

# **The Rules of Procedures of the Shareholders' General Meeting of Zhongyuan Bank Co., Ltd.**

## **CHAPTER 1 GENERAL PROVISIONS**

**Article 1** For the purpose of safeguarding the legitimate rights and interests of Zhongyuan Bank Co., Ltd. (the “**Bank**”), its shareholders and creditors, and regulating the organization and activities of the shareholders’ general meeting of the Bank, the Rules of Procedures (the “**Rules**”) are hereby formulated in accordance with the Company Law of the People’s Republic of China (the “**Company Law**”), the Commercial Banking Law of the People’s Republic of China (the “**Commercial Banking Law**”), the Special Regulations of the State Council concerning the Offering and Listing of Shares Overseas by Joint Stock Limited Companies, the Reply of State Council on the Adjustment to the Provisions of the Notice Period for Convening the General Meetings and Other Matters Applicable to the Overseas Listed Companies (《國務院關於調整適用在境外上市公司召開股東大會通知期限等事項規定的批覆》), the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas, the Corporate Governance Guidelines for Banking and Insurance Institutions and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”), as well as laws and regulations, normative documents and the requirements of the Articles of Association of Zhongyuan Bank Co., Ltd. (the “**Articles**”).

**Article 2** The Rules are applicable to the annual general meeting and extraordinary general meeting, and binding upon the Bank, all shareholders, proxies of shareholders, directors of the Bank, supervisors, senior management and other relevant personnel who attend the shareholders’ general meeting.

**Article 3** Any shareholder holding the Bank’s shares shall be entitled to attend in person or authorize a proxy to attend the shareholders’ general meeting and enjoy various rights of shareholders such as the right of access, right to speak, inquiry right and voting right pursuant to laws and regulations, rules, normative documents and the Articles and the Rules, unless otherwise stipulated by the Rules.

Shareholders and their proxies attending the shareholders’ general meeting shall observe the provisions of relevant laws and regulations, rules, normative documents, the Articles and the Rules, and consciously maintain the order of the meeting, and shall not infringe upon the legitimate interests of other shareholders.

## **CHAPTER 2 GENERAL PROVISIONS OF SHAREHOLDERS’ GENERAL MEETINGS**

**Article 4** The shareholders’ general meetings shall be the organ of power of the Bank and shall exercise its functions and powers according to the laws.

**Article 5** The shareholders’ general meeting shall exercise the following powers:

- (I) deciding on the business policies and investment plans of the Bank;
- (II) electing and replacing directors not appointed by staff by representatives and deciding on matters concerning their remunerations;

- (III) electing and replacing supervisors not appointed from staff representatives, and deciding on matters concerning supervisors' remuneration;
- (IV) examining and approving reports of the Board of Directors;
- (V) examining and approving reports of the Board of Supervisors;
- (VI) examining and approving the Bank's annual financial budget and final account proposals;
- (VII) examining and approving the rules of procedures of the shareholders' general meetings, the Board of Directors and the Board of Supervisors;
- (VIII) examining and approving the Bank's plans for profit distribution and loss make-up;
- (IX) to adopt resolutions concerning the increase and reduction of the registered capital, issuance of bonds or other securities and listing of the Bank;
- (X) to adopt resolutions on matters such as repurchase of shares of the Bank, merger, division, changing of corporate form, dissolution and liquidation of the Bank;
- (XI) to amend the Articles;
- (XII) to adopt resolutions on the engagement, dismissal or discontinuation of the appointment of the Bank's accounting firm which provides regular statutory audit for financial reports of the Bank;
- (XIII) to examine proposals raised by the shareholders who individually or jointly hold above 3% of the total issued and outstanding voting shares of the Bank (hereinafter referred to as "**Proposing Shareholders**") according to law;
- (XIV) to examine the substantial asset investment and disposal of the Bank and related matters which amount to over 10% (exclusive) of the audited net asset value of the Bank in the most recent audited financial period;
- (XV) to examine the substantial asset acquisition and disposal of the Bank and related matters which amount to over 10% (exclusive) of the audited net asset value of the Bank in the most recent audited financial period;
- (XVI) to examine and approve the external donation amounting to above RMB30 million (exclusive);
- (XVII) to examine and approve the external guarantee for non-commercial bank business guarantees such as asset mortgages amounting to above RMB200 million (exclusive);
- (XVIII) to examine and approve the related (connected) transactions which require approval by the shareholders' general meeting as stipulated by the laws, administrative regulations, departmental rules, regulatory documents, regulations of securities regulatory authorities of the locality in which the Bank's shares are listed;

