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If you have sold or transferred all your shares in Industrial and Commercial Bank of China Limited, you should at once hand this circular and the accompanying form of proxy and the reply slip to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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中国工商银行

INDUSTRIAL AND COMMERCIAL BANK OF CHINA

中國工商銀行股份有限公司

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1398)

(1) AMENDMENTS TO THE PROCEDURAL RULES

(2) PURCHASE OF DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

**(3) ADOPTION OF ALLOWANCE POLICY AND REMUNERATION PLAN FOR
DIRECTORS AND SUPERVISORS**

A notice convening the EGM to be held at The Westin Beijing Financial Street, 9B Financial Street, Xicheng District, Beijing, the People's Republic of China on 21 March 2007 at 9:30 a.m. is set out in pages 51 to 53 of this circular.

If you intend to appoint a proxy to attend the EGM, you are required to complete and return the accompanying proxy form in accordance with the instructions printed thereon. For holder of H Shares, the proxy form should be returned to Computershare Hong Kong Investor Services Limited and for holder of A Shares, the proxy form should be returned to the Company's Board of Directors' Office in person or by post not less than 24 hours before the time appointed for holding the EGM or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or at any adjourned meeting should you so wish.

If you intend to attend the EGM in person or by proxy, you are required to complete and return the reply slip to Computershare Hong Kong Investor Services Limited for holder of H shares or to the Company's Board of Directors' Office for holder of A Shares on or before 1 March 2007.

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DEFINITION

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“A Shares”	domestic shares of RMB1.00 each in the share capital of the Bank which are listed on the Shanghai Stock Exchange
“Board”	the board of Directors of the Company
“CBRC”	China Banking Regulatory Commission (中國銀行業監督管理委員會)
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Company” or “Bank”	中國工商銀行股份有限公司 (Industrial and Commercial Bank of China Limited), a joint stock limited company incorporated in the PRC and the H Shares and A Shares of which are listed on the Hong Kong Stock Exchange (stock code: 1398) and the Shanghai Stock Exchange, respectively
“Company Law”	the Company Law of the People’s Republic of China (as amended from time to time)
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and approving the amended Procedural Rules, the purchase of the directors’ and officers’ liability insurance, the adoption of the allowance policy for the independent non-executive Directors and the external Supervisors and the remuneration plan for the internal Supervisors
“H Shares”	overseas listed foreign shares of RMB1.00 each in the share capital of the Bank which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, excluding, for the purpose of this circular only, Hong Kong Special Administrative Region, Macau Special Administrative Region, and Taiwan
“Procedural Rules”	the Procedural Rules of Shareholders’ General Meeting, the Procedural Rules of the Board and the Procedural Rules of the Supervisory Committee of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	holders of A Shares and/or H Shares

DEFINITION

“Shares”	A Shares and/or H Shares
“Supervisors”	the supervisors of the Company
“USD”	United States dollars, the lawful currency of the United States of America

Unless otherwise specified, this circular contains translations between RMB and USD at RMB7.7836 to USD1.00, the prevailing rate on 29 January 2007. The translations are not representations that the RMB and USD amounts could actually be converted at such rate, if at all.



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中國工商銀行股份有限公司

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1398)

Executive Directors:

Mr. Jiang Jianqing
Mr. Yang Kaisheng
Mr. Zhang Furong
Mr. Niu Ximing

Registered Office:

No. 55 Fuxingmennei Avenue
Xicheng District, Beijing 100032
PRC

Non-executive Directors:

Mr. Fu Zhongjun
Mr. Kang Xuejun
Mr. Song Zhigang
Mr. Wang Wenyan
Ms. Zhao Haiying
Mr. Zhong Jian'an
Mr. Christopher A. Cole

Place of Business in Hong Kong:

33/F, ICBC Tower
3 Garden Road
Central, Hong Kong

Independent non-executive Directors:

Mr. Leung Kam Chung, Antony
Mr. John L. Thornton
Mr. Qian Yingyi

2 February 2007

To the Shareholders

Dear Sir or Madam,

(1) AMENDMENTS TO THE PROCEDURAL RULES

(2) PURCHASE OF DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

**(3) ADOPTION OF ALLOWANCE POLICY AND REMUNERATION PLAN FOR
DIRECTORS AND SUPERVISORS**

1. INTRODUCTION

The Board proposed to amend the Procedural Rules, purchase directors' and officer's liability insurance, adopt an allowance policy for the independent non-executive Directors and external Supervisors and a remuneration plan for the internal Supervisors. The purpose of this circular is to provide you with details relating to the amended Procedural Rules, the directors' and officers' liability insurance to be purchased, the allowance policy for the independent non-executive Directors and external Supervisors and the remuneration plan for the internal Supervisors, and to seek your approval of the resolutions included in the notice of EGM, which is set out at the end of this circular.

2. AMENDMENTS TO THE PROCEDURAL RULES

Pursuant to the Company Law and other regulatory rules prescribed by the CSRC and the CBRC, the Company has established (1) the Procedural Rules of Shareholders' General Meeting; (2) the Procedural Rules of the Board; and (3) the Procedural Rules of the Supervisory Committee. The Board proposes to make certain amendments to the abovementioned existing Procedural Rules. The amended Procedural Rules are subject to approval from Shareholders by way of an ordinary resolution at the EGM, and the obtaining of any required approval, endorsement or registration from or with the relevant regulatory authorities.

The amended Procedural Rules of Shareholders' General Meeting, the amended Procedural Rules of the Board and the amended Procedural Rules of the Supervisory Committee are set out in Appendices I, II and III to this circular, respectively.

3. PURCHASE OF DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Board proposed that the Company will purchase directors' and officers' liability insurance for its directors, supervisors and senior management in order to offer them the protection from personal liability and financial loss arising out of wrongful acts committed or allegedly committed in their capacity as corporate officers and/or directors. Subject to Shareholders' approval by way of an ordinary resolution at the EGM, the aggregate insured amount of the insurance policy that the Company intends to take out is USD50 million (equivalent to approximately RMB389.18 million) for one year's coverage and the insurance premium will not exceed USD1.487 million (equivalent to approximately RMB11.57 million). The Board believes that having directors' and officers' liability insurance is important for the Company to attract and retain high quality personnel to serve as its directors and senior management.

4. ADOPTION OF ALLOWANCE POLICY AND REMUNERATION PLAN FOR DIRECTORS AND SUPERVISORS

The Board proposed to adopt a standard policy for determining the amount of allowance to be paid to the independent non-executive Directors and external Supervisors. The independent non-executive Directors and external Supervisors receive compensation which is commensurate with their responsibilities. Upon obtaining the approval from Shareholders at the EGM for the allowance policy, each of the independent non-executive Directors and external Supervisors will be entitled to a basic annual allowance of RMB300,000 and RMB250,000, respectively. The allowance will be payable quarterly on a time pro-rata basis for any non full year's service.

Depending on their positions held in various board committees of the Board, the independent non-executive Directors will also be entitled to additional allowance. Members of strategy committee, audit committee, risk management committee, nomination and compensation committee and related party transactions control sub-committee will receive RMB30,000 per annum whereas chairmen of these committees will receive RMB50,000 per annum.

A supervision committee has been established under the Supervisory Board of the Company. Members of the supervision committee will receive an additional allowance of RMB30,000 per annum whereas the chairman will be entitled to RMB50,000 per annum.

The allowance policy will be reviewed by the nomination and compensation committee of the Board every year and any amendment to such policy will be presented to the Board for consideration and will be made subject to Shareholders' approval.

LETTER FROM THE BOARD

In addition, the Board also proposes to adopt a remuneration plan for the internal Supervisors with reference to the salary level of senior management and market rates. The remuneration plan is as follows:

<u>Position held</u>	<u>Amount of Compensation</u>
Chairman	RMB1,180,000 as salary
Specialised Supervisor	RMB900,000 as salary
Employees' Representative Supervisor	RMB40,000 as allowance

5. THE EGM

Ordinary resolutions will be proposed at the EGM to consider and approve the amended Procedural Rules, the purchase of the directors' and officers' liability insurance, the adoption of the allowance policy for the independent non-executive Directors and external Supervisors and the remuneration plan for the internal Supervisors.

No Shareholder is required to abstain from voting in connection with the matters to be resolved at the EGM.

If you intend to appoint a proxy to attend the EGM, you are required to complete and return the accompanying form of proxy in accordance with the instructions printed thereon. For holder of H Shares, the proxy form should be returned to Computershare Hong Kong Investor Services Limited and for holder of A Shares, the proxy form should be returned to the Company's Board of Directors' Office in person or by post not less than 24 hours before the time appointed for holding the EGM or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or at any adjourned meeting should you so wish.

If you intend to attend the EGM in person or by proxy, you are required to complete and return the reply slip to Computershare Hong Kong Investor Services Limited for holder of H Shares or to the Company's Board of Directors' Office for holder of A Shares on or before 1 March 2007.

6. PROCEDURES FOR DEMANDING POLL BY SHAREHOLDERS

Pursuant to Article 92, a resolution at a Shareholder's general meeting shall be decided on a show of hands unless a poll is (before or after the show of hands) demanded:

- (1) by the chairman of the meeting;
- (2) by at least two Shareholders present in person or by proxy for the time being entitled to vote at the meeting; or
- (3) by any Shareholder or Shareholders (including proxy) holding individually or holding in aggregate of 10% or more of the Shares carry the right to vote at the meeting.

Unless a poll is demanded, the chairman of the meeting will announce the results of the passing of a resolution according to the show of hands, which will be recorded in the minutes of the meeting and treated as conclusive evidence without the need to prove the number or the proportion of votes for or against the resolution passed.

A request to vote by poll may be withdrawn by the person who made such request.

LETTER FROM THE BOARD

7. RECOMMENDATION

The Directors consider that the amended Procedural Rules, the purchase of directors' and officers' liability insurance, the allowance policy for the independent non-executive Directors and external Supervisors and the remuneration plan for the internal Supervisors are in the best interests of the Company and its Shareholders.

Accordingly, the Directors recommend the Shareholders to vote in favour of all the resolutions which will be proposed at the EGM.

Yours faithfully,
By Order of the Board of
Industrial and Commercial Bank of China Limited
Jiang Jianqing
Chairman

The Procedural Rules of Shareholders’ General Meeting are written in Chinese. The English version of this Appendix I is an unofficial translation and is for reference only. In case of any inconsistency between the English and Chinese versions, the Chinese version shall prevail.

The amended Procedural Rules of Shareholders’ General Meeting are set out below:

Chapter I General Provisions

Article 1 In order to ensure that the shareholders of the Industrial and Commercial Bank of China Limited (“the Bank”) exercises powers according to the laws, guarantee the efficient and standardized operation and scientific decision-making of the General Meeting of Shareholders, 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 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 Rules shall be binding upon the Bank, all its shareholders, the Bank’s directors, supervisors, senior management personnel and other non-voting attendees present at shareholders’ meeting.

