

Industrial and Commercial Bank of China

Rules of Procedures for the Board of Directors

May 25, 2009

Revised at the Annual General Meeting for the Year 2008 of the
Industrial and Commercial Bank of China Limited

**The English version is for reference only. Should there be any inconsistency
between the English and Chinese versions, the latter shall prevail.**

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Rules of Procedures for the Board of Directors of Industrial and Commercial Bank of China Limited

Chapter I General Provisions

Article 1 In order to ensure the Board of Directors of the Industrial and Commercial Bank of China (“the Bank”) exercise powers independently and effectively in accordance with laws and regulations, guarantee the efficient and standard operation and scientific decision-making of the Board, and improve the Bank’s governance structure, the Rules is hereby formulated pursuant to the *Company Law of the People’s Republic of China* (the “Company Law”), the *Securities Law of the People’s Republic of China* (the “Securities Law”), the *Law of the People’s Republic of China on Commercial Banks*, the *Articles of Association of the Industrial and Commercial Bank of China Limited* (the “Articles of Association of the Bank”) and other pertinent laws, administrative regulations and codes, taking into account the Bank’s conditions.

Article 2 The Board of Directors shall report to the Shareholders’ General Meeting. The Board meeting is a major method adopted by the Board to discuss official business.

Attending the Board meeting is a basic way for directors to perform their responsibilities.

Chapter II Composition and Power of the Board of Directors

Article 3 The Board of Directors of the Bank is composed of five (5) to seventeen (17) directors, depending on the decision of the Shareholders’ General Meeting. Among the directors, independent directors shall be not less than three persons, and directors from the Senior Management shall not exceed one third of all directors.

Article 4 The Board of Directors has one Chairperson and one Vice Chairperson. The Chairman and the Vice Chairman shall be assumed by directors, and shall be elected or removed by more than half of the directors.

The Chairman of the Board of Directors and the President of the Bank shall be separate individuals. The Chairman should not concurrently hold the position of legal representative or chief responsible officer of the controlling shareholder.

Article 5 The Board of Directors of the Bank shall have Strategy Committee, Audit Committee, Risk Management Committee, Nomination Committee, Compensation Committee and Related Party Transactions Control Committee. The Board of Directors may set up other special committees and adjust the existing committees where necessary.

Article 6 The Strategy Committee shall exercise the following functions and duties:

- (1) examining plans for strategic development and making suggestions in that respect to the Board of Directors;
- (2) examining annual financial budgets and final accounts, making suggestions in that respect to the Board of Directors;
- (3) examining the strategic capital allocation (such as capital structure and capital adequacy ratio) and asset-liability management targets, making suggestions in that respect to the Board of Directors;
- (4) preparing plans for the overall development of different kinds of financial business, making suggestions in that respect to the Board of Directors;
- (5) examining plans for significant restructuring and adjustments, making suggestions in that respect to the Board of Directors;
- (6) being responsible for examining the making of significant investment and financing plans and proposals in that respect as submitted by the management, making suggestions in that respect to the Board of Directors;
- (7) being responsible for the examining the making of merger and acquisition plans, and proposals in that respect as submitted by the management, making suggestions in that respect to the board of directors;
- (8) examining the strategic development plans of domestic and overseas branches and offices, making suggestions in that respect to the Board of Directors;
- (9) examining plans for strategic human resources development, making suggestions in that respect to the Board of Directors;
- (10) examining plans for IT development and other special strategic development plans, making suggestions in that respect to the Board of Directors;
- (11) examining and assessing whether the corporate governance structure is sound so as to ensure that the financial reportg, risk management and

internal control of the Bank meet the Bank's standards for corporate governance;

- (12) other matters required by laws, administrative regulations, rules, relevant provisions of the securities regulatory authority of the locality where the shares of the Bank are listed, and as may be authorized by the Board of Directors.

Article 7 The Audit Committee shall exercise the following duties and powers:

- (1) supervising the Bank's internal control, reviewing the Bank's management rules and regulations and their implementation, and inspecting and evaluating the compliance and effectiveness of the Bank's significant business activities;
- (2) reviewing financial information of the Bank and its disclosure, reviewing the Bank's significant financial policies and their implementation, supervising financial operations, and monitoring the truthfulness of the Bank's financial reports and the effectiveness of the management's implementation of the Bank's financial reporting procedures;
- (3) inspecting, monitoring and assessing the performance of the Bank's internal audit functions, supervising the internal audit system and its implementation, and evaluating the work procedures and effectiveness of the internal audit departments;
- (4) proposing the engagement or replacement of the Bank's external auditors, adopting appropriate measures to supervise their performance, reviewing external auditors' reports, and ensuring external auditors bear responsibility for their audit work;
- (5) procuring that the Bank ensure the internal audit departments have sufficient resources for their operations and facilitating communications between the internal audit departments and the external auditors;
- (6) reporting its decisions and recommendations to the Board of Directors; and
- (7) other duties and powers designated under laws, administrative regulations, rules, relevant provisions of the securities regulatory authority of the locality where the shares of the Bank are listed, and as may be authorized by the Board of Directors.

