings of the Board of Directors shall be convened with the attendance of more than half (1/2) of the directors without any related party relationship. The resolution for approving such matter shall be adopted by two thirds (2/3) or more of the directors unrelated to the matter. When the Board of Directors is deciding whether to approve the resolution on the said matter, such related director shall not be counted into the quorum of the meeting.

In case less than three (3) directors unrelated to the matter are present at the meetings of the Board of Directors, the Board of Directors shall make a resolution to present the proposal to the Shareholders' Meeting for consideration, and shall submit such proposal on a timely basis. Such resolution shall outline the consideration of the Board of Directors on the proposal, and record the opinions on the proposal from directors unrelated to the matter.

If shareholders who hold ten percent (10%) or more of total issued and outstanding shares of the Bank or directors have material conflict of interests in the matters to be discussed by the Board of Directors, relevant matters shall not be resolved by way of written resolutions or delivered to special committee of the Board of Directors for handling; instead, the Board of Directors shall convene a meeting of the Board of Directors for such matters, and the meeting shall only be held when more than half (1/2) of the directors having no material conflict of interests with the matters to be discussed attend the meeting. Independent directors and their associates (as defined in the Hong Kong Listing Rules) who have no material interest with the transactions shall attend the meetings of the Board of Directors.

A director shall not vote on the contract, transaction or arrangement with which he/she or any associates of his/hers (as defined in the Hong Kong Listing Rules) has material interest, and such director shall not be counted into the quorum of the meeting.

Article 156 Directors shall attend the meetings of the Board of Directors in person. If a director cannot attend the meeting in person due to some reason, he/she may entrust another director in writing to attend the meeting on his/her behalf, but an independent director may only entrust another independent director to attend the meeting on his/her behalf, if he/she cannot attend the meeting in person due to some reason. The power of attorney shall specify the proxy's name, entrusted matters, the scope of authority and the valid term, and shall be affixed with the signature or seal of the entrustor. A director shall, in principle, accept entrustment from a maximum of two (2) directors who cannot attend the meeting in person. When considering matters of related party transactions, an unrelated director may not entrust a related director to attend the meeting on his/her behalf.

The director who attends the meetings of the Board of Directors on behalf of another director shall exercise the right of the director within the scope of authorization. If a director neither attends the meetings of the Board of Directors nor entrusts a proxy to be present on his/her behalf, he/she shall be deemed to have given up his/her voting rights at that meeting.

Directors shall attend at least two thirds (2/3) of on-site meetings of the Board of Directors in person during a year. If a director fails to attend two thirds (2/3) or more of total meetings of the Board of Directors in person during the year or neither attends the meeting in person nor entrusts other directors to attend the meeting for two (2) consecutive times and if an independent director fails to attend the meetings of the Board of Directors in person for three (3) consecutive times, such director shall be deemed to have failed to perform his/her duties, and the Board of Directors, the Audit Committee or shareholders who hold one percent (1%) or more of the total issued and outstanding voting shares of the Bank shall propose the Shareholders' Meeting to remove and replace such director.

The expenses arising from directors' attendance of meeting of the Board of Directors shall be paid by the Bank, including transportation expenses from director's domicile to meeting site, local transportation expenses and accommodation and meals expenses during the meeting.

Article 157 Minutes of meetings of the Board of Directors shall be made in Chinese for the matters considered at the meetings, and the minutes shall be truthful, accurate and complete. Directors present at the meeting and the recorder shall sign their names on the minutes.

The minutes of meetings of the Board of Directors shall contain the following contents:

- (1) date and place of the meeting as well as names of the convener and chairperson;
- (2) names of directors who attend the meeting, directors who entrust other persons to attend the meeting and their proxies;
- (3) agenda of the meeting;
- (4) key points of directors' speeches, including any doubt or objection raised by any director (for meeting held by means of written proposal, written feedback from directors shall prevail);
- (5) voting method and result for each matter discussed (the voting result shall specify number of affirmative votes, negative votes or abstaining votes as well as the voting of every director).

Directors shall be responsible for the resolutions of meetings of the Board of Directors. If any resolution of the Board of Directors violates any laws, administrative regulations or the Articles, or resolutions made by the Shareholders' Meeting and causes the Bank to suffer significant losses, the directors who took part in the resolution shall be liable for compensation to the Bank, while the directors who are certified by the meeting minutes as having expressed their opposition to such resolution when it was put to vote shall not be liable for the losses.

The minutes of meetings of the Board of Directors are important records of the Bank and shall be kept in a safe place permanently.

Resolutions of the Board of Directors and relevant minutes shall be reported to relevant regulatory authorities for filing after the meeting in accordance with relevant laws, regulations and regulatory provisions.

Article 158 The Board of Directors shall have a specialized office under its leadership, which shall be responsible for the preparation of shareholders' meetings, meetings of the Board of Directors and its special committees, information disclosure, management of investor relationship, and other routine work of the Board of Directors and its special committees.

Section 4 Special Committees of the Board of Directors

Article 159 The Board of Directors of the Bank shall have the Strategy Development Committee, the Audit Committee, the Risk Management Committee, the Nomination and Remuneration Committee, and the Related Party Transaction, Social Responsibility and Consumer Protection Committee. The Board of Directors may set up other special committees whenever necessary or make adjustments to the aforesaid special committees. Special committees of the Board of Directors shall perform their duties according to the laws, regulations and regulatory provisions as well as the Articles. Special committees of the Board of Directors shall establish a follow-up implementation mechanism to ensure the implementation of professional opinions and requirements of the committees.

Article 160 The Strategy Development Committee shall consist of at least five (5) directors, and the chairman shall be assumed by the chairman of the Board of Directors.

Main duties and powers of the Strategy Development Committee are:

- (1) to prepare the Bank's strategy and development plan, supervise and evaluate the implementation of plan, and provide suggestions to the Board of Directors;
- (2) to examine the Bank's business plan and investment plan, and submit them to the Board of Directors for consideration;
- (3) to examine the report on implementation of business plan and investment plan;
- (4) to examine significant organizational adjustment and institutional layout plan, and provide suggestions to the Board of Directors;
- (5) to examine major investment and financing plan of the Bank, and provide suggestions to the Board of Directors;
- (6) to examine basic IT architecture plan of the Bank, and provide suggestions to the Board of Directors;
- (7) to examine the Bank's policies on the assessment and management of capital adequacy ratio;
- (8) other duties stipulated by laws, regulations, regulatory provisions and the Articles.

Article 161 The Audit Committee shall consist of at least five (5) directors, and shall only be composed of non-executive directors, with a majority of independent directors. Members of the Audit Committee shall have expertise and work experience in finance, auditing, accounting, law, etc. Employee director may serve as member of the Audit Committee.

The chairman of the Audit Committee shall be an independent director who is an accounting professional. The chairman of the Audit Committee shall work at the Bank for no less than twenty (20) working days every year.