Article 3 The shareholders’ meeting shall be convened by the Board of Directors of the Bank pursuant to the Company Law and other laws, administrative regulations, codes and the Rules hereof on the holding of shareholders’ meetings, except as provided otherwise. The Bank’s directors shall have the obligation of good faith to the normal holding of shareholders’ meetings, and shall not obstruct the meetings from performing their powers and functions.

Article 4 Secretary of the Board and the Office of the Board of Directors shall be responsible for preparing for and organizing the shareholders’ meetings.

Article 5 Any people holding shares of the Bank shall be entitled to attend in person or entrust a proxy to attend a shareholders’ meeting, and enjoy the right of information, right to speak, right of inquiry, right of voting, and other shareholder rights pursuant to the laws, administrative regulations, codes, the Articles of Association of the Bank and the Rules hereof.

Shareholders and proxies attending the shareholders’ meeting shall observe relevant laws, administrative regulations, codes, the Articles of Association of the Bank and the Rules hereof, and shall keep order in earnest, and shall not infringe upon other shareholders’ legitimate rights and interests.

Article 6 Before holding a shareholders’ meeting, the Bank shall engage lawyers to issue legal opinions and announcement on the following issues:

- (1) Whether the procedures for convening and holding the shareholders’ meeting are in line with laws, administrative regulations, codes, the Articles of Association of the Bank and these Rules hereof;
- (2) Whether the qualifications of the attendees and convener are legal and valid;
- (3) Whether the voting procedures and results of the shareholders’ meeting are legal and valid;

- (4) Legal opinions issued at the request of the Bank on other questions.

Chapter II Powers and Authorization of the General Meeting of Shareholders

Article 7 The General Meeting of Shareholders is the power organ of the Bank. The General Meeting of Shareholders exercises the following powers and functions according to laws, administrative regulations and the Articles of Association of the Bank:

- (1) Decide on the Bank's business policies and major investment plans;
- (2) Elect and replace directors and decide on relevant directors' remuneration;
- (3) Elect and replace supervisors and external supervisors assumed by representatives of shareholders, and decide on relevant supervisors' remuneration;
- (4) Review and approve the work report of the Board of Directors;
- (5) Review and approve the work report of the Board of Supervisors;
- (6) Review and approve the Bank's annual financial budgets and final accounting plans;
- (7) Review and approve the Bank's profit distribution and loss offsetting plans;
- (8) Make resolutions on the plans on increase or reduction of registered capital of the Bank;
- (9) Make resolutions on the Bank's merger, division, dissolution, liquidation or amendment of corporate type;
- (10) Make resolutions on the issuance of corporate bonds or other securities and the listing plan of the Bank;
- (11) Make resolutions on the repurchase of the Bank's shares;
- (12) Amendment to the Bank's Articles of Association;
- (13) Make resolutions on the Bank's engagement or dismissal of the accounting firm;
- (14) Review and approve or authorize the Board of Directors to review and approve the Bank's establishment of legal entities, major acquisition and merger, major investments, major asset disposal, major guarantee, etc.;
- (15) Review and approve the alteration of the use of raised funds;
- (16) Review the equity incentive plan;
- (17) Review and approve the proposals submitted by shareholders independently or jointly holding more than 3% of voting shares in the Bank;
- (18) Review the related party transactions that shall be subject to review and approval of the General Meeting of Shareholders pursuant to the laws, administrative regulations, codes and regulations of the securities regulatory authority in the place where the Bank's stock is listed;

- (19) Other matters that shall be decided by the General Meeting of Shareholders pursuant to the laws, administrative regulations, codes, regulations of the securities regulatory authority of the place where the Bank's stock is listed, and the Articles of Association of the Bank.

Article 8 The aforesaid matters within the scope of authority of the General Meeting of Shareholders shall be reviewed and decided by the General Meeting of Shareholders, and may be decided by the Board of Directors with the authorization of the General Meeting of Shareholder, provided that it is necessary, reasonable and legal. The authorization shall be clear and in details.

The authorization of the General Meeting of Shareholders to the Board of Directors, if the authorized matters should be adopted by the General Meeting of Shareholders with ordinary resolutions according to the Articles of Association of the Bank, shall be subject to the approval of the shareholders present at the shareholders' meeting (including proxies of shareholders) with more than half of the voting rights; if the authorized matters should be adopted by the General Meeting of Shareholders with special resolutions according to the Rules hereof, the authorization shall be subject to the approval of the shareholders present at the shareholders' meeting (including proxies of shareholders) with more than two thirds of the voting rights.

Chapter III Procedures for Holding of Shareholders' Meetings

Section I Form of the Holding of Shareholders' Meetings

Article 9 The shareholders' meetings are divided into annual shareholders' meetings and interim shareholders' meetings.

Article 10 The annual shareholders' meeting is held once a year within six months after close of a fiscal year. If the meeting needs to be deferred under special circumstances, the Bank shall report to the banking supervision institution of the State Council, the office of China Securities Regulatory Commission (the "CSRC") in the local place of the Bank and the stock exchange where the Bank is listed (the "stock exchange") together with an explanation, and shall make a public notice.

Article 11 In any of the following cases, the Bank shall hold an interim shareholders' meeting within two months upon the occurrence of such case:

- (1) The number of directors is less than two thirds of the number of the members of the Board of Directors or less than the quorum;
- (2) Uncovered losses account for one third of total paid-up capital;
- (3) Shareholders independently or jointly holding more than 10% of voting shares in the Bank (the "voting shareholders") submit written request;
- (4) The Board of Directors considers it necessary to hold such a meeting;
- (5) The Board of Supervisors proposes to hold such a meeting;
- (6) Other cases as provided by laws, administrative regulations, code, or the Articles of Association of the Bank and the Rules thereof.

The number of shares held by the shareholders specified in Section (3) shall be the number of shares held on the date when the shareholders submit the written request.

Section II Convening of Shareholders' Meetings

Article 12 The Board of Directors shall convene the shareholders' meeting within the time limit stipulated herein.

Article 13 The Board of Directors shall hold an interim shareholders' meeting at the request of more than half of the independent directors. With respect to the request of independent directors on holding an interim shareholders' meeting, the Board of Directors shall provide written feedback of approval or disapproval within 10 days upon receipt of such proposal, pursuant to laws, administrative regulations, codes and the Articles of Association of the Bank.

If the Board approves the holding of an interim shareholders' meeting, it shall issue a meeting notice within five days upon the adoption of a Board resolution; if the Board disapprove of the holding of such a meeting, it shall state the reasons and make a public notice as required.

Article 14 The Board of Supervisors shall have the right to request in writing the Board of Directors to hold an interim shareholders' meeting. The Board of Directors shall provide written feedback of approval or disapproval within 10 days upon receipt of the request, pursuant to laws, administrative regulations, codes and the Articles of Association of the Bank.

If the Board of Directors approves the holding of an interim shareholders' meeting, it shall issue a meeting notice within five days upon the adoption of a Board resolution, and the alteration of original proposals in the notice shall be subject to the approval of the Board of Supervisors.

If the Board of Directors disapproves the holding of an interim shareholders' meeting, or it fails to feed back within 10 days upon receipt of the request, the Board shall be deemed as failing or refusing to perform its duties and functions of convening the shareholders' meeting, in which case the Board of Supervisors may convene and preside over the meeting on its own.

Article 15 The requesting shareholders shall have the rights to request in writing the Board of Directors to hold an interim shareholders' meeting. The Board of Directors shall provide written feedback of approval or disapproval within 10 days upon receipt of such request, pursuant to laws, administrative regulations, codes and the Articles of Association of the Bank.

If the Board of Directors approves the holding of an interim shareholders' meeting, it shall issue a meeting notice within five days upon the adoption of a Board resolution, and the alteration of original request in the notice shall be subject to the approval of requesting shareholders.

If the Board of Directors disapproves the holding of an interim shareholders' meeting, or it fails to feed back within 10 days upon receipt of the request, the requesting shareholders shall have the right to request in writing the Board of Supervisors to hold such a meeting.

If the Board of Supervisors approves the holding of an interim shareholders' meeting, it shall issue a meeting notice within five days upon receipt of the request, and the alteration of the original request in the notice shall be approved by requesting shareholders.

If the Board of Supervisors is unable to issue the notice of the shareholders' meeting within the prescribed time limit, it shall be deemed as refusing to convene and preside over the meeting, in which case the shareholders independently or jointly holding more than 10% shares of the Bank for over 90 successive days (the "convening shareholders") may convene and preside over such a meeting at their discretion.

Article 16 If the Board of Supervisors or the convening shareholders decide to convene a shareholders' meeting at their discretion, they shall inform the Board of Directors in writing, and issue a notice on holding of an interim shareholders' meeting. Apart from the provisions of Article 25 hereof, the notice shall also meet the following requirements:

- (1) The proposal shall not include new contents, otherwise the convening shareholders or the Board of Supervisors shall request again the Board of Directors to hold an interim shareholders' meeting according to the procedures above;
- (2) The meeting shall be held in the statutory office of the Bank.

If the Board of Supervisors or the convening shareholders decide to convene a shareholders' meeting at their discretion, they shall have it filed with the local office of the CSRC and the stock exchange, and meanwhile issue a notice of shareholders' meeting and make a public notice on resolutions of the meeting, and submit relevant certificates to the local office of the CSRC in the place of the Bank and the stock exchange according to relevant regulations.

Before publication of the resolutions of a shareholders' meeting, the proportion of shares held by the convening shareholders shall not be less than 10%.

Article 17 The Board of Directors and the Secretary of the Board shall actively assist the Board of Supervisors or the convening shareholders in holding shareholders' meetings at their discretion. The Board of Directors shall provide the register of shareholders on the date of record. The register shall not be used for any purpose other than the holding of the shareholders' meeting.

Article 18 The Bank shall bear the expense arising from the holding of shareholders' meetings by the Board of Supervisors or convening shareholders at their discretion.

Section III Proposals of Shareholders' Meetings

Article 19 Proposals shall be specified for the subject matters to be discussed at a shareholders' meeting, and the meeting shall make resolutions on specific proposals.

Article 20 The contents of proposals shall belong to the scope of authority of the shareholders' meeting, and shall have pronounced subject matters and detailed agenda items, and shall comply with laws, administrative regulations, codes and the Articles of Association of the Bank. The proposals shall be submitted or sent to the Board of Directors in writing.

Article 21 The Board of Directors, the Board of Supervisors and the shareholders independently or jointly holding more than 3% of shares of the Bank shall have the right to submit proposals at the shareholders' meetings held by the Bank.