Article 8 The Risk Management Committee shall exercise the following duties and powers:

- (1) examining and amending risk strategies, risk management policies, risk preference, overall risk management system and internal control procedures of the Bank, supervising and assessing the implementation and effectiveness thereof according to the overall strategy of the Bank and making suggestions in that respect to the Board of Directors;
- (2) supervising and assessing the establishment, organizational structure, working procedures and effects of the risk management department and making suggestions for improvement;
- (3) supervising and assessing the risk control by the senior management in respect of credit, market and operation, and making suggestions for improving the Bank's risk management and internal control;
- (4) conducting regular assessments on the risk management policies, risk preference and overall risk management status of the Bank, making suggestions in that respect to the Board of Directors;
- (5) examining and approving significant risk management affairs or transactions that are beyond the authority of the president or submitted by the president to the risk management committee for consideration, according to the authorization by the board of directors; and
- (6) other matters required by laws, administrative regulations, rules, relevant provisions of the securities regulatory authority of the locality where the shares of the Bank are listed, and as may be authorized by the Board of Directors.

Article 9 The Nomination Committee shall exercise the following duties and powers:

- (1) formulating standards and procedures for the election of directors and senior management personnel, and submitting the proposed procedures and standards to the Board of Directors for approval;
- (2) proposing to the Board of Directors the candidates for directors, president and the secretary of the Board of Directors;
- (3) examining the candidates for senior management personnel nominated by the president, making suggestions to the Board of Directors;
- (4) nominating the chairmen and members of special committees of the Board of Directors;
- (5) formulating development plans for senior management personnel and key reserve talents; and
- (6) other matters required by laws, administrative regulations, rules, relevant regulations of securities regulatory authorities of the locality where the

shares of the Bank are listed, and as may be authorized by the Board of Directors.

Article 10 The Compensation Committee shall exercise the following duties and powers:

- (1) formulating performance evaluation measures of directors and compensation plans for directors and supervisors (the compensation plans for supervisors shall be sent to the Board of Supervisors for comment), and submitting them to the Board of Directors for approval and then to the general meeting of shareholders for approval;
- (2) organizing performance evaluation on directors, proposing the distribution of compensation of directors, and submitting it to the general meeting of shareholders for resolution upon the approval of the Board of Directors;
- (3) according to the performance evaluation on supervisors conducted by the Board of Supervisors, proposing the distribution and compensation of supervisors, and submitting it to the general meeting of shareholders for resolution upon the approval of the Board of Directors;
- (4) formulating and examining evaluation measures and compensation plans for senior management personnel, evaluating the performances and acts of senior management personnel, and submitting them to the Board of Directors for approval, and then to the general meeting of shareholders if the matter falls within the authority of the general meeting of shareholders; and
- (5) other matters required by laws, administrative regulations, rules, relevant regulations of securities regulatory authority of the locality where the shares of the Bank are listed, and as may be authorized by the Board of Directors.

Article 11 The Related Party Transactions Control Committee shall exercise the following duties and powers:

- (1) formulating the basic policies of the related party transactions management and supervising the implementation of the same;
- (2) identifying and reporting to the Board of Directors and the Board of Supervisors the related parties of the Bank, and informing relevant staff of the Bank in a timely manner of the identified related parties;
- (3) approving related party transactions and other matters relevant to related party transactions as authorized by the Board of Directors, and accepting statistical and information for record on related party transactions;

- (4) conducting an examination on related party transactions which are subject to the approval of the Board of Directors or the shareholders' general meeting, and submitting them to the Board of Directors or for the Board of Directors to submit to the shareholders' general meeting for approval;
- (5) reporting to the Board of Directors information on implementation of the related party transactions management system and status of related party transactions; and
- (6) other matters required by laws, administrative regulations, rules, relevant provisions of the securities regulatory authority of the locality where the shares of the Bank are listed, and as may be authorized by the Board of Directors.

Article 12 The Bank has one Secretary to the Board, who shall be appointed or removed by the Board of Directors according to the suggestions of the Nomination Committee.

Article 13 The Board of Directors shall have an office under its leadership, which shall be responsible for preparing for general meetings of shareholders, the board meetings and meetings of special committees and relevant documents, taking minutes of such meetings, assisting the Board of Directors in enhancing corporate governance and conducting information disclosure properly, managing investor relations and other routine work of the Board of Directors and the special committees of the Board of Directors.

Personnel of the Board of Directors' Office shall have necessary professional knowledge so as to assist the Board performing its responsibilities.