Article 162 Main duties and powers of the Audit Committee are:

- (1) to check the Bank's finance, and review the Bank's financial information and its disclosure;
- (2) to supervise and evaluate internal control of the Bank;
- (3) to supervise and evaluate internal audit of the Bank;
- (4) to supervise and evaluate external audit of the Bank, propose to the Board of Directors the engagement or removal of the accounting firm that conducts regular statutory audit on the financial reports of the Bank, and facilitate communication and coordination between external and internal auditors;
- (5) to monitor possible misconduct;
- (6) to supervise the conduct of directors and senior management members in performing their duties;
- (7) to require directors and senior management members to correct their actions that harm the interests of the Bank;
- (8) to propose the removal of or to file a lawsuit against directors and senior management members who violate laws, administrative regulations, the Articles, or resolutions of the Shareholders' Meeting;
- (9) other duties stipulated by laws, regulations and regulatory provisions as well as the Articles.

Article 163 The resolutions made by the Audit Committee by independently exercising the powers and functions in accordance with laws, regulations, regulatory provisions and the Articles do not need to be submitted to the Board of Directors for consideration and approval.

The following matters shall be submitted to the Board of Directors for consideration after the approval of the Audit Committee by more than half (1/2) of its members:

- (1) the financial information disclosed in the financial and accounting reports and periodic reports, as well as internal control evaluation reports;

- (2) the engagement or dismissal of the accounting firm that conducts regular statutory audit on the Bank's financial reports;
- (3) the engagement or dismissal of the Bank's person in charge of finance;
- (4) changes in accounting policies, changes in accounting estimates, or corrections of material accounting errors made for reasons other than changes in accounting standards;
- (5) other matters stipulated by laws, regulations and regulatory provisions as well as the Articles.

Article 164 The Audit Committee shall hold at least one (1) meeting per quarter, which shall be held with the attendance of two thirds (2/3) or more of the members.

The meeting of the Audit Committee shall conduct a full discussion of the matters under consideration and form a tentative opinion. When the meeting votes on the matters under consideration, each committee member shall have one (1) vote. Resolutions adopted at the meeting must be approved by more than half (1/2) of all the committee members.

The procedural rules and voting procedures of the Audit Committee shall be specified in the terms of reference of the committee established by the Board of Directors, except as provided in the Articles.

Article 165 The Risk Management Committee shall consist of at least three (3) directors, and independent directors shall account for not less than one third (1/3) of the committee members in principle.

The chairman of the Risk Management Committee shall work at the Bank for no less than twenty (20) working days every year.

Main duties and powers of the Risk Management Committee are:

- (1) to examine the Bank's risk management policies and risk appetite according to the overall strategy of the Bank, and supervise and evaluate implementation and effectiveness of these policies;
- (2) to continuously supervise and review the effectiveness of the Bank's risk management system;
- (3) to guide the development of risk management system of the Bank;
- (4) to supervise and evaluate the setting, organization, work procedures and effectiveness of risk management departments, and make recommendations for improvement;

- (5) to review the Bank's risk report, carry out regular evaluation on the Bank's risks, such as credit risk, market risk, liquidity risk, operational risk, country risk, interest rate risk in the banking book, reputational risk, strategy risk, information technology risk and model risk, supervise the Bank's climate-related risks and opportunity management, and give opinions on the improvement of the Bank's risk management;
- (6) to evaluate the relevant work of senior management members of the Bank in charge of risk management;
- (7) to supervise the compliance of core businesses, management systems and major operation activities of the Bank;
- (8) to perform the duties and powers of the US Risk Management Committee concurrently;
- (9) other duties and powers stipulated by laws, regulations, regulatory provisions and the Articles.

Article 166 The Nomination and Remuneration Committee shall consist of at least five (5) directors, and the chairman shall be assumed by an independent director. Independent directors shall account for majority of the committee.

Main duties and powers of the Nomination and Remuneration Committee are:

- (1) to organize the formulation of standards and procedures for the election of directors and senior management members of the Bank, and submit the proposed standards and procedures to the Board of Directors for decision;
- (2) to select and review candidates for directors and senior management members as well as their appointment qualifications;
- (3) to make suggestions to the Board of Directors on the nomination, appointment or removal of directors as well as the appointment or removal of senior management members;
- (4) to propose to the Board of Directors on candidates for members of special committees of the Board of Directors;
- (5) to listen to development plans for the senior management members and fostering plans for the key backup talents;
- (6) to review the Bank's remuneration management policy submitted by the president, and submit it to the Board of Directors for decision;
- (7) to organize the preparation of performance evaluation methods and remuneration plans for directors, and submit them to the Board of Directors for review;

- (8) to organize the preparation of performance evaluation methods and remuneration plans for the senior management members, and submit them to the Board of Directors for decision;
- (9) to organize performance evaluation on directors, make proposals on the distribution of remuneration of directors, and submit it to the Board of Directors for review;
- (10) to organize performance evaluation for the senior management members, make suggestions on remuneration distribution for the senior management members of the Bank, and submit it to the Board of Directors for decision;
- (11) to supervise the implementation of the Bank's performance evaluation policy and remuneration policy;
- (12) other duties and powers stipulated by laws, regulations, regulatory provisions and the Articles.

Where the Board of Directors does not adopt or does not fully adopt the recommendations of the Nomination and Remuneration Committee, it shall record the opinion of the committee and the specific reasons for its non-adoption in the resolution of the Board of Directors and disclose the same.

Article 167 The Related Party Transaction, Social Responsibility and Consumer Protection Committee shall consist of at least three (3) directors, and the chairman of the Related Party Transaction, Social Responsibility and Consumer Protection Committee shall be assumed by an independent director. Independent directors shall account for not less than one third (1/3) of the members of the Related Party Transaction, Social Responsibility and Consumer Protection Committee in principle.

The chairman of the Related Party Transaction, Social Responsibility and Consumer Protection Committee shall work at the Bank for no less than twenty (20) working days every year.

The Related Party Transaction, Social Responsibility and Consumer Protection Committee shall implement the recusal system in discussion.

Main duties and powers of the Related Party Transaction, Social Responsibility and Consumer Protection Committee include:

- (1) to take charge of the management, review and risk control of related party transactions in accordance with laws, regulations, regulatory provisions as well as the Articles, and pay extra attention to compliance, fairness and necessity of related party transactions;
- (2) to accept filing of general related party transactions, review material related party transactions and submit them to the Board of Directors for approval;
- (3) to study and prepare the Bank's social responsibility strategy and policy;

- (4) to supervise, inspect and assess the Bank's performance of social responsibilities, and guide and supervise the preparation of the sustainability report;
- (5) to study and prepare environmental, social and governance management policies and strategies, track and assess progress on a regular basis, and guide and monitor the disclosure of relevant information;
- (6) to study and prepare the Bank's green finance strategy, and supervise and evaluate the implementation of the green finance strategy;
- (7) to supervise and guide the management in promoting the work related to inclusive finance;
- (8) to guide and supervise the establishment and improvement of the management policy system of consumer protection, urge the senior management to implement relevant work, guide the disclosure of material information of consumer protection and fulfill other management duties for consumer protection required by laws, regulations and regulatory provisions;
- (9) other duties and powers stipulated by laws, regulations, regulatory provisions and the Articles.