Article 22 Shareholders independently or jointly holding more than 3% of shares of the Bank may submit written proposals to the Board of Directors 10 days before holding of a shareholders' meeting. The Board of Directors shall issue a supplementary notice of the shareholders' meeting within two days upon

receipt of the proposals, and announce the contents of the interim proposals, and submit the interim proposals to the shareholders' meeting for review. The contents in the interim proposals shall be within the function and power scope of the General Meeting of Shareholders, and have clear topics and specific items to be decided.

Apart from the provisions set forth in the preceding paragraph, the convener shall neither modify the proposals nor add new proposals in the notice of the shareholders' meeting after issue of the notice.

The shareholders' meeting shall not vote or make resolutions on the proposals that are unlisted in the notice of the shareholders' meeting or inconsistent to the provisions of Article 20 hereof.

Section IV Notice of Shareholders' Meetings

Article 23 The Bank shall issue a notice in writing within 45 days prior to the holding of a shareholders' meeting. Shareholders intending to attend the meeting shall send a written reply of attending the meeting to the Bank 20 days before the meeting is held.

Article 24 Based on the written reply received 20 days before holding of the shareholders' meeting, the Bank may figure out the number of shares with voting rights held by shareholders intending to attend the meeting. If the voting shares held by these shareholders are less than half of its total voting shares, the Bank shall notify shareholders again of the subject matters to be discussed, and the venue and time of the meeting by public notice within five days, and then it can hold the shareholders' meeting.

Article 25 The notice of the shareholders' meeting shall meet the following conditions:

- (1) It is made in writing;
- (2) It shall indicate the venue, date and time of the meeting and determine the date of record;
- (3) It shall state the subject matters to be discussed;
- (4) It shall provide shareholders with materials and explanations necessary for shareholders to make advisable decisions on the matters to be discussed; the principle shall include (but not limit to) that when the Bank proposes to merge, repurchase shares, restructure shares or conduct other restructuring, it shall provide the specific conditions and contracts (if any) for the proposed transactions, and explain in earnest the causes and consequence earnestly;
- (5) If any director, supervisor, president or other senior management personnel has substantial interest in the matters to be discussed, the notice shall disclose the nature and degree of such interests; if the matters to be discussed have different influence on the director, supervisor, president or other senior manager from on other shareholders of the same class, the notice shall explain the difference;
- (6) It shall include the full text of any special resolution to be adopted at the meeting;
- (7) It shall clearly state that any shareholder entitled to attend and vote at the meeting shall have the right to entrust one or more proxies to attend and vote on his/her behalf, and the proxy/proxies may not be shareholder(s);
- (8) It shall indicate when and where the power of attorney shall be sent.

Article 26 The notice of the shareholders' meeting shall be delivered to the shareholders (no matter whether they have voting rights at the meeting) personally or by post-paid mail at the address recorded in the register of shareholders. For the holders of domestically listed shares, the notice of the shareholders' meeting may also be issued by public notice.

The public notice mentioned in the preceding paragraph shall be published on one or more newspaper designated by the CSRC 45–50 days before holding of the meeting. Once it is published, the holders of domestically listed shares shall be deemed having received the notice on the holding of relevant shareholders' meeting.

Article 27 The notice of the meeting of class shareholders shall be sent only to the shareholders entitled to vote at the meeting.

Except as otherwise provided, a class meeting shall be held by same procedures as those of the shareholders' meeting as far as possible, and the terms hereof relating to the procedures for holding of relevant shareholders' meetings shall apply to class meetings.

Article 28 If the election of directors and supervisors is to be discussed at the shareholders' meeting, the notice of the shareholders' meeting shall fully disclose the detailed information of the candidates for directors and supervisors, which shall at least include the following contents:

- (1) Educational background, work experience, part-time jobs, and other personal data;
- (2) Whether they are related parties of the Bank or its controlling shareholder and actual controller;
- (3) Their shares in the Bank;
- (4) Whether they have been penalized by the CSRC and other relevant authorities, and the stock exchange.

Article 29 After the said notice is issued, the shareholders' meeting shall not be deferred or cancelled, nor shall the proposals specified in the notice be ruled out, without proper cause. In case of deferment or cancellation, the convener shall make an announcement and state the reasons at least two workdays prior to the original date of holding the meeting.

If the Bank decides to defer a shareholders' meeting, it shall not change the date of record in the original notice for the shareholders entitled to attend the meeting.

Section V Attendance and Registration of Shareholders' Meetings

Article 30 Shareholders' meetings in general are held on the spot.

Shareholders may attend in person or entrust other persons to attend shareholders' meetings and exercise the rights of voting on their behalf within the scope of authority.

Article 31 Any shareholder entitled to attend and vote at the shareholders' meeting shall have the right to entrust one or several persons (who may not be shareholders) to act as his/her proxy to attend at the meeting and exercise the rights of voting on his/her behalf. The proxy/proxies shall exercise the following rights according to the entrustment of the shareholder:

- (1) Speak at the shareholders' meeting;
- (2) Require to vote by ballot on his/her own or jointly with other people;
- (3) When the voting right is allowed to be excised by either show of hands or by ballot, in case more than one proxy is entrusted, the proxies can only exercise the right of voting by ballot.

Article 32 Shareholders shall entrust proxies in writing, and the power of attorney shall be signed by the principal or the proxy entrusted by the principal in writing; if the principal is a legal entity or other institutions, the power of attorney shall be affixed with its common seal or signed by its director or legal representative or the proxy officially appointed.

If the shareholder is a legal entity or other institution, its legal representative or the people authorized by its Board of Directors or by the decision-making organ may attend the Bank's shareholders' meeting on behalf of the legal entity.

Article 33 The proxy statement for voting shall be placed at the Bank or other places specified in the notice of the meeting 24 hours before the holding of the meeting on which relevant matters to be voted according to the proxy statement for voting is discussed, or 24 hours before the designated time of voting. If the principal entrusts other people to sign the proxy statement, the power of attorney or other authorization documents shall be notarized. The notarized power of attorney or other authorization documents, together with the proxy statement for voting, shall be deposited at the Bank or other places specified in the meeting notice.

Article 34 Any blank power of attorney issued by the Board of Directors to shareholders for entrustment of proxies of shareholders, shall allow the shareholders to instruct proxies to cast vote in favor, against or abstain from voting, and make respective instructions on the voting of each subject matter to be discussed at the meeting. The power of attorney shall note that if any shareholder fails to make instructions, his/her proxy may vote according to his/her own will.

Article 35 If the principal has been dead or disabled, or has cancelled the entrustment or the authorization for the power of attorney, or has transferred his/her shares before the voting, the proxy's voting made according to the power of attorney shall remain valid as long as the Bank receives no written notice on the aforesaid matters before holding of relevant meetings.

Article 36 The Board of Directors and other conveners shall take necessary measures to safeguard the normal order of the shareholders' meeting. The Board of Directors shall take measures to obstruct and report relevant departments to investigate in a timely manner for the acts of disturbing the shareholders' meeting, stirring up fights and causing trouble, or infringing upon shareholders' legitimate rights and interests.

Article 37 All shareholders registered on the date of record or their proxies shall be entitled to attend the shareholders' meeting, to whom the Bank and the convener of the meeting shall not reject for any reason.

Article 38 Shareholders shall carry the stock account card, ID card or any other valid certificates that can certify their identity to attend the shareholders' meeting. The proxies shall also present the power of attorney and the certificates that can effectively certify their identity.

Article 39 The convener and the lawyer shall jointly verify the legality of shareholder qualification based on the register of shareholders provided by the securities registration institution; and record the shareholders' names and the number of voting shares held by them. The registration shall be terminated when the chairman of the meeting announces the number of shareholders and proxies present at the meeting and the shares held by them.

Article 40 Before holding of a shareholders' meeting, the chairman of the meeting shall announce the number of shareholders and proxies present at the meeting and the shares held by these shareholders, which shall be subject to record of the meeting.

Article 41 All directors, supervisors and secretary of the Board of the Bank shall attend the shareholders' meeting when it is convened, and the President and other senior management personnel shall attend the meeting as nonvoting attendees.

Section VI Holding of Shareholders' Meetings

Article 42 The shareholders' meeting shall be convened by the Board of Directors, and chaired and presided by the Chairman. If the Chairman is unable to or fails to perform his/her responsibility, the Vice Chairman shall act as the meeting chairman. If the Vice Chairman is unable to or fails to perform his/her responsibility, the Board of Directors may designate a director of the Bank to convene and preside over the meeting as the chairman on his/her behalf; if no meeting chairman is designated, the shareholders present at the meeting may elect one people to chair and preside over the meeting; if the shareholders are unable to elect the meeting chairman for any reason, the shareholder with the most voting shares (including his/her proxy) shall serve as the meeting chairman.

If the shareholders' meeting is convened by the Board of Supervisors on its own discretion, the Chief Supervisor shall serve as the chairman to preside over the meeting; if the Chief Supervisor is unable to or fails to perform his/her responsibilities, the Board of Supervisors may designate a supervisor of the Bank to convene the meeting and preside over the meeting as the chairman.

The shareholders' meeting convened by shareholders at their discretion shall be presided over by the representative recommended by the convener.

If a shareholders' meeting in process is discontinued by virtue of violation of these Rules by the meeting chairman, the meeting may elect a chairman to continue it upon approval of the shareholders present with more than half of the voting shares.

Article 43 At the annual shareholders' meeting, the Board of Directors and the Board of Supervisors shall report to the meeting on its work performance over the past one year.

Article 44 The meeting chairman shall instruct relevant members of the Board of Directors, the Board of Supervisors or Senior Management to respond to or make explanations on the inquiries and suggestions raised by shareholders, except the Bank's business secrets that are forbidden to be disclosed at the meeting are involved.

Article 45 The shareholders (or their proxies) present at the shareholders' meeting shall have the right to speak. The speech of the shareholders (or their proxies) shall observe the following regulations:

The shareholders requesting to deliver speeches shall register before or at the meeting and before the voting. The sequence of speech shall be consistent with that of the registration. The meeting chairman may decide on the number of spokesmen and the time of their speeches in line with the conditions of the meeting. If shareholders (or their proxies) breach the above regulations, the meeting chairman may reject or stop their speeches.

In review of a proposal, the directors, supervisors, presidents and other senior managers present and any other person with the approval of the meeting chairman may speak at the meeting.

Section VII Voting, Resolutions and Minutes of the Shareholders' Meeting

Article 46 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 the shareholders (or their proxies) present at the meeting with more than half of the voting shares.

The special resolutions adopted at a shareholders' meeting shall be approved by the shareholders (or their proxies) present at the meeting with more than two thirds of the voting shares.