Article 14 The Board of Directors shall exercise the following functions and powers:

- (1) Convene and report to the Shareholders' General Meeting;
- (2) Implement resolutions of the Shareholders' General Meeting;
- (3) Determine business plans, investment proposals and development strategies of the Bank;
- (4) Formulate annual financial budgets and final accounts for the Bank;
- (5) Make profit distribution and loss recovery plans for the Bank;
- (6) Make plans on increase or reduction of the Bank's registered capital;
- (7) Make plans on merger, split-up, dissolution or alteration of business type

of the Bank;

- (8) Make plans on issuance of corporate bonds or other securities and listing;
- (9) Make plans on repurchase of the Bank's shares;
- (10) Develop the revision of the Articles of Association of the Bank;
- (11) Approve the Bank's establishment of legal institutions, major acquisition and merger, major investments, major asset disposal, major guarantee and other relevant matters under the authorization of the Shareholders' General Meeting;
- (12) Engage or dismiss the President and the Secretary to the Board of Directors, and decide on their compensation, bonus and penalty issues; appointing chairmen and members of special committees according to the nomination of the Nomination Committee;
- (13) Based on the President's nomination, appoint or remove Vice Presidents and other senior management personnel (except the Secretary to the Board) who shall be appointed or removed by the Board according to the laws, and decide on their compensation, reward and punishment;
- (14) Establish the risk management, internal control and other basic management systems of the Bank, and supervise the implementation of these systems;
- (15) Decide on or authorize the President to decide on the establishment of tier-one departments of the Head Office, domestic tier-one branches, the branches and offices directly under the Head Office and branches and offices outside Mainland China;
- (16) Approve the Bank's internal audit charter, long and medium-term audit plans, annual work plans and internal audit system; determine or authorize the Audit Committee under the Board to determine the audit budget, compensation, appointment and removal of major persons-in-charge;
- (17) Develop and implement in the whole bank a clear-clued responsibility system and accountability system, and regularly assess and improve the Bank's corporate governance;
- (18) Manage information disclosure of the Bank;
- (19) Propose to the General Meeting of Shareholders for the engagement and removal of the accounting firm;
- (20) Formulate related party transaction management system, examine and approve or authorize the Related Party Transaction Control Committee to approve related party transactions (except for those related party transactions that shall be examined and approved by the Shareholders'

- General Meeting in accordance with laws); making special report to the shareholders' general meeting on the implementation of related party transaction management system and the status of related party transactions;
- (21) Review and approve the proposals submitted by each special committee under the Board;
 - (22) Pursuant to regulatory requirements, listen to the work report of the President and other senior management personnel of the Bank, in order to ensure that all directors timely acquire adequate information for their performance of duties; supervise and ensure the President and other senior management personnel exercise their management duties and functions effectively; and
 - (23) Other duties and powers as provided by laws, administrative regulations, codes, or the Articles of Association of the Bank, and vested by the Shareholders' General Meeting.

Article 15 The Board of Directors shall establish strict examination and approval procedures by setting the scope of authority for conducting investment, purchase of assets, sales of assets, asset pledge, guarantee, entrustment of wealth management and related party transactions. Matters regarded as material investments shall be examined by experts and other professionals, and be submitted to the shareholders' general meeting for approval if its required according to the Articles of the Bank.

Article 16 When the Board of Directors disposes of fixed assets, if the sum of the value of the assets to be disposed of and the realized value of the fixed assets disposed of within four months prior to the disposal plan exceeds 33% of the fixed asset value in the balance sheet reviewed by the Shareholders' General Meeting recently, the Board shall not dispose of or agree to dispose of such fixed assets until it receives approval of the Shareholders' General Meeting.

The disposal of fixed assets hereof includes transfer of the interests of certain assets, but shall not include guarantee with fixed assets.

The effectiveness of disposal of fixed assets shall not be influenced by virtue of violation of the first section of this article.

Article 17 The Board of Directors shall listen to, on a regular basis, the report delivered by internal audit and compliance departments on internal audit and inspection

results; assess the Bank's operations, and evaluate performance of the senior management based on the assessment results.

Article 18 The Board of Directors shall, in the course of its performance of its duties, considers fully the opinions of the external auditors of the Bank, and may engage professional institutions or persons to give opinions with relevant fees borne by the Bank.

Article 19 The Board of Directors shall check and approve the strategic objectives and value standards of the Bank, supervise the implementation of the development strategies, and regularly review these strategies to ensure they are in line with the operational condition and market environment.

Article 20 The Board of Directors shall strengthen the Bank's information disclosure, establish a sound information disclosure system, make public relevant information timely and accurately via the Bank's website, annual report and periodic report or other appropriate means, to guarantee the transparency of the corporate governance.

Article 21 The Board of Directors shall ensure that the Senior Management exercises appropriate supervision according to the policies formulated by the Board. Senior Management personnel shall have skills necessary for supervision of the affairs under his control. The business line managers responsible for supervising specific business fields and activities shall strictly implement the policies and procedures developed by the Board.