Chapter 8 Senior Management Members

Article 168 The Bank shall have one (1) president, several vice presidents, chief compliance officer and, if necessary, chief financial officer, chief risk officer, chief information officer, chief audit officer, business controller and other senior management members of the Bank. Chief compliance officer may be assumed by the president or other eligible senior management member concurrently, and chief financial officer, chief risk officer and chief information officer may be assumed by vice presidents concurrently.

The Bank shall have one (1) secretary to the Board of Directors, who shall be accountable to the Board of Directors. The secretary to the Board of Directors, in principle, shall be assumed by a specially-appointed person. A director or a senior management member of the Bank may serve concurrently as the secretary to the Board of Directors, provided that he/she ensures that he/she has adequate energy and time required for effectively performing his/her duty as the secretary to the Board of Directors.

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

A person who holds an executive position other than director or supervisor in the Bank's controlling shareholder shall not serve as a senior management member of the Bank.

The provisions regarding situations in which persons shall not act as directors, as specified in the Articles, shall also apply to senior management members.

Article 169 President, vice presidents and other senior management members shall be appointed or dismissed by the Board of Directors. The secretary to the Board of Directors shall be nominated by the chairman and appointed by the Board of Directors.

The senior management members of the Bank shall be appointed according to relevant laws, regulations and regulatory provisions as well as the Articles. Any organization or individual shall not intervene in normal appointment procedures for the senior management members. The Bank shall select senior management members including president and vice presidents through various means in an open and transparent way. The Bank shall sign employment contracts with the senior management members. Senior management members only receive salaries from the Bank and the controlling shareholders shall not pay salaries on behalf of the Bank.

Senior management members of the Bank are subject to the approval of appointment qualifications by the banking regulatory institution of the State Council, or shall be reported as required by laws, regulations and regulatory provisions. The specific scope of personnel to whom such provisions apply shall be determined in accordance with the administrative approval provisions of the banking regulatory institution of the State Council.

Article 170 President shall be responsible to the Board of Directors and shall perform the following functions and powers:

- (1) to preside over the operation and management of the Bank, organize the implementation of resolutions of the Board of Directors, and report his/her work to the Board of Directors;
- (2) to submit operation and investment plans of the Bank to the Board of Directors, and organize the implementation of the plans upon approval of the Board of Directors;
- (3) to draft schemes for setting up the Bank's internal management departments;
- (4) to draft basic management systems of the Bank;
- (5) to formulate specific rules of the Bank;
- (6) to propose to the Board of Directors to appoint or remove vice presidents and other senior management members of the Bank (except chief audit officer, the secretary to the Board of Directors and other persons not nominated by the president as specified by laws, regulations and regulatory provisions);
- (7) to determine to appoint or remove persons in charge of the internal functional departments and branches of the Bank other than those to be appointed or removed by the Board of Directors;
- (8) to authorize the senior management members of the Bank (except chief audit officer and the secretary to the Board of Directors) and persons in charge of internal functional departments and branches to conduct operation activities;

- (9) to establish president accountability system, and conduct evaluation of business performance over managers of business departments, managers of functional departments and heads of branches of the Bank;
- (10) to propose the convening of interim meetings of the Board of Directors;
- (11) to adopt emergency measures and promptly report to the banking regulatory institution of the State Council, relevant authorities, and the Board of Directors, in case any significant unexpected incident such as a run on the Bank happens to the Bank;
- (12) to exercise other functions and powers that should be exercised by the president according to laws, regulations, regulatory provisions, the Articles, and decisions of the Shareholders' Meeting and the Board of Directors.

Vice presidents and other senior management members of the Bank shall assist president with his/her work; where president is absent or is unable to exercise his/her functions and powers, such functions and powers shall be exercised by an officer designated by the Board of Directors on behalf of president in order.

Article 171 The chief audit officer shall be appointed or removed by the Board of Directors, and shall be responsible to, and report to, the Board of Directors and its Audit Committee, and report to the president. The functions and powers of chief audit officer shall be determined by the Board of Directors in accordance with the Articles. If necessary, the chief audit officer may report material problems to the banking regulatory institution of the State Council.

Article 172 President who is not a director may attend meetings of the Board of Directors as a non-voting attendee.

Article 173 President shall establish and improve internal control mechanism focusing on internal rules and systems as well as operational risk control system according to the needs of the Bank's operation.

Article 174 President shall regularly report to the Board of Directors on business performance, significant contracts, financial position, risk status and business prospects of the Bank in a timely, authentic, accurate and integral manner, and shall answer inquiries from the Board of Directors and special committees of the Board of Directors.

Article 175 President may, if necessary, hold a president work meeting when performing his/her duties and powers. Other senior management members of the Bank may propose to hold such meeting. When president is absent or is unable to perform his/her functions and powers, the officer acting on president's behalf may decide to hold a president work meeting.

Article 176 President work meeting shall be attended by president, vice presidents, chief financial officer, chief risk officer, chief compliance officer, chief information officer, chief audit officer and other senior management members of the Bank appointed by the Board of Directors.

Article 177 President shall formulate the terms of reference of the president and implement such rules after being approved by the Board of Directors.

Article 178 The operational and management activities conducted by president within his/her functions and powers shall not be intervened.

Article 179 The Board of Directors shall discuss and decide on matters submitted by president for approval in a timely manner.

Article 180 Main duties and powers of the secretary to the Board of Directors shall include the following:

- (1) to assist directors in handling the daily operations of the Board of Directors;
- (2) to prepare for shareholders' meetings and meetings of the Board of Directors, safekeep documents, and manage the Bank's shareholder information;
- (3) to organize and coordinate information disclosure;
- (4) to organize and coordinate investor relations management;
- (5) other duties stipulated by laws, regulations, regulatory provisions and the Articles.

Article 181 The senior management members of the Bank shall have professional ethics, comply with the high-standard code of professional ethics, perform their obligations with faithfulness and diligence, fulfill their duties in good faith, diligently and prudently, and guarantee sufficient time and efforts to perform their duties, and shall not fail to perform their duties or perform their duties beyond their authority according to laws, regulations and regulatory provisions as well as the Articles. The provisions concerning the duties of loyalty and diligence of the directors specified under the Articles shall also apply to the senior management members.

Senior management members shall be held compensation liability in accordance with the law for any damage caused to the interests of the Bank and public shareholders as a result of their failure to perform their duties faithfully or the breach of duty of good faith.

The Bank shall be liable for any damage caused to others by a senior management member in the performance of his/her duties at the Bank. The senior management member shall also be held compensation liability for any intentional or gross negligence.

Senior management members shall be held compensation liability for any losses incurred by the Bank due to their violations of laws, regulations and regulatory provisions or the Articles in the performance of their duties at the Bank.

Article 182 The Bank may establish necessary liability insurance system for senior management members of the Bank to reduce possible risks arising from normal performance of duties and powers of the senior management members of the Bank.

Article 183 The senior management members who intend to resign shall submit a written resignation report to the Bank and fulfill the necessary resignation review procedures.

The provisions concerning the departure of the directors specified under Chapter 7 of the Articles shall also apply to the senior management members.