Article 47 The following matters shall be approved by the shareholders' meeting with ordinary resolutions:

- (1) The Bank's business policies and major investment plans;
- (2) Election and replacement of directors, and supervisors and external supervisors assumed by representatives of shareholders, and decide on the remuneration of relevant directors and supervisors;
- (3) The work report of the Board of Directors and the Board of Supervisors;
- (4) The Bank's annual financial budget, final accounting programs, balance sheet, income statement and other financial statements;
- (5) Review and approval of the alteration of the use of raised funds;
- (6) The Bank's profit distribution and loss offsetting plans;
- (7) Engagement or dismissal of an accounting firm;
- (8) Other matters other than those required to be approved with special resolutions as provided by laws, administrative regulations, code, and the Articles of Association of the Bank.

Article 48 The following matters shall be approved by the shareholders' meeting with special resolutions:

- (1) Increase or reduction of registered capital of the Bank;
- (2) Merger, division, dissolution, liquidation or alteration of the corporate type of the Bank;
- (3) The plans on the issuance of corporate bonds or other securities or on the listing;

- (4) Repurchase of the Bank's shares;
- (5) Amendment to the Articles of Association of the Bank;
- (6) Review and approve or authorize the Board of Directors to review and approve the Bank's establishment of legal entities, major acquisition and merger, major investments, major asset disposal, major guarantee, etc.;
- (7) Review the equity incentive plan;
- (8) Other matters as provided by laws, administrative regulations, codes, and the Articles of Association of the Bank and those that may have substantial influence on the Bank if approved by the shareholders' meeting with ordinary resolutions and thus shall be approved with special resolutions.

Article 49 The Bank shall not alter or cancel class shareholders' rights unless it is approved by the affected class shareholders with special resolutions at the shareholders' meeting convened according to these Rules.

Article 50 The following cases shall be deemed alteration or cancellation of the rights of a certain of class shareholders:

- (1) Increase or decrease the number of shares of a class, or increase or decrease the number of shares of other classes that enjoy the same or more voting rights, distribution rights or other privileges with shares of a class;
- (2) Convert whole or part of such class of shares into other classes, or convert whole or part of shares of other class into such shares of the class, or grant the right for such conversion;
- (3) Cancel or decrease the rights enjoyed by shares of such class in obtaining the existing or accumulated dividends;
- (4) Decrease or cancel the rights of priority enjoyed by shares of such class in obtaining dividends or the property allocation in liquidation of the Bank;
- (5) Increase, cancel or decrease the rights enjoyed by shares of such class in conversion of stock certificate, option, voting, transfer, priority in placement and obtaining of the Bank's securities;
- (6) Cancel or decrease the rights enjoyed by shares of such class in receipt of the Bank's accounts payable in specified currencies;
- (7) Establish new classes of shares that enjoy equal or more voting right, distribution right or other privileges with shares of such class;
- (8) Exercise or increase restriction on the transfer or ownership right of shares of such class;
- (9) Issue warrants for subscription or rights of share conversion for shares of such class or other classes;
- (10) Increase the rights and privileges for shares of other classes;

- (11) The Bank's restructuring plan may cause shareholders holding shares of different class to bear disproportional responsibilities in the restructuring;
- (12) Amend or nullify terms of this Chapter.

Article 51 The class shareholders influenced, whether or not having voting right at original shareholders' meetings, shall have voting right on the matters specified in Items (2)–(8) of the preceding paragraph, but the shareholders with substantial interests therein shall have no voting right at the class meeting.

The shareholders with substantial interests mentioned in the preceding paragraph shall have the same meaning with the reference in the Articles of Association of the Bank.

Article 52 Resolutions of the class meeting shall be approved by the shareholders present at the meeting with more than two thirds of the voting rights.

Article 53 The following cases shall not be applicable to the special procedures for the voting at the class meeting:

- (1) Upon the approval of the shareholders' meeting with special resolutions, the Bank independently or jointly issues domestically-listed shares and overseas-listed shares at intervals of 12 months, provided that the numbers of domestically-listed shares and overseas-listed shares to be issued is not more than 20% of the total issued shares respectively;
- (2) The Bank's plan on the issue of domestically-listed and overseas-listed shares at the time of its establishment, which is completed within 15 months upon approval of the CSRC;
- (3) The promoters' shares in the Bank are converted into overseas-listed shares with approval of the securities approval authority as authorized by the CSRC and the State Council.

Article 54 Any shareholder relating to the matters to be discussed at the shareholders' meeting shall withdraw from voting, and the voting shares held by him/her shall not be included into the total voting shares of the shareholders present at the meeting.

Article 55 Pursuant to the Articles of Association of the Bank or the resolutions of the shareholders' meeting, the cumulative voting system can be applicable in voting on directors and supervisors at the meeting.

The cumulative voting system herein refers to the system that every share shall represent the same number of voting rights identical to the number of the number of directors or supervisors to be elected at the shareholders' meeting, and the shareholders are allowed to exercise the voting rights collectively.

Article 56 In voting at the shareholders' meeting, the shareholders (including their proxies) shall exercise the voting rights according to the number of voting shares, with each share representing one vote.

The shares held by the Bank shall enjoy no voting right, and such shares shall not be included in the voting shares of shareholders present at the meeting.

Article 57 Unless voting by ballot is required according to relevant provisions of the securities regulatory authority in the listing place of the Bank, or the following persons require to vote by ballot before or after show of hands, the shareholders' meeting shall adopt the voting method of show of hands:

- (1) Meeting chairman;
- (2) At least two shareholders with voting rights or at least two proxies of the shareholders with voting rights;
- (3) One or several shareholders (including proxies of shareholders) independently or jointly holding over 10% (inclusive of 10%) of the voting shares of all shareholders present at the meeting.

Unless some people require to vote by ballot, the meeting chairman shall announce the review results of the proposals based on the results of voting by show of hands, and record the results in the minutes as the final basis, and he/she does not need to certify the number or proportion of votes in favor or against the resolutions at the meeting.

The requirement on voting by ballot may be cancelled by the applicant.

Article 58 If the matter required to be voted by ballot involves the election of chairman or suspension of the meeting, the voting by ballot shall be carried out without any delay; with respect to other matters required to be voted by ballot, the chairman may decide the time voting by ballot is to be carried out. The meeting shall continue to discuss other matters, and the voting results shall be still deemed as resolutions adopted at such a meeting.

Article 59 In voting by ballot, a shareholder (including a proxy of shareholder) with the voting rights of two or more votes is not necessarily exercise all voting rights with affirmative votes or negative votes.

Article 60 Except for the cumulative voting system, the shareholders' meeting shall vote on all proposals one by one. If there are different proposals on the same subject matter, the shareholders' meeting shall put them to vote according to the sequence of the time when these proposals are submitted.

Article 61 In review of a proposal, the shareholders' meeting shall not modify it, otherwise relevant modification shall be deemed as a new proposal and shall not be put to vote at the meeting.

Article 62 The shareholders present at the shareholders' meeting shall express their opinions as below on the proposals put to vote: approval, disapproval or abstention.

The voter shall be deemed as abstention from voting for the blank, erroneous or unreadable ballots he/she casts or the failure to cast vote, and his/her shares in the Bank shall be regarded as "abstention" in the voting results.

Article 63 Before voting on a proposal, the shareholders' meeting shall elect two representatives of shareholders to tally and supervise the vote. If a matter to be reviewed is related to a shareholder, the shareholder or its proxy shall not take part in vote counting and supervision.

When the shareholders' meeting put one proposal to the vote, the lawyer, representatives of shareholders and representatives of supervisors shall be jointly responsible for vote counting and supervision.

Article 64 The shareholders' meeting shall tally the vote on every proposal, and announce the voting results on the spot.

Article 65 The shareholders' meeting shall form resolutions in writing. The meeting chairman shall announce the resolutions of the shareholders' meeting according to the Articles of Association of the Bank and the voting results, and record them into the minutes.

Article 66 If the meeting chairman questions the voting results, he/she may check the number of vote; if the meeting chairman fails to check the vote, shareholders or their proxies present at the meeting shall have the right to require a vote-count if they have objections against the voting results, in which case the meeting chairman shall tally the count immediately.

If vote counting is carried out at the shareholders' meeting, the counting results shall be recorded into the minutes.

Article 67 A meeting of shareholders shall have its minutes that records the following contents:

- (1) time, place and agenda of the meeting, as well as the name of the convener;
- (2) name of the meeting chairman and directors, supervisors, president and other senior management personnel who attend the meeting as voting or non-voting participants;
- (3) number of shareholders who attend the meeting in person or by proxy, the sum of voting shares held by such shareholders and the proportion of such shares in the Bank's total shares;
- (4) review process, key points of utterance and voting result of each proposal;
- (5) inquiries, opinions and suggestions of shareholders and the corresponding answers or explanations;
- (6) name of the lawyer, teller and counting witness;
- (7) other aspects that shall be included in the minutes in accordance with the provisions of laws, administrative regulations, regulatory documents and the Articles of Association of the Bank.

Article 68 Minutes of a shareholders' meeting shall be signed by the meeting chairman and the directors present; and be kept together with the attendance register and power of attorney as the Bank's archives at the Bank's registered address.

Article 69 Shareholders may inspect the copy of the minutes free of charge during the Bank's working hours. When any shareholder requests the Bank to provide the copy of any minutes, the Bank shall send out the copy within 7 days after receiving the fee that is reasonably charged of the request.

Article 70 Any resolution of the Bank's General Meeting of Shareholders, if in violation of any law or administrative regulation, shall be deemed as void and invalid.

In case the convening procedure and/or voting method of a shareholders' meeting breaches laws, administrative regulations or the Articles of Association of the Bank, or in case the contents of the meeting's resolution violate the Articles of Association of the Bank, shareholders may request the governing people's court to revoke the resolution within 60 days from the date of passing the resolution.

When shareholders take a legal action pursuant to the above-mentioned clause, the Bank may apply to the people's court for asking shareholders to provide relevant guarantee.

If the people's court announces the invalidity of the resolution or revokes the resolution while the Bank has gone through the change registration procedure as per the resolution of the General Meeting of Shareholders, the Bank shall apply to the company registration authority for canceling its change registration.

Chapter IV Adjournment

Article 71 The convener shall ensure that a shareholders' meeting is being held smoothly without being interrupted until the final resolution is agreed upon. In case the shareholders' meeting is suspended or prevented from making the final resolution due to special reasons include force majeure, the convener shall take necessary measures to resume the meeting as soon as possible or to directly terminate the meeting, and publish a timely announcement. In the meantime, the convener shall submit a report thereof to the local office of China Securities Regulatory Commission and the stock exchange in the place of the Bank.

Article 72 If during a shareholders' meeting, conflicts arising among the shareholders present (including shareholder proxies) on the identity of shareholders present and the counting result, can not be resolved on the spot, for which reason the meeting is disturbed and interrupted, the meeting chairmen shall announce the adjournment for the time being.

After the above-mentioned situation disappears, the meeting chairmen shall send a notice of resumption to each of the shareholders.