Article 22 The Board of Directors shall ensure that the compensation policy and the practice are consistent with the culture, long-term objectives and strategies and control environment of the Bank.

Article 23 The Board of Directors shall be ultimately responsible for the management of consolidated financial accounts and shall be responsible for establishing the Bank's overall strategic policies on consolidated financial accounts management, considering and approving the basic system of and measures for the management of consolidated financial accounts, and establishing the mechanism of regular review and assessment of consolidated financial accounts management.

Article 24 In case it is necessary to remove the President, the Board of Directors shall report, in a timely manner, to and submit a written explanation to the Board of Supervisors.

Article 25 The Board of Directors shall be subject to the supervision by the Board of Supervisors, and shall not obstruct the Board of Supervisors from conducting inspection, audit and other activities according to its duties.

Article 26 The Bank shall take measures to protect directors' right to know, and ensure the truthfulness and completeness of information provided. The Bank shall inform all directors of the decisions of the Board of Directors according to the Articles of Association and the Rules, and provide them with relevant materials. The Bank shall take measures to protect directors' right to attend the Board meeting, and offer them with facilities necessary for performing their duties. Relevant personnel of the Bank shall actively assist directors exercising their powers without rejection, obstruction or concealment, nor shall they interfere in the directors' exercise of powers.

Under appropriate circumstances, directors may need independent professional opinions to perform their duties, with the fees being paid by the Bank. Relevant requirements shall be submitted to the Chairman or meeting of the Board or Special Committees of the Board in written form. Secretary to the Board shall select eligible persons or agencies in relevant procedures to provide directors with professional opinions.

Chapter III Procedures for Holding of Board Meetings

Section I Methods of Holding Board Meetings

Article 27 The Board meetings include regular Board meetings and interim Board meetings.

Article 28 The Board of Directors shall hold four regular meetings every year, once a quarter in principle.

Article 29 Regular Board meetings include:

(1) Board meeting on annual business performance

The meeting is held within four months after close of the Bank's financial year, mainly for review of the Bank's annual report, annual summarization, performance evaluation, determination of compensation, preparation for the Shareholders' General meeting, and other pertinent affairs. The Board meeting on annual business performance shall be held at such a time that can ensure the Bank's annual report is delivered to the shareholders within the period as provided by relevant laws, regulations, codes and the Articles of Association of the Bank, and the annual Shareholders' General Meeting is held within six months after the close of the Bank's financial year.

(2) Board meeting on interim business performance

The meeting is held within two months after the end of the first six months of the Bank's financial year, mainly for review of the Bank's interim report.

(3) Board meeting on first-quarter business performance

The meeting is held in the second quarter, mainly for review of the Bank's report for the first quarter.

(4) Board meeting on third-quarter business performance

The meeting is held in the fourth quarter, mainly for review of the Bank's report for the third quarter and listening to the report on fulfillment of the work plan for the whole year.

The agenda items of the regular Board meetings above can be combined or divided, and new items can also be added as the case may be

Article 30 The Chairman shall convene and preside over an interim meeting within 10 days when any of the following circumstances occurs:

- (1) At the request of the shareholders with more than 10% voting rights;
- (2) The Chairman considers it necessary to hold such a meeting;
- (3) At the request of more than one third of directors;
- (4) At the request of more than half of the directors;
- (5) At the request of the Board of Supervisors;
- (6) At the request of the President.

Article 31 To hold an interim Board meeting according to the provision of the

previous article, a written request proposal with signatures (seals) of the applicant shall be submitted to the Chairman directly or by the Office of the Board of Directors. The written request shall include the following contents:

- (1) The applicant's name;
- (2) Reasons or objective bases;
- (3) Time or period, venue, and way of the meeting;
- (4) Clear and detailed proposals;
- (5) Contact methods of the applicant and request date, etc.

The contents of proposals shall conform to relevant provisions of the Rules, and relevant materials shall be submitted together with these proposals. Upon receipt of the aforesaid proposals and relevant materials, the Office of the Board of Directors shall submit them to the Chairman in a timely manner. If the Chairman considers contents of these proposals are unclear and vague and relevant materials insufficient, he/she may require the applicant to modify or supplement them.

Section II Presentation and Collection of Meeting Proposals

Article 32 The following persons or institutions may submit proposals to the Board of Directors:

- (1) Shareholders with more than 10% voting rights;
- (2) Chairman of the Board;
- (3) More than one third of the directors;
- (4) More than half of the independent directors;
- (5) Special committees under the Board;
- (6) The Board of Supervisors;
- (7) The President.

Article 33 When holding a regular board meeting, the Secretary to the Board (or the Office of the Board of Directors under his/her instruction) shall be responsible for collecting the draft of proposals, and each proposer shall submit his/her proposals and relevant materials within 20 days before the meeting is held. After sorting out these materials, the Secretary to the Board shall specify the venue, time and agenda items of the Board meeting and submit them to the Chairman.