Chapter 9 Financial and Accounting Rules, Profits Distribution, Audit and Internal Control

Article 184 The Bank shall formulate its financial accounting system and internal audit system in accordance with laws, regulations, regulatory provisions of the State, Chinese Accounting Standards issued by competent financial authority of the State Council, and relevant provisions of the banking regulatory institution of the State Council.

Article 185 The accounting year of the Bank shall be the calendar year, beginning from January 1 and ending on December 31 of the calendar year.

Article 186 The financial report of the Bank shall contain the following contents:

- (1) balance sheet;
- (2) profit and loss statement;
- (3) cash flow statement;
- (4) statement of change in shareholders' equity;
- (5) notes to the financial statements.

Article 187 The Board of Directors of the Bank shall submit to the annual shareholders' meeting the financial report prepared by the Bank as required by applicable laws, regulations, regulatory provisions and documents issued by relevant competent authorities.

Article 188 The Bank shall make financial report available at the Bank for examination by its shareholders twenty (20) days prior to the date of the annual shareholders' meeting.

Article 189 The Bank shall prepare its financial statements in accordance with the accounting standards required by securities regulatory authorities in the places where shares of the Bank are listed, laws, regulations and regulatory provisions. In case there are major differences between the financial statements prepared in accordance with the two (2) accounting standards, they should be indicated clearly in the notes to the financial statements. When distributing the after-tax profit for the relevant accounting year, the Bank shall adopt the one with lower after-tax profit in the aforesaid two (2) financial statements.

Article 190 From the date when the Bank's domestic listed shares are listed on the domestic stock exchange, the Bank shall submit and disclose its financial and accounting reports in accordance with laws, regulations and regulatory provisions.

Article 191 The Bank shall not have any books of accounts in addition to its statutory ones. No fund of the Bank may be deposited into an account opened in the name of any individual.

Article 192 The Bank shall set aside provisions for impairment of various assets in accordance with relevant regulations of the State and accounting standards required by the securities regulatory authorities in the places where shares of the Bank are listed, to accurately reflect the true values of assets.

Article 193 The after-tax profit of the Bank shall be distributed in the following order of priority:

- (1) to make up for previous year's losses;
- (2) to set aside ten percent (10%) to statutory reserve;
- (3) to set aside general reserve;
- (4) to set aside discretionary reserve;
- (5) to pay dividends to shareholders.

No further allocation may be required when the accumulated amount of the statutory reserve of the Bank reaches fifty percent (50%) or more of its registered capital. The Shareholders' Meeting shall decide on whether to set aside discretionary reserve after setting aside statutory reserve and general reserve.

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

Dividend on the preference shares shall be paid in accordance with laws, regulations and regulatory provisions as well as the Articles.

Article 194 The Bank shall not distribute its dividends or apply other distribution in the form of dividends before making up for losses and setting aside statutory reserve and general reserve.

If the Bank distributes profits to its shareholders in violation of the preceding paragraph, the shareholder shall return the profits distributed in violation of the provisions to the Bank. The shareholders, as well as the responsible directors and senior management members, shall be held compensation liability for losses incurred by the Bank.

Article 195 The capital reserve shall include the following items:

- (1) the premium gained from share issuance in excess of the par value;
- (2) other income that shall be included into the capital reserve as required by the competent financial authority of the State Council.

Article 196 The reserve of the Bank may be used for making up for losses, expanding the scale of operation or increasing the registered capital of the Bank. If the Bank needs to use its reserve to make up for losses, it shall first utilize the discretionary reserve and statutory reserve. If these are insufficient, the capital reserve may be used in accordance with the relevant provisions. Where the reserve of the Bank is converted into share capital according to a resolution of the Shareholders' Meeting, the Bank shall distribute new shares to its shareholders in proportion to their respective existing shareholdings or increase the par value per share, provided that where the statutory reserve is converted to the increased registered capital, the balance of such reserve shall not fall below twenty-five percent (25%) of the Bank's registered capital before conversion.

Article 197 The Bank may distribute dividends in the form of:

- (1) cash;
- (2) shares;
- (3) a combination of cash and shares.

The profit distribution of the Bank shall take into account reasonable return on investment of shareholders. The profit distribution policy of the Bank shall maintain continuous and stable as well as achieve long-term benefit of the Bank, benefit of the shareholders of the Bank as a whole, and the sustainable development of the Bank. When formulating a prudential profit distribution plan, the Bank shall meet the requirements of the Bank's capital adequacy ratio in the current and subsequent reasonable stages, and take its development needs into full account. The Bank shall distribute dividends with a preference in cash. Where the circumstances permit, the Bank may distribute interim dividends.

Unless under special circumstances, the Bank shall distribute dividends in cash if it profits in that year and has positive accumulative undistributed profits. The profits distributed in cash by the Bank in a year shall be no less than ten percent (10%) of the net profit of the Group in the same year attributable to the shareholders of the Bank. The aforementioned special circumstances include: (i) general provisions or the capital adequacy ratio of the Bank does not meet the requirements of the regulatory authorities including the banking regulatory institution of the State Council; (ii) the regulatory authorities including the banking regulatory institution of the State Council adopt regulatory measures to restrain the dividend distribution of the Bank; (iii) other circumstances that laws, regulations and regulatory provisions consider to be inappropriate to distribute dividends.

If there are material changes in the regulatory policies, or changes in the external business environment which materially influence the business operation of the Bank, or major changes in the business operation status of the Bank, the Bank may make adjustments to its profit distribution policy. When adjusting the profit distribution policy, the Board of Directors shall conduct a specific discussion to verify the reasons to make the adjustments and prepare a written report. Independent directors shall express their views, and the matter shall be approved by special resolutions in the Shareholders' Meeting. The Bank shall provide online voting channels for the shareholders when discussing and approving the adjustments to the profit distribution policy, pay heed to the opinions of minority shareholders, and reply to the concerns of minority shareholders in a timely manner.

Article 198 The dividends and other amount paid by the Bank to holders of domestic listed shares shall be priced and announced in RMB, and paid in RMB; the dividends and other amount paid by the Bank to holders of overseas listed shares shall be priced and announced in RMB and paid in RMB or foreign currency.

After a shareholders' meeting of the Bank makes resolutions on profit distribution plan and conversion of reserve to share capital plan, the Bank shall pay the dividends or convert the reserve within two (2) months after the end of the shareholders' meeting.

The foreign currency paid by the Bank to holders of overseas listed shares shall be handled according to relevant regulations of China on foreign exchange management.

The Bank shall withhold and pay the tax payable on dividend income for shareholders in accordance with Chinese tax law.

Article 199 The Bank shall appoint an agent to receive payment for holders of overseas listed shares. The agent shall, on behalf of the shareholders concerned, receive dividends distributed to overseas listed shares and other payments from the Bank.

The agent appointed by the Bank shall meet the requirements of relevant provisions of the securities regulatory authorities in the places where shares of the Bank are listed. The agent appointed by the Bank for holders of shares listed in Hong Kong shall be a trust company registered in accordance with the *Trustee Ordinance* of Hong Kong.