Chapter V Post-meeting Matters

Article 73 Resolutions of the General Meeting of Shareholders shall be published in an announcement, which shall indicate the number of participating shareholders and proxies, the sum of voting shares held by the shareholders, the proportion of such shares in the Bank's total shares, voting method, voting result of each proposal and the relevant contents of each resolution adopted.

The Bank shall separately summarize and publish the attendance of meetings by shareholders holding domestically listed shares and by shareholders holding overseas listed shares.

Article 74 If a proposal is not adopted at a shareholders' meeting, or if the shareholders' meeting changes the resolution passed at the previous shareholders' meeting, a special reminder thereof shall be made in the announcement of resolutions of the shareholders' meeting.

Article 75 If the opinions given by an independent director on specific matters at a shareholders' meeting belong to information that must be disclosed, the Bank shall publish the independent director's opinions pursuant to regulations. Where independent directors differ from each other and can not reach an agreement, the Board of Directors shall separately disclose the opinions of each independent director.

Article 76 Resolutions, minutes and other relevant materials of the General Meeting of Shareholders shall be provided to or filed with the relevant departments, if the provision or filing is so required by relevant laws, administrative regulations, regulatory documents or the rules of the securities regulatory bodies or stock exchange in the Bank's listing place.

Article 77 When a shareholders’ meeting adopts a proposal on distribution in cash or stock dividend or capitalization of capital surplus, the Bank shall implement the specific plan thereof within 2 months after the meeting is closed.

Article 78 Written materials of a shareholders’ meeting such as the attendance sheet, power of attorney, counting results of votes, minutes, and legal opinions from the lawyers as witness shall be kept by Secretary of the Board of Directors in accordance with the Bank’s archive management system.

Article 79 For confidential contents of the shareholders’ meetings, the participants and other persons in the know shall keep them confidential, and violators will be subjected to liability investigation.

Chapter VI Supplementary Provisions

Article 80 Unless otherwise specified, the terms used herein shall have the same meaning with their references in the Articles of Association of the Bank.

Article 81 These Rules shall be prepared and amended by the Board of Directors, and be executed after being adopted at the shareholders’ meeting as evidenced by an ordinary resolution.

Article 82 If any matters unmentioned herein are inconsistent with any law, administrative regulation, code or the Bank’s Articles of Association promulgated or amended after the effective date of these Rules, the law, administrative regulation, code or the Articles of Association of the Bank shall prevail.

Article 83 Unless otherwise stipulated in the Rules, the references “more than”, “within”, “at least” and “before” hereunder shall all include the number immediately following them; the references “more than”, “less than”, “below” shall exclude the number immediately following them.

Article 84 Interpretation of these Rules shall be vested with the Board of Directors.

The Procedural Rules of the Board are written in Chinese. The English version of this Appendix II is an unofficial translation and is for reference only. In case of any inconsistency between the English and Chinese versions, the Chinese version shall prevail.

The amended Procedural Rules of the Board are set out below:

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 and the President of the Bank shall be assumed by different persons, and the Chairman shall not be assumed by the legal representative or major person-in-charge of the controlling shareholder of the Bank.

Article 5 The Board of Directors consists of the Strategy Committee, Audit Committee, Risk Management Committee (with Related Party Transaction Control Sub-Committee), and Nomination and Compensation Committee. The Board may set up other special committees and adjust existing committees when necessary.

The strategic committee shall exercise the following duties and powers:

- (1) considering plans for strategic development and making suggestions in that respect to the board of directors;
- (2) considering annual financial budgets and final accounts and making suggestions in that respect to the board of directors;

- (3) considering the strategic capital allocation (such as capital structure and capital adequacy) and asset-liability management targets and making suggestions in that respect to the board of directors;
- (4) preparing plans for the overall development of different kinds of financial business and making suggestions in that respect to the board of directors;
- (5) considering plans for significant reorganizations and adjustments and making suggestions in that respect to the board of directors;
- (6) being responsible for designing significant investment and financing plans, considering proposals in that respect as submitted by the management and making suggestions in that respect to the board of directors;
- (7) being responsible for the designing of merger and acquisition plans, considering proposals in that respect as submitted by the management and making suggestions in that respect to the board of directors;
- (8) considering the strategic development of domestic and overseas branches and making suggestions in that respect to the board of directors;
- (9) considering plans for strategic human resources development and making suggestions in that respect to the board of directors;
- (10) considering plans for IT development and other special strategic development plans and making suggestions in that respect to the board of directors;
- (11) examining and assessing the corporate governance structure so as to ensure that the financial reporting, risk management and internal control of the Bank meet the Bank's standards for corporate governance;
- (12) functions required by law, administrative regulations, rules and functions as may be authorized by the board of directors.

The audit committee shall exercise the following duties and powers:

- (1) supervising the Bank's internal controls, reviewing the Bank's core business and management procedures and their implementation, and examining and evaluating the compliance and effectiveness of the Bank's principal business activities;
- (2) reviewing financial information and its disclosure, reviewing the Bank's significant financial policies and their implementation, supervising financial operations, and monitoring the authenticity of the Bank's financial reports and the effectiveness of the management's implementation of the Bank's financial reporting procedures;
- (3) examining, monitoring and assessing the performance of the Bank's internal audit functions, supervising the compliance of the Bank's internal audit policies, and evaluating the procedures and performance of the Bank's internal audit departments;

- (4) proposing the appointment or replacement of the Bank's external auditors, adopting appropriate measures to supervise their performance, reviewing external auditors' reports, and ensuring external auditors' ultimate responsibilities to the board of directors and audit committee;
- (5) facilitating communications between the Bank's internal audit departments and the Bank's external auditors; and
- (6) functions required by law, administrative regulations, rules and functions as may be authorized by the board of directors.

The risk management committee (there shall be an affiliated transaction control committee) shall exercise the follow duties:

- (1) examining and amending the Bank's risk strategies, risk management policies and internal control procedures and supervising and assessing the implementation and effects 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 of the Bank's risk status and 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;
- (6) identifying and reporting to the board of directors and the supervisory board on the Bank's related parties and informing the Bank's related staff in a timely manner about the identification of related parties;
- (7) conducting a preliminary examination of related party transactions subject to the approval of the board of directors or the shareholders' general meeting and submitting them to the board of director or the shareholders' general meeting for approval;
- (8) reviewing and approving related party transactions and other relevant matters as authorized by our board of directors or maintaining records of the related party transactions; and
- (9) functions required by law, administrative regulations, rules and functions as may be authorized by the board of directors.

The nomination and remuneration committee shall exercise the follow duties:

- (1) formulating standards and procedures for the election of directors and senior management and submitting the proposed procedures and standards to the board of directors for approval;

- (2) proposing to the board of directors of the candidate of directors and the candidate of president and the secretary;
- (3) examining and proposing to the board of directors the candidate of senior management personnel nominated by the president;
- (4) nominating the chairman and members of special committee of the board of directors;
- (5) formulating development plans for senior management personnel and key talents;
- (6) formulating assessment measures of directors, and compensation plans for directors and supervisors (the compensation plans of supervisors need to be consulted to the board of supervisors), and submitting them to the board of directors for approval and then to the shareholders' general meeting for resolution;
- (7) assessing the performances and acts of directors, advising and proposing to the board of the compensation of directors for approval and then reporting to the shareholders' general meeting;
- (8) according to the assessment of supervisors given by the board of supervisors, advising and proposing to the board of the compensation of supervisors for approval and then reporting to the shareholders' general meeting;
- (9) formulating and examining assessment measures and compensation plans for senior management personnel, assessing 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 approval of general meeting of shareholders is necessary; and
- (10) functions required by law, administrative regulations, rules or relevant regulations of securities regulatory authorities of the locality where the shares of the Bank are listed and all other functions as may be authorized by the board of directors.

Article 6 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 and Compensation Committee.

Article 7 The Board of Directors has the General Administration Department, which is responsible for preparation of Shareholders' General Meetings, Board meetings and meetings of each special committee under the Board, document preparation, meeting minutes, information disclosure and other daily affairs of the Board and its special committees.

Personnel of the General Administration Department shall have necessary professional knowledge so as to assist the Board performing its responsibilities.

Article 8 The Board of Directors shall exercise the following duties 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) Appoint or remove the President and the Secretary to the Board of the Bank, and decide on their compensation, reward and punishment; determine the chairman and members of each special committee under the Board based on the nomination of the Nomination and Compensation 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) Determine or authorize the President to determine the setting of departments and sections of the Head Office, domestic tier-one branches, branches or subsidiaries directly controlled by the Head Office, and overseas institutions;
- (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, review and approve or authorize the Related Party Transaction Sub-Committee under the Risk Management Committee of the Board to review and approve related party transactions (except the connected transactions that shall be approved by the Shareholders' General Meeting in accordance with relevant laws); submit special reports on the implementation of regulations concerning related party transaction management and on particulars 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 9 The Board of Directors shall determine the limits of authority for investment, acquisition and sales of assets, asset mortgage, guarantee, entrusted wealth management and related party transactions, and establish strict examination and decision-making procedures. With respect to major investment projects, the Board shall organize relevant experts and professionals to review these projects and submit them to the Shareholders' General Meeting for approval according to the Articles of Association of the Bank.

Article 10 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 11 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 12 During the performance of duties, the Board of Directors shall take into full consideration the opinions of external audit agencies, and may engage professional agencies or professionals to raise their opinions, with relevant expenses assumed by the Bank.

Article 13 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 14 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 15 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 16 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 17 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 18 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 19 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 20 The Board meetings include regular Board meetings and interim Board meetings.

Article 21 The Board of Directors shall hold four regular meetings every year, once a quarter in principle.

Article 22 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 23 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 24 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 25 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 26 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 27 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 28 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 29 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 30 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 31 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 32 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 33 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 34 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 35 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 36 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 37 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 38 The principal and trustee shall comply with the following principles:

- (1) When reviewing related party transactions, unrelated directors shall not entrust related directors 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 39 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 40 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 41 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 42 The Board meeting can be held on the spot, or via telephone, video or written circular signature. Written circular signature refers to the way of meeting to form a resolution through review by respective service or circulated service. Regular meetings shall not be held by written circulation signature.

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 43 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 44 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 45 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 46 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 47 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 48 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 49 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 50 A resolution shall be adopted by the Board of Directors when more than half of all directors are in favor; provided, however, that more than two thirds of all the directors shall be in favor of the following matters submitted for review at meetings not held via circular signature.