Article 34 The proposer shall assist the Office of the Board of Directors submitting relevant proposals within the time limit, and shall be held responsible for the legality, accuracy and completeness of the proposals according to relevant laws, administrative regulations, codes and the Articles of Association of the Bank, and shall take the responsibility for interpretation of these proposals.

Article 35 A proposal shall be structurally complete, and include two parts—note and text. When necessary, it shall also introduce the modification and amendment according to directors' suggestions.

Section III Meeting Notice and Communication before Meeting

Article 36 To hold a regular or an interim Board meeting, the Office of the Board of Directors shall send a written notice with its seal fourteen (14) days' or seven (7) days prior to the meeting to all directors, supervisors, the President and the Secretary to the Board personally, or by fax, email or other means. If the notice is served not personally, confirmation is required.

If an interim board meeting is needed under urgent circumstances, the convener may issue the meeting notice orally or by telephone, without being subject to the above restrictions, in which case the convener shall give an explanation at the meeting.

Article 37 Written meeting notice shall include the following contents:

- (1) Time and venue of the meeting;
- (2) Methods of holding the meeting;
- (3) Items to be reviewed (meeting proposals);
- (4) Requirement that directors shall attend in person or entrust other directors to attend the meeting;
- (5) Liaison person and contact methods.

Oral meeting notice shall at least include Items (1) and (2) above, and the explanation that an interim board meeting shall be held as early as possible under the urgent circumstances.

Article 38 The Board meeting in general is notified according to the following requirements and methods:

- (1) Notification methods of the board meeting: personal service, fax, registered mail, and e-mail.
- (2) If the meeting notice is served personally, the receiver shall sign (or affix the seal) on the return receipt, and the date of signing shall be the date of service; if the meeting notice is served by fax, the fax date bearing on the fax report shall be the date of service; if the meeting notice is served by registered mail, the fifth workday upon delivery shall be the date of service; and if the meeting notice is served by e-mail, the time when the e-mail entering the receiver's specified system shall be the date of service.

Article 39 After receiving the meeting notice, the person required to attend the meeting shall notify the Secretary to the Board or liaison person designated in the meeting notice whether they will participate in the meeting.

In case a director attends the meeting, and does not state before or at the meeting that he receives no meeting notice, then it is deemed that the meeting notice has been served on him.

Article 40 From the issue of the meeting notice to the holding of the meeting, the Secretary to the Board shall be responsible for or arrange for the communication and liaison with all directors, especially independent directors, to obtain their opinions or suggestions on relevant proposals and convey these opinions or suggestions to related proposers for their improvement of proposals in a timely manner. The Secretary to the Board shall also timely supplement the materials necessary for directors to make decisions on proposals, including relevant background materials on the items of the meeting and other materials that help directors make reasonable, rapid and prudent decisions.

Article 41 When more than one third of directors or two or more independent directors consider the meeting materials insufficient or the demonstration unclear, they may jointly apply in a written form to the Board of Directors for delaying the Board meeting for one time, or postponing reviewing the proposal for one time, which the Board shall approve.

Article 42 Before holding of each Board meeting, corresponding special committees under the Board shall hold symposium in advance according to their

working rules, make full preparation for their respective items, and provide directors with necessary materials or information by the Secretary to the Board. As to items falling in the responsibilities of Special Committees of the Board, the Chairman of the committee shall report to the Board on the discussion results.

Section IV Attendance at the Meeting

Article 43 The Board meeting shall not be held until more than half of the directors are present. With respect to the proposal to be discussed in which some directors have substantial interest, the Board meeting shall not be held until more than half of the directors without substantial interest therein are present. Whether directors have substantial interest in the proposal to be discussed shall be determined by the Board of Directors according to the laws, administrative regulations, codes, relevant provisions of the securities regulatory authority and stock exchange in the listing place of the Bank and the Articles of Association of the Bank.

Supervisors may attend board meetings as non-voting attendees. The Chairman, if considering necessary, may invite other relevant personnel to attend Board meetings as non-voting attendees. Non-voting attendees shall, upon the agreement of Chairman, have the right to express their comments or make explanations on relevant items, but have no right of voting.

Article 44 In principle, directors shall attend Board meetings personally. If a director is unable to attend a Board meeting in person for certain reasons, he/she shall review the meeting documents in advance, form pronounced opinions, and entrust in written other directors to attend the meeting on his/her behalf. The power of attorney shall include the following contents:

- (1) Names of the principal and the trustee;
- (2) Brief comments of the principal on each proposal;
- (3) Scope of authority of the principal, instruction on intention of voting on the proposal and valid date;
- (4) Signature of the principal and date, etc.

If a director entrusts another director to sign written confirmation on his/her behalf, special authorization shall be included in the power of attorney.

The entrusted shareholder shall present the written power of attorney to the meeting chairman.