For dividends not claimed by anyone, the Bank may exercise the right to retrieve such unclaimed dividend under the pre-condition of abiding by applicable laws, regulations and regulatory provisions of China, but the right shall only be exercised after the expiration of the applicable limitation period.

The Bank shall have the right to terminate sending dividend warrant 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 (2) consecutive times. The Bank may exercise the right if a dividend warrant fails to reach the recipient in the first mailing and is returned.

The Bank shall have the right to sell the shares of holders of overseas listed shares with whom the Bank could not contact in a way deemed appropriate by the Board of Directors, provided the following conditions are met:

- (1) the Bank has distributed dividends to the shares at least three (3) times within twelve (12) years, and the dividends are not claimed by anyone during the period;
- (2) the Bank has published announcements in one (1) or more local newspapers in the places where shares of the Bank are listed after the expiration of the twelve (12)-year period, stating its intention to sell the shares, and informed the securities regulatory authorities in the places where shares of the Bank are listed.

Article 200 The Bank shall establish a comprehensive risk management system that covers all the business processes and operations and matches the Bank's risk profile.

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

The Bank shall develop internal audit policies and set up an independent internal audit department equipped with sufficient and qualified audit personnel, who shall conduct audit over the Bank's business operation, risk management and internal control, improving corporate governance. The internal audit policies of the Bank shall be implemented after approval by the Board of Directors and shall be disclosed to the public.

Article 201 Internal audit department shall be supervised and guided by the Audit Committee. The internal audit department and its head shall be responsible and report to the Board of Directors; subordinate internal audit department shall be responsible and report to superior internal audit department, and may inform the operation and management department of corresponding level of relevant audit information; when the internal audit department encounters material problems, it may report to the banking regulatory institution of the State Council if necessary.

Article 202 The senior management members of the Bank shall ensure and support the implementation of the Bank's internal audit system and the performance of duties and powers by the audit personnel. Operation management departments of various levels shall provide, in a timely manner, the internal audit department with materials and information concerning the financial position, risk status and internal control of the Bank that are required for conducting internal audit, and shall not intervene in, hinder or impede any audit activity conducted by the internal audit department within its duties and powers.

Chapter 10 Engagement of Accounting Firm

Article 203 The Bank shall, based on relevant regulations of the State and the market-oriented principle, engage independent accounting firms to audit annual financial reports and to review other financial reports of the Bank.

Article 204 The Shareholders' Meeting may decide to remove an accounting firm by adopting ordinary resolution before the expiration of the term of office of the accounting firm, regardless of the terms and conditions of the contract between the accounting firm and the Bank. If the accounting firm concerned has the right to make claim to the Bank due to its removal, such right shall not be affected.

Article 205 The remuneration of the accounting firm or the method of determining the remuneration shall be decided by the Shareholders' Meeting.

Article 206 The Bank's decision on engagement or removal of the accounting firm shall be made by the Shareholders' Meeting.

Article 207 If the Bank decides to remove or not to re-engage an accounting firm, it shall notify the latter in advance. The accounting firm shall have right to state its opinions to the shareholders' meeting. If the accounting firm offers to resign, it shall make a statement to the shareholders' meeting about whether the Bank is involved in any inappropriate circumstance.

Chapter 11 Information Disclosure

Article 208 The Bank shall set up an information disclosure system according to laws, regulations and regulatory provisions as well as the Articles.

Article 209 The Board of Directors shall be responsible for the information disclosure of the Bank.

Article 210 The Bank shall disclose information in a standard way by following the principles of authenticity, accuracy, completeness and timeliness.

If the Bank defers or is exempted from disclosing information, it must comply with laws, regulations and regulatory provisions.

Article 211 The information disclosure of the Bank shall embody the principle of treating all shareholders on an open, fair and equal basis.

Article 212 The insiders of the Bank and other relevant information insiders shall have the liability of keeping undisclosed information confidential.

Chapter 12 Employment and Human Resources

Article 213 The Bank shall abide by laws, regulations and regulatory provisions of the State on labor and personnel, labor protection and labor insurance.

Article 214 According to relevant provisions of the State, the Bank shall have the right to decide on the requirements and number of employees to be recruited, recruitment time and methods, and mode of employment.

Article 215 The Bank shall establish a scientific and reasonable remuneration management system that aligns with its development strategy, risk management, overall benefits, post responsibilities, social responsibility, and corporate culture. The Bank shall develop a system for deferred payment and clawback of performance-based remuneration.

The Bank shall enter into a labor contract with each employee according to the need of operation and management, adopt a system of engagement for the management and professional personnel, set up a remuneration system that has effective incentive and restraining effects, and reasonably determine the remuneration level of staff.

Article 216 The Bank may recruit management personnel, technical professionals and other personnel on its own discretion according to the regulations of the State.

Article 217 The Bank shall apply an enterprise annuity system, and the specific measures shall be formulated by the Board of Directors.

Article 218 The Bank shall, according to laws, formulate its internal rules on rewards for and punishments of its employees, under which, the employees who have made outstanding contributions shall be rewarded and those who violate rules and regulations shall be subject to disciplinary actions.

Article 219 When the Bank is deciding on issues related to employees' interest such as employees' salary, welfare benefits, labor protection and labor insurance, it shall solicit opinions of its employees, seek the labor union's consideration, and invite labor union or employee representatives to attend relevant meetings as non-voting attendees at the same time.

Article 220 When the Bank is deciding on major issues of dissolution, filing for bankruptcy and operation or formulating important systems and rules, it shall solicit opinions and suggestions of labor union and employees of the Bank.

Article 221 Any labor dispute between the Bank and its employees shall be settled according to the regulations of the State on labor dispute.

Chapter 13 Merger and Division

Article 222 The Bank may take merger or division actions according to laws. The merger and division of the Bank shall be handled in accordance with the Company Law and the Commercial Banking Law.

Article 223 For a merger or division of the Bank, the Board of Directors shall put forward a proposal, and the formalities for approval shall be handled according to laws after the proposal is adopted according to procedures specified herein. The shareholders who oppose the Bank's merger or division plans have the right to require the Bank to purchase their shares at a reasonable price.

Article 224 The merger of the Bank may take the form of either merger by absorption or merger by new establishment.

In the case of a merger of the Bank, the parties to the merger shall enter into a merger agreement and prepare a balance sheet and an inventory of property. The Bank shall inform its creditors of the intended merger within ten (10) days following the date on which the merger resolution is adopted, and make an announcement in newspaper or on the National Enterprise Credit Information Publicity System within thirty (30) days. The creditors may require the Bank to discharge the debts or provide security within thirty (30) days upon receipt of the notice or within forty-five (45) days from the date on which the announcement is made if there is no receipt of the notice.

After the merger of the Bank, the claims and debts of the parties to the merger shall be assumed by the surviving entity or the newly established entity.

Article 225 Where the Bank proceeds into a division, its assets shall be divided accordingly.

In the case of a division of the Bank, the parties to the division shall enter into a division agreement and prepare a balance sheet and an inventory of property. The Bank shall inform its creditors of the intended division within ten (10) days following the date on which the division resolution is adopted, and make an announcement in newspaper or on the National Enterprise Credit Information Publicity System within thirty (30) days.