- (1) profit distribution plans or loss recovery plans;
- (2) plan on increasing or reducing registered capital;
- (3) plan on mergence, division, dissolution or change of company form;
- (4) plan on issuing corporate bonds or other securities or on the IPO;
- (5) plan on repurchase of the Bank's shares;
- (6) plan on amending the Articles of Association of the Bank;
- (7) matters concerning the establishment of a legal entity, major mergers and acquisitions, major investment, major asset disposal and significant guarantee;
- (8) 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; and selection of chairpersons and members of special committees under the Board;
- (9) proposal on the engagement or removal of accountant firm, which shall be submitted to the Shareholders' General Meeting;
- (10) other matters which more than half of all directors consider have material effect upon the Bank thus should be adopted when more than two thirds (2/3) of all directors are in favor.

Article 51 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 52 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 via circular signature, the directors present or their entrusted directors shall write down their opinions of approving or disapproving the proposal. Once the number of the signed directors in favor of the proposal meets the quorum required for resolution adoption, as defined in the Articles of Association of the Bank, the proposal shall become a resolution of the Board.

Article 53 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 circular signature, 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 54 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 55 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 56 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 57 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 58 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 59 For confidential contents of Board meetings, the participants and other persons who know about the information shall keep them confidential, and violators shall be subject to accountability investigation.

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

Article 60 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 61 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 62 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 63 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 64 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 65 If any matters unmentioned in the Rules are in conflict with any law, administrative regulation or regulatory document that is promulgated or amended after the effective date of the Rules or with the Articles of Association of the Bank, the law, the latter shall prevail.

Article 66 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 67 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 68 The Rules shall be interpreted by the Board of Directors.

The Procedural Rules of the Supervisory Committee are written in Chinese. The English version of this Appendix III is an unofficial translation and is for reference only. In case of any inconsistency between the English and Chinese versions, the Chinese version shall prevail.

The amended Procedural Rules of the Supervisory Committee are set out below:

Chapter I General Provisions

Article 1 In order to guarantee that the Board of Supervisors of the Industrial and Commercial Bank of China Limited (hereinafter the “Bank”) would exercise its functions and powers independently in accordance with laws, to ensure that the Board of Supervisors would operate efficiently on the standard basis and make decisions rationally, and to improve the governance structures of the Bank, these Rules are formulated pursuant to the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Law of the People’s Republic of China on Commercial Banks, the Standards for the Governance of Listed Companies, the Listing Rules of Shanghai Stock Exchange, the Articles of Association of the Industrial and Commercial Bank of China Limited (hereinafter the “Articles of Association”) and other relevant laws, regulations and regulatory documents as well as the actual conditions of the Bank.

Article 2 The Board of Supervisors is a supervisory organ of the Bank, reporting to the shareholders’ general meeting, supervising the performance of duties by the financial department, the Board of Directors, the senior management and its members of the Bank and preventing them from abusing powers so as to safeguard the legitimate interests of the Bank, its shareholders and the staff.

Article 3 The Board of Supervisors shall lawfully have the right to know, the right to propose and the right to report conferred by laws and regulations. The Bank shall take measures to protect the supervisors’ rights to know, and provide the Board of Supervisors with relevant information and materials, so as to enable the Board of Supervisors to conduct effective supervision, inspection and evaluation of the financial status, risk control and management situation of the Bank. The Board of Supervisors may make proposals to the Board of Directors and senior officers, and report to the shareholders’ general meeting as necessary.

Chapter II Composition, Functions and Powers of the Board of Supervisors

Section 1 Composition of the Board of Supervisors

Article 4 The Board of Supervisors shall be composed of five to seven supervisors, including supervisors from the shareholder representatives, external supervisors and those from the staff representatives, wherein the supervisors from the staff of the Bank shall be no less than one third of all and the external supervisors shall be no less than two members.

Article 5 The Board of Supervisors shall have a chairman who can be elected or dismissed by two-thirds or more members of the Board of Supervisors.

The chairman shall be a full-time officer with professional knowledge and working experiences at least in one of the fields of accounting, auditing, finance or law.

Article 6 The supervisors representing the shareholders and external supervisors shall be elected or dismissed by the shareholders’ general meeting. The supervisors representing the staff shall be elected and dismissed democratically by the staff of the Bank.

The directors and senior officers of the Bank may not concurrently serve as supervisors.

Article 7 There is a supervision committee under the Board of Supervisors and the Board of Supervisors may also set up other special committees or adjust the existing committees as needed. The supervision committee shall work as authorized by the Board of Supervisors and report to the Board of Supervisors.

The regulations for and responsibilities of the supervision committee shall be formulated by the Board of Supervisors otherwise. The supervision committee may engage intermediary institutions in providing professional consultation and the relevant expenses reasonably incurred shall be borne by the Bank.

Article 8 The Board of Supervisors shall have an administrative office responsible for handling daily affairs thereof, which shall conduct the supervision, arrange for the meetings of the Board of Supervisors and special committees, prepare the documents, and note the minutes of meetings.

The staff appointed for the administrative office shall possess professional knowledge so as to ensure the performance of duties of the Board of Supervisors.

Section 2 Functions and Powers of the Board of Supervisors

Article 9 The Board of Supervisors shall exercise the following functions and powers:

- (i) to supervise the fulfillment of duties of the directors and senior officers, and to interrogate directors and the senior management;
- (ii) to supervise the fulfillment of duties by the Board of Directors and the senior management;
- (iii) to demand the directors and senior officers to rectify their conducts that damage the interests of the Bank;
- (iv) to make proposals to dismiss the directors and senior officers in violation of laws, regulations, rules, the Articles of Associations of the Bank or the resolutions of the shareholders' general meetings, or to lodge a complaint according to law;
- (v) to audit the directors and senior officers on demand when they leave their positions;
- (vi) to inspect and supervise the financial affairs of the Bank;
- (vii) to check and inspect the financial information, such as financial report, business report, and plans for distribution of profits, which the Board of Directors intends to submit to the shareholders' general meeting, and to authorize, in the Bank's name, certified public accountants and practicing auditors to assist in reviewing such information in case of any doubt arising in respect thereof;
- (viii) to inspect and supervise the operation and decision-making, risk management and internal control of the Bank, and give instructions on the work of the internal auditing department of the Bank;
- (ix) to draw up measures of assessment to examine and evaluate the supervisors and submit to the shareholders' general meeting for decision;

- (x) to put forward proposals to the shareholders' general meeting;
- (xi) to propose to convene a shareholders' interim general meeting, or to convene and preside over such a meeting where the Board of Directors fails to perform the duties to convene the meeting;
- (xii) to propose to convene an interim meeting of the Board of Directors;
- (xiii) Other functions and powers authorized under laws, regulations, rules or shareholders' general meetings.

Article 10 The Board of Supervisors shall report to the shareholders' general meetings on its work in the preceding year. Such report shall cover:

- (i) convening of the meetings of Board of Supervisors;
- (ii) reviewing of the Bank's financial affairs;
- (iii) compliance with the relevant laws, regulations, other regulatory documents, the Articles of Association and the resolutions of the shareholders' general meetings, and performance of duties by the Board of Directors, senior management and its members of the Bank;
- (iv) other matters that shall be reported to the shareholders' general meeting in the opinion of the Board of Supervisors.

Article 11 The Board of Directors shall accept the supervision by the Board of Supervisors and shall not obstruct the Board of Supervisors from conducting inspecting and auditing activities according to its functions and powers.

Article 12 The relevant documents and materials on major decisions of operation, financial status and operation and management shall be sent to the Board of Supervisors. Relevant information management systems and files shall be made accessible to for the Board of Supervisors and the notices of relevant meetings shall be sent to the same.

Article 13 The president and other senior officers shall faithfully report to the Board of Supervisors regularly or upon the request of the Board of Supervisors on operation results, major contracts, financial status, risk status, business prospect and major events, etc. of the Bank.

Article 14 The auditing results regarding the internal functional departments and their branches by the internal auditing department of the Bank shall be sent to the Board of Supervisors. The Board of Supervisors shall have right to request the Board of Directors or the internal auditing department to make explanations in case of any doubt arising in respect to the auditing results.

Article 15 The plan for distribution of profits drawn up by the Board of Directors shall be submitted to the Board of Supervisors. The Board of Supervisors shall deliver its opinions within five working days. Where the Board of Supervisors fails to deliver its opinions within the specified period, it shall be deemed that the plan has been approved thereby.

Article 16 Where the Board of Supervisors discovers that the Board of Directors and the senior management fail to implement the prudential accounting principle, to check strictly the due interests, or to withdraw sufficient loan loss reserves, the Board of Supervisors shall order them to correct the above.

The Board of Supervisors shall interrogate the Board of Directors or the senior management when discovering the exceptional business fluctuation of the Bank.

Article 17 Where the Board of Supervisors discovers that the Board of Directors and the senior management violate laws, regulations, other regulatory documents and the Articles of Association of the Bank, the Board of Supervisors shall propose the punishment to be imposed on the relevant personnel and timely issue the notice requiring rectification to be implemented within the specified period. The Board of Directors or the senior management shall timely carry out the punishment or rectification and report the results to the Board of Supervisors. Where the Board of Directors and the senior management refuse or delay the implementation of punishment or rectification, the Board of Supervisors may notify the Board of Directors or the shareholders' general meeting, or report to the securities regulatory authorities and other relevant authorities directly.

Article 18 The Board of Supervisors, in the exercise of its functions and powers, shall have the right to obtain the information and materials from the relevant personnel and departments of the Bank, who shall provide their cooperation.

All the reasonable fees incurred in respect of the employment of professionals such as lawyers, certified public accountants or practicing auditors who are engaged by the Board of Supervisors in the exercise of its functions and powers shall be borne by the Bank.

Chapter III Procedures for Convening the Meetings of the Board of Supervisors

Section 1 Manners of Convening the Meetings

Article 19 The Board of Supervisors shall make resolutions at the meeting thereof. The meetings shall consist of regular meetings and interim meetings.

Article 20 The regular meetings of the Board of Supervisors shall be convened at least four times a year. The meetings shall be convened prior to the disclosure of the regular reports of the Bank.

The matters examined by the regular meetings of the Board of Supervisors shall include:

- (i) the annual report, the biannual report and other regular reports of the Bank;
- (ii) the preliminary and final budgets of the Bank;
- (iii) the profit distribution and loss recovery proposals;
- (iv) the supervisory opinions on the performance of duties by the Board of Directors, the senior management and its members of the Bank;
- (v) the work report of the Board of Supervisors;
- (vi) the work plan of the Board of Supervisors;
- (vii) other matters according to relevant laws, regulations, other regulatory documents and Articles of Association of the Bank.

All or part of the above matters may be examined by each regular meeting of the Board of Supervisors, and other new matters may be added as necessary.