The entrusted director shall exercise the rights of director within the scope of authority. If a director neither attends a Board meeting personally nor entrusts other director to attend the meeting, he/she shall be deemed abstention from voting at the meeting.

Article 45 The person entrusting another person to attend or being entrusted by another person to attend a Board meeting shall comply with the following principles:

- (1) When reviewing related party transactions, directors who are not related shall not entrust directors who are related to attend the meeting on their behalf, nor shall related directors accept such entrustment;
- (2) Independent directors shall not entrust non-independent directors to attend a Board meeting on their behalf, nor shall non-independent directors accept such entrustment;
- (3) Directors shall not entrust other directors with full powers to attend a Board meeting until they have stated their personal opinions and voting intention on the proposal, and the latter shall not accept such entrustment with unclear authorization;
- (4) One director shall not accept entrustment of more than two directors, nor shall a director entrust another director who has been entrusted by more than two other directors to attend a Board meeting.

Article 46 Any director shall personally attend at least two thirds of the Board meetings every year.

If a director neither attends in person Board meetings for two successive times, nor entrusts other director to attend such meetings, or the meetings he/she attends within one year are less than two thirds of the total meetings held in the same year, he/she shall be deemed failure to perform his/her responsibility, and the Board of Directors shall request the Shareholders' General Meeting to disqualify him/her as a director.

Article 47 If a director needs to leave a Board meeting in process, he/she shall explain to the meeting chairman and ask for a leave. The director shall entrust in written other director to exercise the right of voting on the remaining proposals. Otherwise,

he/she shall be deemed abstention from voting on such proposals.

Section V Holding of Meetings

Article 48 The Board meeting shall be convened and presided by the Chairman.

If the Chairman is unable to or refuses to perform his/her responsibility of convening and presiding over a Board meeting, he/she may entrust the Vice Chairman to convene and preside over the meeting. If the Vice Chairman is unable to or refuses to perform his/her responsibility of convening and presiding over the Board meeting either, the meeting shall be convened and presided by a director appointed by more than half of all directors.

Article 49 The Board meeting can be held on the spot, or via telephone, video or by adoption of written resolution. Adoption of written resolution refers to the way of meeting under which the proposals are reviewed and resolved by delivery to respective person or pass-on. Regular meetings shall not be held by adoption of written resolution.

If a Board meeting is held via telephone or video, the directors attending the meeting shall be ensured that they can clearly hear other directors' speech and communicate with them. The Board meeting held in such a manner shall be recorded on tape or film.

Article 50 The meeting chairman shall open the meeting at the preset time. After opening of a meeting, directors present shall first reach a consensus on the agenda.

Article 51 After the directors present reach a consensus on the agenda, the meeting presided by the chairman shall review the proposals one by one, and the proposers or their proxies shall report work or explain the proposals to the Board of Directors.

Article 52 The meeting chairman shall request the directors present to raise pronounced opinions on each proposal.

With respect to the proposal that shall be approved by independent directors in advance according to the laws, administrative regulations, codes, and provisions of the securities regulatory authority or stock exchange in the listing place of the Bank, the chairman shall read out the written confirmation of independent directors before

discussion of relevant proposals.

Directors are entitled to express opinions on each proposal. Other persons requesting speech at the meeting shall seek for approval of the chairman. In any circumstance that may obstruct the meeting from being held smoothly or influence directors' speech, the chairman shall put an end to it in a timely manner.

Except as approved unanimously by all directors present, the Board meeting shall not vote on any proposal that is not included in the meeting notice. A director entrusted by other director to attend the meeting shall not vote on the proposal beyond the meeting notice on his/her behalf.

Article 53 Independent directors shall express objective, fair and independent opinions on the items discussed at Board meetings, and shall raise suggestions to the Board of Directors on the following matters:

- (1) Major connected transactions;
- (2) Profit distribution plans;
- (3) Appointment and removal of senior management personnel;
- (4) The matters that independent directors consider may damage the interests of depositors and small and medium shareholders;
- (5) The matters that independent directors consider may cause material losses to the Bank;
- (6) Nomination, appointment and removal of directors;
- (7) Compensation of directors and senior management personnel;
- (8) Other matters as provided in the laws, administrative regulations, codes, regulations of the securities regulatory authority and stock exchange of the listing place of the Bank and the Articles of Association of the Bank.

Independent directors shall raise pronounced opinions as below on the foregoing matters:

- (1) Approval;
- (2) Qualified opinion and reasons;
- (3) Disapproval and reasons;
- (4) Inability to raise opinions and the reasons.

Article 54 During review of proposals and listening to relevant reports, to understand the key points and process in detail, the Board of Directors may require

persons in charge of relevant departments to attend the meeting as non-voting attendees to listen to and inquire about relevant matters, for the purpose of making correct resolutions. If unclear statement or problematic feasibility is found in review, the Board may require relevant departments to give an explanation, and may defer voting if necessary.