The entity established as a result of the Bank's division shall be severally and jointly liable for the debts owed by the Bank before the division, unless otherwise stated in a written agreement made between the Bank and its creditors prior to the division in respect of discharge of obligations.

Article 226 Where a merger or division of the Bank involves changes in registered items, such changes shall be registered according to laws with the company registration authority. If the Bank is dissolved, cancellation of registration of the Bank shall be carried out according to laws; where a new company is incorporated, the registration of the incorporation of the company shall be carried out according to laws.

Chapter 14 Dissolution and Liquidation

Article 227 The Bank shall be dissolved and liquidated according to laws, if:

- (1) the Shareholders' Meeting has resolved to do so;
- (2) it is required as a result of the merger or division of the Bank;
- (3) if the Bank is experiencing serious difficulties in operation and management, and its continued existence will result in significant losses to the interests of shareholders and the ongoing tough situation cannot be resolved by other means, the people's court shall dissolve the Bank on the basis of a petition for dissolution submitted by the shareholders holding ten percent (10%) or more of the total number of the Bank's issued and outstanding shares with voting rights;
- (4) its business license has been revoked, or it is ordered to close down or to be revoked according to the law.

Dissolution of the Bank shall only be effective after it has been reported to, and approved by, the banking regulatory institution of the State Council.

Article 228 In the case of dissolution of the Bank under items (1) and (3) of paragraph 1 of Article 227, a liquidation committee shall be formed within fifteen (15) days after the approval of the banking regulatory institution of the State Council. The members of the liquidation committee shall be determined by the Shareholders' Meeting through ordinary resolution.

In the case of dissolution of the Bank under item (4) of paragraph 1 of Article 227, the banking regulatory institution of the State Council shall organize the shareholders, relevant departments and professionals to form a liquidation committee to carry out liquidation.

Article 229 The liquidation committee shall make registration of claims, and shall inform creditors within ten (10) days following its establishment, and make an announcement in newspaper or on the National Enterprise Credit Information Publicity System within sixty (60) days. The creditors shall declare their claims to the liquidation committee within thirty (30) days from the date of receipt of the notice or, within forty-five (45) days from the date of the first public announcement for those who have not received the notice. The creditors shall explain 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.

Article 230 The liquidation committee shall exercise the following functions and powers during the period of liquidation:

- (1) to liquidate the Bank's property and prepare a balance sheet and an inventory of property;

- (2) to inform creditors by notice or public announcement;
- (3) to deal with liquidation-related unsettled businesses of the Bank;
- (4) to pay the Bank's outstanding taxes and taxes incurred in the liquidation process;
- (5) to settle claims and debts of the Bank;
- (6) to distribute the Bank's remaining property after the payment of the Bank's debts;
- (7) to participate in civil proceedings on behalf of the Bank.

Article 231 After the liquidation committee liquidates the Bank's property and prepared a balance sheet and an inventory of property, it shall prepare a liquidation plan and submit it to the Shareholders' Meeting, people's court and banking regulatory institution of the State Council for confirmation.

The property of the Bank shall be liquidated in the following order:

- (1) payment of liquidation expenses;
- (2) payment of employees' salary, social labor insurance premiums and statutory compensation;
- (3) payment of principal and interest of individual deposits;
- (4) payment of outstanding taxes;
- (5) payment of other debts of the Bank.

The remaining property of the Bank after the liquidation according to the preceding paragraph shall be distributed according to the classes and proportion of shares held by shareholders.

The Bank shall not engage in any new business during liquidation.

Article 232 In case of liquidation as a result of dissolution of the Bank, if the liquidation committee of the Bank, after liquidating the Bank's property and preparing a balance sheet and inventory of property, discovers that the Bank's property is insufficient to pay off its debts, the committee shall, after the approval of banking regulatory institution of the State Council, apply to the people's court for bankruptcy and liquidation.

Upon the application for bankruptcy of the Bank is accepted by the people's court, the liquidation committee shall hand over liquidation matters to the bankruptcy administrator designated by the people's court.

Upon the completion of liquidation, the liquidation committee shall prepare a liquidation report, submit the report to the Shareholders' Meeting, people's court, and banking regulatory institution of the State Council for confirmation, and send the above-mentioned document to the company registration authority for deregistration.

Chapter 15 Amendments to the Articles of Association

Article 233 In case of the following circumstances, the Bank shall amend the Articles:

- (1) after the amendment of the Company Law, the Commercial Banking Law or applicable laws, regulations and regulatory provisions, the matters specified in the Articles conflict with the amended laws, regulations and regulatory provisions;
- (2) the situation of the Bank is inconsistent with the matters specified in the Articles due to the change in the Bank's situation;
- (3) the Shareholders' Meeting decides to amend the Articles.

Prior to the amendments of the Articles, the Bank shall comply with the mandatory requirements of laws, regulations and regulatory provisions.

Article 234 Any amendment made by the Shareholders' Meeting to the Articles shall be approved by the banking regulatory institution of the State Council as per the relevant provisions. The Bank shall go through the registration of change according to laws where items requiring registration are involved in the amendments to the Articles.

Chapter 16 Dispute Resolution

Article 235 If any dispute or claim concerning the Bank's business on the basis of the rights and obligations provided in the Articles or in the Company Law or other relevant laws, regulations and regulatory provisions arises between a holder of overseas listed shares and the Bank, between a holder of overseas listed shares and a director or a senior management member of the Bank or between a holder of overseas listed shares and a holder of domestic listed shares, the parties concerned shall submit the dispute or claim to arbitration.

When a dispute or claim as described above is submitted to arbitration, such dispute or claim shall be in its entirety, and all parties (being the Bank or the shareholders, directors or senior management members of the Bank) that have a cause of action due to the same facts or whose participation is necessary for the settlement of such dispute or claim shall be subject to the arbitration.

Disputes concerning the identity of shareholders and the register of shareholders may not be settled by means of arbitration.

Article 236 A dispute or claim submitted to arbitration may be arbitrated, at the option of the arbitration applicant, by either China International Economic and Trade Arbitration Commission in accordance with its arbitration rules or Hong Kong International Arbitration Centre in accordance with its securities arbitration rules. After the arbitration applicant submits the dispute or claim to arbitration, the arbitration shall be carried out in the arbitration institution selected by the applicant.

If the arbitration applicant opts for arbitration by the Hong Kong International Arbitration Centre, either party may request arbitration to be conducted in Shenzhen in accordance with the securities arbitration rules of Hong Kong International Arbitration Centre.

Article 237 Unless otherwise provided by laws, regulations and regulatory provisions, laws of the PRC shall apply to the settlement by means of arbitration of disputes or claims referred to in Article 235.

Article 238 The awards of the arbitration institutions shall be final and binding upon each party.