Article 21 An interim meeting of the Board of Supervisors shall be convened and presided over by the Chairman within ten days if any of the following circumstances occurs:

- (i) where the chairman of the Board of Supervisors deems it necessary;
- (ii) where more than one-third of the supervisors propose in their joint names;
- (iii) where all external supervisors propose;
- (iv) where resolutions violating laws, regulations, rules, various orders and requirements of the regulatory authorities, the Articles of Association of the Bank, resolutions made by the shareholders' general meeting and other relevant resolutions are approved by the shareholders' general meeting and the meeting of the Board of Directors;
- (v) where the misconducts of the directors or the senior management will seriously damage the interests of the Bank;
- (vi) where an action is brought against the Bank, directors, supervisors or the senior management by shareholders;
- (vii) where the Bank, directors, supervisors or the senior management are punished by the securities regulatory authorities or publicly condemned by stock exchanges;
- (viii) where it is requested by the securities regulatory authorities;
- (ix) where other circumstances provided by laws, regulations, regulatory documents and the Articles of Association of the Bank occur.

Article 22 Where an interim meeting is proposed by the supervisors, a written proposal executed by the above supervisors shall be submitted, through the administrative office of the Board of Supervisors or directly, to the chairman. The written proposal shall include:

- (i) the names of the supervisors who make the proposals;
- (ii) the reasons and objective grounds for the proposals;
- (iii) the date or duration, place and form;
- (iv) the definite and specific proposals;
- (v) the contact information of the above supervisors and proposed date.

The administrative office shall issue the notice for the interim meeting of the Board of Supervisors within three days after the office or the chairman receives the supervisor's written proposal.

If the office fails to issue such notice, the above supervisors shall report to the regulatory authorities.

Section 2 Initiation and Collection of Proposals

Article 23 The Board of Supervisors shall examine the proposal put forward by any supervisors.

Article 24 The office of the Board of Supervisors shall be responsible for collecting the proposals from all supervisors prior to sending the notice of convening the regular meeting of the Board of Supervisors. The relevant proposers shall submit the proposals and explanatory materials fifteen days prior to the date of the meeting. The office shall prepare the proposals and list the place, time and agenda of the meeting, and submit to the chairman of the Board of Supervisors.

Section 3 Notice of and Communication before Meetings

Article 25 Written notices affixed with the seal of the office of the Board of Supervisors for the regular or interim meetings of the Board of Supervisors shall be served to all supervisors ten or five days respectively prior to the date of the meeting. Where the interim meeting shall be convened as soon as possible as emergency occurs, the office shall not be bound by the preceding paragraph and may send the notice at any time in the form of oral notice or through telephone. The convener shall make relevant explanations at the meeting.

Article 26 The written notice for the meeting of the Board of Supervisors shall include:

- (i) the place and date of the meeting;
- (ii) the matters to be examined (proposals);
- (iii) the convener and presider of the meeting, proposer and the written proposal;
- (iv) the date of sending notice;
- (v) the contact person and contact method.

Oral notice shall include the items (i) and (ii) at least, and the explanation of convening the meeting as emergency occurs.

Article 27 The meetings of the Board of Supervisors shall be noticed according to the following requirements and manners:

- (i) The notice of the meeting of the Board of Supervisors may be served by courier, fax or registered mail;
- (ii) If the notice of the meeting is sent by courier, the date when the recipient signs or stamps to acknowledge receipt of the same shall be regarded as the date of service of the notice. If the notice of the meeting is sent by fax, the date of sending the fax shall be regarded as the date of service, which is namely the date on the fax sheet. If the notice of the meeting is sent by the way of registered mail, the fifth working day since sending shall be regarded as the date of service. If the notice is not sent by courier, it shall be confirmed through telephone and also make record.

Article 28 Any supervisor may waive his the right to demand the notice of the meeting.

If a supervisor fails to attend a meeting (the original may be wrong here) and presents no opinion that he (or she) has not received the notice prior to or at the meeting, it shall be deemed that the notice has been served to the same supervisor.

Each attendee shall notify the office of the Board of Supervisors as soon as possible whether he (or she) attends the meeting.

Article 29 Where more than two external supervisors are of the opinion that the information in respect of a specific motion is insufficient to allow judgment to be made, or the motion is not convincing, they may in their joint name propose to postpone the examination of such a motion, and the Board of Supervisors shall adopt such a proposal.

Article 30 Before the meeting, the administrative office of the Board of Supervisors shall be responsible for or arrange for the communication and liaison with all supervisors, to seek for their opinions or suggestions in respect of the proposals of the meeting, so as to perfect these proposals.

Section 4 Presence at the Meetings

Article 31 A meeting of the Board of Supervisors shall be validly convened by the presence of not less than two-thirds of all supervisors.

Article 32 A supervisors shall be personally present at the supervisors' meetings. If for any reason a supervisor is unable to attend the meeting, he (or she) shall by written authorization appoint another supervisor to act as his (or her) proxy to attend the meeting. An external supervisor shall appoint another external supervisor to act as his (or her) proxy to attend the meeting. A power of attorney shall state the name of the proxy, the scope of the authorization, the authority of the proxy and the period of validity, and also be signed or affixed by the principal.

Where a supervisor appoints another supervisor to act as his (or her) proxy to attend the meeting, the principal shall be accountable for the decisions made by the proxy within the scope of the authorization.

Article 33 In the event that a supervisor does not present at two consecutive meetings of the Board of Supervisors without appointing a proxy to attend on his (her) behalf, he (or she) shall be deemed to be unable to perform his duties. The Board of Supervisors shall propose the shareholders' general meeting or staff to remove the supervisor democratically.

An external supervisor shall work for the Bank at least fifteen working days in one year. An external supervisor may appoint another external supervisor to act as his (or her) proxy to attend the meeting of the Board of Supervisors. An external supervisor shall personally present at not less than two-third of all meetings of Board of Supervisors in one year. Where a external supervisor present less than two-third meetings in one year or does not present at two consecutive meetings without appointing another external supervisor to act as his (or her) proxy to attend the meetings, the Board of Supervisors shall propose the shareholders' general meeting that the supervisor be removed.

Article 34 Where a presenting supervisor withdraws from the meeting of the Board of Supervisors at midway, he (or she) shall explain the reason to the presider and ask for leave. As to voting right to the remaining proposals, the supervisor may appoint another supervisor to exercise the right by written authorization. The supervisor shall be deemed to have abstained from voting right to the remaining proposals if he (or she) fails to appoint another supervisor as his (or her) proxy.

Where a presenting supervisor withdraws from the meeting at midway, the supervisor shall be deemed not to attend the meeting personally when calculating number of the presenting supervisors according to preceding Article 33.

Section 5 Convening of Meetings

Article 35 A meeting of the Board of Supervisors shall be convened and presided over by the chairman of the Board of Supervisors. If the chairman is unable or does not perform his (or her) duties, the meeting shall be presided over by a director jointly recommended by half or more of the directors.

Upon the expiry of the term of office of the Board of Supervisors and the re-election of the new supervisors by the shareholders' general meeting, the supervisor who obtains the largest number of approval votes at such re-election (if more than one, one shall be chosen amongst them) shall chair such meeting, at which the chairman of the new Board of Supervisors shall be elected.

Article 36 A meeting of Board of Supervisors may be held by the way of on-site meeting, video meeting and signing written resolutions one by one. The way of holding meeting by signing written resolutions one by one means that the proposals shall be sent respectively or sent one by one for examining. A regular meeting shall not be held by the way of signing written resolutions one by one.

Where a meeting of the Board of Supervisors is held by the way of teleconference or videoconference, it shall guarantee that the attending supervisors are able to hear clearly the supervisor who speaks at the meeting and communicate amongst them. The meetings by these ways shall be recorded or video-recorded.

Article 37 The presider of the meeting shall declare the commencement of the meeting as scheduled. The supervisors in presence shall reach an agreement on the agenda of the meeting thereafter.

Where an agreement is reached in respect of the agenda of the meeting by the supervisors presenting at the meeting, the presider of the meeting shall direct the proposals to be examined one by one.

Article 38 In reviewing the relevant proposals and reports, the meeting of the Board of Supervisors' may require the directors, the president and other the senior management, internal and external auditors to attend the meeting to give necessary explanations to the relevant matters, and to answer the questions which the Board of Supervisors is concerned with.

Section 6 Voting, Resolutions and Minutes of the Meetings

Article 39 In reviewing the proposals at the meeting of Board of Supervisors, all attending supervisors shall deliver their opinions in respect of approval or objection to such proposals or abstention from voting. Each supervisor shall have one vote.

The supervisors who are acting as proxies of others shall exercise the rights of voting within the authorization. Where a supervisor does not present at a supervisors' meeting and fails to appoint a proxy to act on his behalf, such a supervisor shall be deemed to have waived his (or her) right to vote at the meeting.

Article 40 In principle, resolutions shall be made on the matters examined at the supervisors' meeting. No resolution shall be effective unless approved by more than two-thirds of all supervisors.

Article 41 The Board of Supervisors shall not examine the temporary proposals which are not listed in the notice of the meeting and shall not make resolutions on the matters which are not within the agenda. Where a temporary motion shall be examined at the meeting upon emergency, the presider of the meeting shall direct the temporary proposals to be decided for examining or not. No temporary proposals shall be examined unless approved by more than two-thirds of all supervisors. The vote of proxies shall not be effective if the proxies fail to obtain prior authorization in respect to the temporary proposals, unless the principal has stated similar authorization in the power of attorney.

Article 42 Resolutions of the Board of Supervisors shall be decided on show of hands and open vote. All attending supervisors shall deliver their opinions in respect of approval or objection to such proposals or abstention from voting. The voting results shall be counted by the staff on the site, declared by the presider and recorded for files.

Article 43 Where a meeting of the Board of Supervisors is held by the way of teleconference or videoconference. In the event that the attending supervisors are unable to sign for the resolutions on site, they shall express their opinions orally during the meeting and shall complete the signing procedures as soon as practicable. Voting orally by supervisors shall have the same legal effect as signing for the resolutions. The voting orally shall be in consistent with signing for the resolutions. In case of any discrepancy between the signing for the resolutions and voting orally, the voting orally shall prevail.

Where a motion is signed one by one, supervisors or their proxies shall state their opinions of approval or objection on the written resolution. In case the number of the supervisors stating approval reaches the quorum stipulated by the Articles of Association of the Bank, the motion shall be adopted to be a resolution of the Board of Supervisors.

The statistical results of the resolutions made by the administrative office shall be reviewed and executed by the chairman and then sent to each supervisor within five days.

Article 44 Detailed minutes of a supervisors' meeting shall be recorded as proof of the resolutions on the matters examined at the meeting. The meeting of the Board of Supervisors may be recorded entirely as necessary.

The minutes of the meeting shall state the following items:

- (i) the number, date and place of the meeting;
- (ii) the convener and presider of the meeting;
- (iii) the names of the attending supervisors and names of the principals and proxies who have fulfilled the necessary procedures for attending the meeting;
- (iv) the proposals of the meeting, main points of each supervisor's speech (where the meeting is held by the way of signing written resolutions one by one, the written opinions of the supervisors shall prevail);
- (v) the methods of voting for each matter to be examined and the voting result (the result shall state the number of votes for approval or objection to the motion or abstention);
- (vi) other items the Board of Supervisors deems to be stated.