Article 55 Directors shall read meeting documents earnestly, and express independent and prudent opinions based on full understanding of relevant conditions. Directors may learn information necessary for decision-making from relevant persons and institutions such as the Board Office, meeting convener, president and other senior management personnel, special committees and law firm. They may also suggest the Chairman at the meeting to invite above persons and institution representatives to attend the meeting and make explanations.

Section VI Voting, Resolutions and Minutes

Article 56 After a proposal is fully discussed, the chairman shall request in due time directors to vote on it.

Voting at the Board meeting may take the form of raising hands or registered ballot. Each director shall have one vote.

Directors have three options for voting on a proposal, in favor, against, or abstention. Directors present shall select one of the above-mentioned options. If a director selects no or two or above options, the chairman shall request the director to reselect. Any director refusing to reselect shall be deemed abstention. Any director who leaves the venue in the course of the meeting and does not return for voting shall be deemed abstention. Directors shall be prudent in voting and are not allowed to withdraw their votes once they cast their votes.

Article 57 Resolution of the Board of Directors shall be approved and adopted by more than half (1/2) of all directors, but for the following matters, the resolution shall be approved and adopted by more than two thirds (2/3) of all directors, and the board meeting should not be held by adoption of written resolutions:

- (1) formulating the annual financial budget and final accounts of the Bank;
- (2) profit distribution plans or deficiency coverage plans;

- (3) plan on increasing or reducing registered capital;
- (4) plan on merger, division, dissolution or change of company form;
- (5) plan on issuing corporate bonds or other securities or on the IPO
- (6) plan on repurchase of the Bank's shares;
- (7) plan on amending the Articles of Association of the Bank;
- (8) matters concerning the establishment of a legal entity, major mergers and acquisitions, major investment, major asset disposal and significant guarantee;
- (9) appointment or removal of the President, Secretary to the Board of Directors and other senior management personnel whose appointment or removal should be determined by the Board pursuant to laws, and the compensation, reward or punishment of the aforesaid persons;
- (10) proposal on the engagement or removal of accountant firm, which shall be submitted to the Shareholders' General Meeting;
- (11) such other matters whereby more than half (1/2) of all directors consider will have a material adverse effect on the Bank and shall be approved and adopted by more than two thirds (2/3) of all directors.

Article 58 If a director or his/her related persons (as defined in the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited*) has any interest in any matters to be decided by the Board of Directors, the director shall avoid in the review of such matters at the Board meeting, and not vote on such matters in his/her name or on behalf of other directors; the director will not be included in the quorum of the meeting. The above-mentioned rule shall not apply if laws, administrative regulations, regulatory documents or relevant regulations of the securities regulatory bodies of the listing place otherwise provide otherwise.

When the directors present at the Board meeting and having no major interest are less than three (3) persons, the Board shall submit in time relevant proposal to the Shareholders' General Meeting for discussion. The Board shall state its review of the proposal and record opinions of the directors having no major interest.

Any resolution should be adopted at the foresaid Board meeting when more than half of the directors having no major interest are in favor.

Article 59 When a Board meeting is held via telephone or video and directors can not sign the minutes at the meeting, verbal voting shall be taken, and the written

signature shall be made as soon as possible after the meeting. Verbal votes cast by directors shall have the equal effect with written signatures, provided that the written signatures after the meeting must be identical with verbal votes at the meeting. In case of inconsistency between written signatures and verbal votes, verbal votes shall prevail.

If a Board meeting is held by means of adoption of written resolutions, each director or its proxy shall express their opinions as affirmative, negative or abstained in writing. Once the number of directors who express affirmative opinion reaches the quorum, the content of the proposal shall become a resolution of the Board of Directors.

Article 60 After directors present cast their votes, relevant personnel at the Office of the Board of Directors shall collect the votes in time and count the votes in the presence of the ballot supervisor.

In an onsite meeting, video conference or teleconference, the chairman shall announce the counting result on the spot; when a meeting is held via adoption of written resolutions, the Secretary to the Board of Directors shall report the voting result to the chairman within three (3) working days after the end of the stipulated voting period and then inform directors of the voting result.

If a director casts his/her vote after the chairman announces the voting result or beyond the stipulated voting period, his/her vote shall not be counted.

Article 61 Directors shall take responsibilities for resolutions adopted by the Board of Directors. In case a resolution of the Board violates laws, administrative regulations or the Articles of Associations of the Bank and caused heavy losses to the Bank, the directors participating in the resolution adoption shall be liable for the compensation thereof; provided, however, that the director proved to vote against and kept a record in the minutes may be immune from the liability.

Article 62 If a proposal fails to be adopted and the relevant conditions and elements thereof are not changed substantially, the Board of Directors shall not convene meetings to review the same proposal within one month thereafter.

Article 63 The chairman shall request to postpone the voting on an item if more than half of the directors present or more than two independent directors deem the item unclear or unspecific, or it is impossible to make judgment due to such reasons as

insufficient materials.