Chapter 17 Notice

Article 239 The notice, communications or other written documents of the Bank (including but not limited to annual reports, interim reports, quarterly reports, meeting notices, listing documents, shareholder circulars, proxy forms and interim announcements) may be sent in one or more of the following ways:

- (1) by designated persons;
- (2) by postal mail or express mail;
- (3) by fax or email;
- (4) by releasing at the website of the Bank and websites designated by the securities regulatory authorities in the places where the Bank's shares are listed provided that it is in compliance with applicable laws, regulations and regulatory provisions;
- (5) by announcement in newspaper and other designated media;
- (6) by other means agreed by the Bank and the recipient in advance or other means accepted by the recipient after he/she receives the notice;
- (7) by other means accepted by the securities regulatory authorities in the places where the Bank's shares are listed or stipulated by the Articles.

The Bank may release its communications as set out in item (4) of paragraph 1 in this Article instead of sending written documents to each holder owning overseas listed shares by designated persons or by pre-paid mail provided that it is in compliance with relevant regulations of the securities regulatory authorities in the places where the Bank's shares are listed.

Article 240 If the notice is delivered by mail, the notice shall be placed in an envelope with the address stated and postage paid, and the notice shall be deemed as having been delivered once the envelope containing the notice is put into the mailbox, and shall be deemed as having been received forty-eight (48) hours after the delivery.

Chapter 18 Special Provisions on Preference Shares

Article 241 Unless otherwise specified in applicable laws, regulations, regulatory provisions and this Chapter, rights and obligations of the preference shareholders and management of the preference shares shall be consistent with pertinent regulations of the Articles on ordinary shares.

Article 242 Preference shares issued by the Bank shall not exceed fifty percent (50%) of the Bank's total ordinary shares, and proceeds from issuance of preference shares shall not exceed fifty percent (50%) of the Bank's net asset prior to the issuance. Preference shares that have been repurchased or converted into ordinary shares shall not be included into the scope of preference shares during calculation.

Article 243 Pursuant to the capital regulation rules, the Bank shall set down the conditions in which preference shares will be forced to be converted into ordinary shares, i.e. when the trigger event occurs, the Bank will convert preference shares into ordinary shares based on the conversion price and quantity specified during issuance of the preference shares. In case that the circumstance of converting preference shares into ordinary shares occurs, the Bank shall report it to the banking regulatory institution of the State Council for approval and decision.

Article 244 Preference shares issued by the Bank shall not be sold back. The Bank has the right to redeem all or part of its preference shares at least five (5) years after conclusion of the issuance on the condition that it obtains approval of the banking regulatory institution of the State Council and meets the pertinent requirements. The redemption period of preference shares shall start on the starting date of redemption specified when the preference shares are issued and end on the date that all of the preference shares are redeemed or converted into ordinary shares.

The Bank's exercise of the redemption rights over preference shares shall meet one of the following conditions:

- (1) The Bank uses same or higher-quality capital tool to replace the redeemed preference shares, and can only implement replacement of the capital tools when its income capability is sustainable;
- (2) After exercise of the redemption rights, the Bank's capital level is still noticeably higher than the regulatory capital requirement of the banking regulatory institution of the State Council.

The redemption price of preference shares issued in the domestic market shall be the par value plus dividends payable but not yet distributed for the period.

The redemption price of preference shares issued in the overseas market shall be the issuance price plus dividends payable but not yet distributed for the period.

Article 245 The Bank's preference shareholders shall enjoy the following rights:

- (1) to participate in distribution of the dividend in preference to the ordinary shareholders;
- (2) to participate in distribution of the Bank's remaining property in preference to the ordinary shareholders when the Bank is liquidated;
- (3) to attend shareholders' meetings of the Bank with voting rights in case that circumstance specified in Article 247 of the Articles occurs;
- (4) to restore the voting rights based on manners specified in Article 248 of the Articles in case that circumstance specified in it occurs;
- (5) to bring forward advices or enquiries on the Bank's operating activities;
- (6) to review the Bank's Articles, register of shareholders, the counterfoils of bank bonds issued by the Bank, minutes of shareholders' meetings, resolutions of meetings of the Board of Directors, and financial accounting reports;
- (7) other rights the preference shareholders shall enjoy pursuant to laws, regulations and regulatory provisions as well as the Articles.

Article 246 In calculating the percentages of shares held during the following events, only the ordinary shares and the preference shares to which the voting rights have been restored are counted:

- (1) to request for convening of the extraordinary shareholders' meetings;
- (2) to convene and preside over shareholders' meetings;
- (3) to submit proposals or interim proposals to shareholders' meetings;
- (4) to propose candidates for directors of the Bank;
- (5) to identify the circumstances of being restricted from assuming as independent directors pursuant to Article 130 of the Articles;
- (6) to identify the list of top ten (10) shareholders by the number of shares held in the Bank, the number of shares held and the shareholders that hold five percent (5%) or more shares in the Bank pursuant to provisions of the Securities Law; and
- (7) other circumstance prescribed by laws, regulations and regulatory provisions as well as the Articles.

Article 247 Except in the following circumstances, the Bank's preference shareholders shall not attend the shareholders' meeting and the shares held by them do not have voting rights:

- (1) to amend contents of the Articles that are relevant to preference shares;
- (2) to reduce the Bank's registered capital by more than ten percent (10%) in a one-off or cumulative manner;
- (3) to merge, divide, dissolve or change the corporate form of the Bank;
- (4) to issue preference shares;
- (5) other circumstance given in the Articles that is related to change or revocation of rights of the preference shareholders.

In any of the above-mentioned circumstances, the preference shareholders shall be informed of convening of a shareholders' meeting in accordance with the procedures given in the Articles on issuing notice to the ordinary shareholders. Preference shareholders shall be separated from ordinary shareholders in voting on the above-mentioned matters, and shall enjoy one (1) vote for every preference share held. Nonetheless, preference shares of the Bank held by the Bank shall not enjoy the voting rights.

Resolutions on the above-mentioned matters shall be approved by two thirds (2/3) or more of the voting shares represented by the preference shareholders attending the meeting (excluding the preference shareholders with restored voting rights) in addition to being approved by two thirds (2/3) or more of the voting rights represented by the ordinary shareholders attending the meeting (including the preference shareholders with restored voting rights). In the event the Bank convenes a shareholders' meeting for matters in relation to the issuance of preference shares, it shall provide online voting channel for the holders of domestic listed shares (including preference shareholders with restored voting rights).

Article 248 In case that the Bank fails to pay out dividend on the preference shares according to provisions for cumulatively three (3) accounting years or two (2) consecutive accounting years, the preference shareholders shall have the right to attend a shareholders' meeting and vote together with the ordinary shareholders on the next day after the shareholders' meeting approves not to distribute profit for the year in accordance with provisions. For the holders of non-accumulative preference shares, their voting rights shall be restored until the Bank pays out dividend for the year in full.

Voting rights to be exercised by preference shareholders are calculated according to the following manner:

Ordinary share voting rights of the overseas preference shares with restored of voting rights are calculated according to the following manner:

$R^* = W^*/E^* \times \text{conversion exchange rate}$, wherein the shares with restored of voting right shall be rounded down to integral times of one.