The administrative office of the Board of Supervisors shall designate staff to arrange for the matters examined at the meeting to be recorded. The minutes of each meeting shall be provided to the attending supervisors for review within five days after the ending of the meeting. Where a supervisor deems the minutes shall be amended or made up, the supervisor shall report the opinions of amendment to the chairman of the Board of Supervisors within one week upon receipt of the minutes. After the minutes is finalized, attending supervisors or the proxies and the minutes-taking staff shall sign the minutes of that meeting. A supervisor shall have the right to request his (or her) reservation of opinion to be written down in the minutes. A supervisor may state his (or her) different opinions on the minutes when signing the minutes. The supervisor may report to the regulatory authorities as necessary and make public statements. Where a supervisor neither sign and confirm the minutes according to the preceding paragraph, nor make a written statement of the different opinions, or report to the regulatory authorities, or make public statements, it shall be deemed that the supervisor has agreed the content of the minutes entirely. The chairman of the Board of Supervisors shall send the copies of the minutes to the supervisors and the directors, the president and other senior management attending the meeting.

Minutes of the meetings of the Board of Supervisors shall be properly kept for files according to the archives management system of the Bank.

Chapter IV Disclosure of Information of the Meetings of the Board of Supervisors

Article 45 The resolutions of the Board of Supervisors shall be submitted to the stock exchange on which the Bank's shares are listed according to the requirements thereof after the ending of the meetings. The resolutions, after signed by the attending supervisors and registered by the stock exchange, shall be disclosed.

Article 46 The Board of Directors shall disclose the matters examined or resolutions passed at the supervisors' meeting according the requirements of the disclosure of information of the regulatory authorities in a timely and accurately manner. As to the disclosure of information on major events, it shall be reported to the regulatory authorities for record.

Article 47 The public notice of the resolutions of the Board of Supervisors shall include the following items:

- (i) the time, place, form, and statements on compliance with relevant laws, regulations, rules and the Articles of Association of the Bank;
- (ii) the number and names of supervisors who appoint others as proxies to attend or be absent, the reason of absence and names of proxies;
- (iii) the number of votes for approval or objection to the motion or abstention, and the reasons of votes for objection or abstention;
- (iv) the detailed content of matters examined and resolutions passed by the meetings.

Article 48 As to confidential information, the attendees of the meeting and other insiders must keep such information confidential. Punishment shall be imposed on those who are in breach of this duty.

**Chapter V Implementation of and Feedbacks to the Resolutions of
Meetings of the Board of Supervisors**

Article 49 The Board of Supervisors may pass resolutions and make proposals to the Board of Directors and the shareholders' general meetings. These resolutions and proposals shall be implemented by the relevant departments under the direction of the Board of Directors.

Article 50 The Board of Supervisors shall have right to request the relevant personnel and departments to report the implementation of the relevant matters at the specified time.

Article 51 The administrative office of the Board of Supervisors shall, under the direction of the Board of Supervisors, take initiative to obtain the information in respect of the implementation of the relevant resolutions, and shall report and make proposals to the Board of Supervisors.

Article 52 The relevant departments and personnel of the Bank shall implement the resolutions of the Board of Supervisors actively. The Board of Supervisors shall propose the punishment be imposed on those who delay, dodge or obstruct the implementation of the resolutions.

Article 53 Where resolutions concerning the proposals to convene a interim meeting of the Board of Directors or shareholders' interim general meeting, or the submission of temporary proposals to the shareholders' general meeting, are passed by the Board of Supervisors, the Board of Supervisors shall, within a specified period, submit to the Board of Directors the subjects of such meetings and the detailed proposals in writing, and shall ensure that the contents of the proposals comply with relevant laws, regulations, other regulatory documents and the Articles of Association of the Bank.

Chapter VI Supplementary Articles

Article 54 Unless especially explained, the terms of these Rules shall have the same meanings with those set out in the articles of association of the Bank.

Article 55 Unless otherwise provided or no conflict in the context of these Rules, the expressions of "above", "within", "at least" and "before" shall include the figures mentioned whilst the expressions of "more than", "less than" "short of" and "below" shall not include the figures mentioned.

Article 56 Where these Rules fail to comply with relevant laws, regulations and the articles of association of the Bank promulgated or amended from time to time after these rules take effect, these laws, regulations and the articles of association shall prevail.

Article 57 The revised Rules shall be valid and put in force after passed by two-thirds of all supervisors and approved by an ordinary resolution at a shareholders' general meeting.

Article 58 The right to interpret these Rules shall vest with the Board of Supervisors.



中国工商银行

INDUSTRIAL AND COMMERCIAL BANK OF CHINA

中國工商銀行股份有限公司

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1398)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (“**EGM**”) of Industrial and Commercial Bank of China Limited (“**Company**”) will be held at The Westin Beijing Financial Street, 9B Financial Street, Xicheng District, Beijing, the People's Republic of China at 9:30 a.m. on 21 March 2007 to consider and, if thought fit, to pass the following resolutions. Unless otherwise indicated, capitalised terms used herein shall have the same meaning as those defined in the circular of the Company dated 2 February 2007 (the “**Circular**”):

Ordinary Resolutions:

- 1 “**THAT** the amended Procedural Rules of Shareholders' General Meeting as set out in Appendix I to the Circular and as produced to this meeting marked “A” and initialled by the Chairman for the purpose of identification be and are hereby approved.”
- 2 “**THAT** the amended Procedural Rules of the Board as set out in Appendix II to the Circular and as produced to this meeting marked “B” and initialled by the Chairman for the purpose of identification be and are hereby approved.”
- 3 “**THAT** the amended Procedural Rules of the Supervisory Committee as set out in Appendix III to the Circular and as produced to this meeting marked “C” and initialled by the Chairman for the purpose of identification be and are hereby approved.”
- 4 “**THAT** (a) the purchase of directors' and officers' liability insurance for the directors, supervisors and senior management of the Company be and is hereby approved; (b) the aggregate insured amount of the insurance policy shall be USD50 million for one year's coverage and the insurance premium shall not exceed USD1.487 million; and (c) the Board and such persons authorised by the Board be and is hereby authorised to do all such further acts and things and execute such further documents and take all such steps which in their opinion may be necessary, desirable or expedient to implement and/or give effect to the purchase of the insurance.”
- 5 “**THAT** the following standard policy for determining the amount of allowance to be paid to the independent non-executive directors and external supervisors of the Company be and is hereby adopted:
 - (a) each of the independent non-executive directors of the Company shall be entitled to a basic annual allowance of RMB300,000;
 - (b) each of the external supervisors of the Company shall be entitled to a basic annual allowance of RMB250,000;

NOTICE OF EGM

- (c) members of each of the strategy committee, audit committee, risk management committee, nomination and compensation committee and related party transactions control sub-committee of the Board shall be entitled to an additional allowance of RMB30,000 per annum and chairmen of such committees shall be entitled to an additional allowance of RMB50,000 per annum;
 - (d) members of the supervision committee shall be entitled to an additional allowance of RMB30,000 per annum and the chairman of such committee shall be entitled to an additional allowance of RMB50,000 per annum;
 - (e) all allowances shall be payable quarterly on a time pro-rata basis for any non full year's service."
- 6 "THAT the following remuneration plan for the internal supervisors of the Company be and is hereby adopted:
- (a) the aggregate remuneration of the chairman for 2006 shall be RMB1,180,000;
 - (b) the aggregate remuneration of the specialised supervisor for 2006 shall be RMB900,000;
 - (c) the allowance of the employees' representative supervisor for 2006 shall be RMB40,000."

By Order of the Board
Dr. PAN Gongsheng
Company Secretary

Beijing, the PRC
2 February 2007

Notes:

(1) Corporate governance documents

The amended Procedural Rules of Shareholders' General Meeting, the amended Procedural Rules of the Board and the amended Procedural Rules of the Supervisory Committee are set out in Appendices I, II and III to the Circular, respectively. The procedural rules are written in Chinese. The English version of the Appendices is an unofficial translation and is for reference only. In case of any inconsistency between the English and Chinese versions, the Chinese version shall prevail.

(2) Closure of register of members and eligibility for attending the EGM

Holders of H Shares are advised that the register of members will be closed from Monday, 19 February 2007 to Wednesday, 21 March 2007 (both days inclusive) during which period, no transfer of H Shares will be effected. Holders of H Shares whose names appear on the register of members of the Company maintained in Hong Kong at the close of business on Friday, 16 February 2007 are entitled to attend the EGM.

NOTICE OF EGM

Holders of H Shares who wish to attend the EGM but have not registered the transfer documents are required to deposit the transfer document together with the relevant share certificates at the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Rooms 1712–16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong at or before 4:00 p.m., Friday, 16 February 2007.

(3) Proxy

Shareholders entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote in their stead. A proxy need not be a shareholder of the Company.

The instrument appointing a proxy must be in writing under the hand of a shareholder or his attorney duly authorised in writing. If the shareholder is a corporate body, the proxy form must be either executed under its common seal or under the hand of its director(s) or duly authorised attorney(s). If the proxy form is signed by an attorney of the shareholder, the power of attorney authorising that attorney to sign or other authorisations document must be notarised.

To be valid, the proxy form together with the power of attorney or other authorisation document (if any) must be deposited at the Company's Board of Directors' Office (in respect of holders of A Shares) in person or by post not less than 24 hours before the time fixed for holding the EGM or any adjournment thereof (as the case may be). The Company's Board of Directors' Office is located at No. 55 Fuxingmennei Avenue Xicheng District, Beijing 100032, PRC. In order to be valid, the said documents must be lodged at the H share registrar of the Company within the abovementioned period by holders of H Shares. The H share registrar of the Company is Computershare Hong Kong Investor Services Limited, whose address is at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. Completion and return of this proxy form will not preclude a shareholder from attending and voting in person at the EGM if she/he so wishes.

(4) Reply Slip

Shareholders who intend to attend the EGM in person or by proxy should return the reply slip in person, by post or by fax to the Company's Board of Directors' Office (for holders of A Shares) or Computershare Hong Kong Investor Services Limited (for holders of H shares) on or before 1 March 2007. The Company's Board of Directors' Office is located at No. 55 Fuxingmennei Avenue, Xicheng District, Beijing 100032, PRC (Tel: (86 10) 6610 8608, Fax: (86 10) 6610 6139). The address of Computershare Hong Kong Investor Services Limited is 46th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

(5) Other business

The EGM is expected to last for half a day. Shareholders (in person or by proxy) attending the EGM are responsible for their own transportation and accommodation expenses. Shareholders or their proxies attending the EGM shall produce their identity documents.