Directors who propose postponing the aforesaid voting shall put forward specific requirements on the conditions that trigger off the re-submission of the proposal for discussion.

Article 64 Secretary to the Board of Directors shall appoint an employee at the Office of the Board of Directors to make the minutes of Board meetings. Such minutes shall include the following contents:

- (1) numbering, time, venue and form of meeting;
- (2) delivery of meeting notice;
- (3) name of convener and chairman;
- (4) the attendance of directors personally or under entrustment;
- (5) proposals to be reviewed, key points addressed by each director on relevant items, and his/her main opinions and voting options;
- (6) voting method and result of each proposal (number of votes in favor, against and abstention);
- (7) other matters directors present consider recordable;
- (8) other matters that shall be recorded in accordance with laws, administrative regulations and regulatory documents.

Minutes of the Board meeting and other meeting materials shall be kept as archives by Secretary to the Board in accordance with the archive management system of the Bank.

Article 65 Secretary to the Board of Directors is responsible for assigning personnel at the Office of the Board of Directors to sort out the items discussed at the meeting. Minutes of the Board meeting shall be provided to all directors present for review within five (5) working days after the meeting is closed. Any director who proposes to revise the minutes shall give their opinions in written within three (3) working days upon receipt of the minutes. After the minutes are finalized, the directors present or their representatives and the recorder shall sign the minutes.

If a director holds a dissenting opinion of the minutes, he/she may make a written statement when signing the minutes. If necessary, the director shall report to the regulatory authorities in a timely manner or may make a public announcement.

If a director neither signs the minutes pursuant to the aforesaid clause nor makes a written statement of his/her dissenting opinions, report to the regulatory authorities, or make public announcement, the director shall be deemed to fully agree to the minutes.

Article 66 For confidential contents of Board meetings, the participants and other persons who know about the information shall keep them confidential. The Bank reserves the right under the law to conduct accountability investigations against the violators.

Chapter IV Disclosure of Resolutions and Relevant Documents of the Board of Directors

Article 67 After the Board meeting, the Bank shall submit the resolutions of the Board (including the resolution that rejects all proposals) to the stock exchange in the listing place according to the requirements of the stock exchange. Resolutions shall be signed by all directors present.

When the stock exchange requires for the minutes of the Board meeting, the Bank shall provide as required.

Article 68 If a resolution of the Board of Directors relates to any matter that is subject to voting by the Shareholders' General Meeting or to any major matter that should be disclosed pursuant to the rules of the stock exchange, the Bank shall make timely disclosure thereof; if the resolution relates to other matters which the stock exchange deems necessary to be disclosed, the Bank shall also disclose them in time.

If a resolution of the Board relates to a major matter that should be disclosed pursuant to the rules of the stock exchange, and an announcement thereof is required in accordance with relevant provisions of China Securities Regulatory Commission or the guidelines on announcement format set by the stock exchange, the Bank shall separately disclose the announcement of resolution of the Board and that of relevant major matters.

Article 69 The announcement of a resolution of the Board of Directors shall include the following contents:

- (1) time and method of delivering the meeting notice;
- (2) time, venue and form of the meeting, and the description of compliance/non-compliance with relevant laws, administrative regulations, regulatory documents and the Articles of Association of the Bank;
- (3) number and name of directors absent and represent, reasons for absence, and the name of directors under entrustment;
- (4) number of votes in favor, against and abstention on each proposal, and directors' reasons for casting against or abstention;
- (5) name of the directors who shall avoid voting, reasons for avoiding, and compliance, when related party transactions are involved;
- (6) the independent directors' confirmation or opinions if necessary;
- (7) specific contents of the matters reviewed and the resolutions adopted at the meeting.

Chapter V Implementation and Feedback of Resolutions of the Board of Directors

Article 70 Chairman of the Board shall urge relevant persons to implement resolutions of the Board, and inspect the implementation of the resolutions. The implementation of the Board resolutions shall be reported to the Board in a timely manner.

Chapter VI Supplementary Provisions

Article 71 Unless otherwise specified, the terms used in the Rules shall have the same meaning with their references in the Articles of Association of the Bank.

Article 72 In case of matters not dealt with in the Rules herein or any provisions of the Rules herein conflicts with any law, administrative regulation, regulatory document or the Articles of Association of the Bank, the relevant law, administrative regulation, regulatory document and the Articles of Association of the Bank shall prevail.

Article 73 The Rules shall be formulated and amended by the Board of Directors and be implemented after being adopted by the Shareholders' General Meeting with an

ordinary resolution.

Article 74 Unless otherwise stated hereunder, the references “more than”, “within”, and “not more than” hereunder shall all include the number immediately following them; the references “less than”, “outside”, “beyond” and “before” shall exclude the number immediately following them.

Article 75 The Rules shall be interpreted by the Board of Directors.