Wherein, R^* represents the number of overseas preference shares held by every overseas preference shareholder and being restored of the voting rights for overseas listed ordinary shares; W^* represents the value of overseas preference shares held by every overseas preference shareholder; the conversion price E^* represents the average price of the Bank's overseas listed ordinary shares during the twenty (20) trading days prior to announcement of the Board of Directors' resolutions on reviewing and approving the overseas preference share issuance plan; and the conversion exchange rate shall be based on the middle price of RMB exchange rate announced by the China Foreign Exchange Trade System one (1) trading day prior to announcement of the Board of Directors' resolution on reviewing and approving the overseas preference share issuance plan for the Hong Kong dollar and currency of the overseas preference shares.

Ordinary share voting rights enjoyed by domestic preference shares with restored of the voting right are calculated as follows:

$R = W/E$, wherein the shares with restored of voting rights shall be rounded down to integral times of one.

Wherein, R represents the number of domestic preference shares held by every domestic preference shareholder and being restored of the voting rights for domestic listed ordinary shares; W represents the value of domestic preference shares held by every domestic preference shareholder; and the conversion price E represents the average price of the Bank's domestic listed ordinary shares during the twenty (20) trading days prior to announcement of the Board of Directors' resolutions on reviewing and approving the domestic preference share issuance plan.

In case that the Articles provide other special restrictions on the shareholders' voting rights, the special restrictions shall prevail.

Article 249 Yield rate of the outstanding preference shares issued by the Bank may be adjusted by stages. The dividend yield equates to the benchmark interest rate plus a fixed interest margin. In other words, the dividend yield remains consistent during a certain period after the preference shares are issued. After that, the benchmark interest rate is adjusted once every period of time, and the dividend yield keeps consistent during every adjustment cycle.

Preference shareholders take precedence over ordinary shareholders in participating in the Bank's profit distribution pursuant to the given dividend yield and profit distribution clauses. The Bank pays out dividend to preference shareholders in the form of cash, and is prohibited from distributing profit to ordinary shareholders pursuant to Article 193 of the Articles before announcing the prescribed dividend for preference shares and withdrawing the discretionary reserve pursuant to resolutions of the Shareholders' Meeting.

Holders of preference shares issued by the Bank to replenish the tier-1 capital shall not participate in distribution of the Bank's remaining profit together with ordinary shareholders after participating in the dividend distribution based on the prescribed dividend yield. Pursuant to the capital regulatory regulations for commercial banks, the Bank has the right to cancel or partly cancel the payment of dividend on preference shares and this won't constitute any default. Dividend that the Bank fails to pay to the preference shareholders in full are not accumulated in the next accrual year.

Article 250 In case that the Bank is liquidated due to dissolution or bankruptcy, the Bank's remaining property after being liquidated pursuant to the laws, regulations and the Articles shall be first used to pay the principal of and the dividends payable but not yet distributed and outstanding preference shares. In case that the Bank's remaining property is inadequate to pay the above-mentioned principal and dividend, the domestic and overseas preference shareholders shall be paid out in proportions.

Chapter 19 Interpretation

Article 251 The following terms in the Articles shall have the following meanings unless otherwise specified:

“issued and outstanding shares”	refer to shares that the Bank has issued to the public. The shares of the Bank herein are all issued and outstanding shares.
“related parties”	refer to natural persons, legal persons or other organizations that constitute related parties of the Bank in accordance with relevant provisions of the securities regulatory authorities in the places where the Bank's shares are listed and the banking regulatory institution of the State Council of the place where the Bank is located. State-controlled enterprises are not related to each other only because they are under common control by the State.
“domestic listed shares”	refer to ordinary shares issued by the Bank and listed on a domestic stock exchange.
“overseas listed shares”	refer to ordinary shares issued by the Bank and listed on an overseas stock exchange.
“recognized clearing house”	refers to the recognized clearing house as defined in the <i>Securities and Futures Ordinance</i> (Chapter 571 of the Laws of Hong Kong).
“controlling shareholder”	refers to a shareholder who holds more than fifty percent (50%) of the total share capital of the Bank, or a shareholder who, despite its shareholding being less than fifty percent (50%), has sufficient voting rights carried on its shareholding to exert significant impact on the resolutions of the Shareholders' Meeting.

“ordinary shares”	refer to shares which have ordinary rights with respect to the Bank’s operation and management as well as distribution of the Bank’s profit and property. Holders of such shares shall have the right to enjoy the Bank’s surplus distribution with unfixed dividend after the Bank makes up for losses, sets aside reserve, and general reserve and pays dividends of preference shares. After the liquidation of the Bank, holders of ordinary shares shall acquire the Bank’s remaining property following holders of preference shares. Holders of ordinary shares shall have right to attend or entrust a proxy to attend the shareholders’ meetings and exercise voting rights with one share having equal voting right. “Ordinary share” is generally opposite to “preference share”.
“RMB”	refers to the lawful currency of the PRC.
“on-site meeting”	refers to a meeting convened by such means as on site, video or telephone to ensure the real-time communication and discussion by the attendees.
“acting in concert”	refers to the act or fact that an investor, through agreements or other arrangements, expands the number of voting rights of a company’s shares that he/she can control jointly with other investors. An investor who has agreed to act in concert is a party acting in concert.
“major related party transaction”	refers to related party transactions that need to be submitted to the Board of Directors or the Shareholders’ Meeting for consideration in accordance with relevant provisions of the securities regulatory authorities in the places where the Bank’s shares are listed and the banking regulatory institution of the State Council of the place where the Bank is located.
“substantial shareholders”	refer to shareholders who hold or control five percent (5%) or more of the shares or voting rights of the Bank or who hold less than five percent (5%) of total shares of the Bank but have a significant impact on the business management of the Bank. For the purpose of this paragraph, “significant impact” includes but is not limited to dispatching directors or senior management members to the Bank, affecting the financial and business management decision-making of the Bank via agreements or by other means, and other circumstances identified by the banking regulatory institution of the State Council.
“PRC” or “China”	refers to the People’s Republic of China.

Chapter 20 Supplementary Provisions

Article 252 The Bank shall formulate the Procedural Rules for the Shareholders' Meeting and the Board of Directors as well as terms of reference for special committees of the Board of Directors in accordance with the Articles, which shall not conflict with any provision in the Articles.

Article 253 Matters not covered in the Articles and relevant corporate governance documents of the Bank shall be handled in accordance with relevant Chinese laws, regulations and regulatory provisions taking into account the actual situation of the Bank.

Article 254 The official version of the Articles shall be written in simplified Chinese. Should there be any inconsistency between different language versions, the latest Chinese version of the Articles approved by the banking regulatory institution of the State Council shall prevail.

Article 255 In the Articles, the terms "... or more (以上)", "within" and "... or less (以下)" shall include the given figures, and the terms "less than", "other than", "exceed", "before" and "more than" shall not include the given figures.

Article 256 The Board of Directors of the Bank shall be responsible for the interpretation of the Articles.

** Important Note:* The above is an English translation of the Chinese version of the Articles of Association of China Construction Bank Corporation. In case of any discrepancies or inconsistencies, the Chinese version shall prevail.