- (XIX) to examine the stock incentive plans, employee stock ownership plans and other medium and long term incentive plans;
- (XX) to determine the issuance of preference shares; to determine or authorize the Board of Directors to determine matters relating to preference shares issued by the Bank, including but not limited to redemption, conversion and distribution of dividends;
- (XXI) to examine any other matters required by the laws, administrative regulations, department regulations, normative documents, relevant regulatory authorities, the Articles and the Rules to be approved by a shareholders' general meeting.

The matters mentioned above are within the shareholders' general meeting's scope of authority and shall be examined and decided by the shareholders' general meeting. If it is necessary, reasonable and legal, the decision making of these issues can be delegated to the Board of Directors, and the authorization given shall be clear and specific. The shareholders' general meeting shall not delegate the functions and powers legally exercised by the shareholders' general meeting to the Board of Directors.

If the Articles require that matters to be delegated to the Board of Directors are to be adopted by the shareholders' general meeting by way of ordinary resolutions, such resolutions on matters to be delegated shall be approved by more than half of the voting rights of the shareholders (including proxies thereof) attending the shareholders' general meeting. If the Articles require that matters to be delegated to the Board of Directors are to be adopted by the shareholders' general meeting by way of special resolutions, such resolutions shall be approved by above two-thirds of the voting rights of the shareholders (including proxies thereof) attending the shareholders' general meeting.

**Article 6** Unless the Bank is in any special circumstances such as a crisis, the Bank shall not enter into any contract with any party other than the directors, supervisors, President and other senior officers to which such party shall be responsible for managing the whole or any substantial part of the Bank's business without the approval at a shareholders' general meeting by way of special resolutions.

**Article 7** Shareholders' general meetings consist of annual general meetings and extraordinary general meetings. Annual general meeting shall be held once a year and shall be held within six (6) months of the date of the previous financial year. Where such meetings are required to be adjourned in any special reasons, a report shall be submitted to the Banking Regulator under the State Council with an explanation for such adjournment in time.

**Article 8** The Bank shall hold an extraordinary general meeting within two (2) months of the date of the occurrence of any of the following events:

- (I) the number of directors is less than the statutory minimum number required by the Company Law or 2/3 of the number required by the Articles;
- (II) the outstanding losses of the Bank has reached 1/3 of the total amount of the share capital;
- (III) the shareholders who individually or jointly hold more than 10% of the total voting rights shares (hereinafter referred to as "**Proposing Shareholders**") have requested in writing to convene such a meeting;

- (IV) when the Board of Directors deems it necessary to convene such a meeting;
- (V) when the Board of Supervisors proposes to convene such a meeting;
- (VI) more than half and no less than two independent directors propose with the Board of Directors to convene the meeting;
- (VII) in any other circumstances as provided for in the laws, administrative regulations, department regulations or the Articles.

The number of shares referred to in the aforesaid item (III) shall be calculated as of the date when shareholders put forward the written request.

**Article 9** The venue for the Bank to convene a shareholders' general meeting shall be at the Bank's domicile or other places specified in the notice of the shareholders' general meeting. An assembly room will be set up for the shareholders' general meeting and the meeting will be held in the form of live meeting. The Bank may also provide the network or other means according to relevant requirements for the convenience of shareholders to attend the shareholders' general meeting when it is ready. Shareholders attending the shareholders' general meeting through the aforesaid means shall be considered as present.

### **CHAPTER 3 CONVENING OF SHAREHOLDERS' GENERAL MEETINGS**

**Article 10** The shareholders' general meeting shall be convened on schedule by the Board of Directors in accordance with the provisions of the Articles and the Rules. If the Board of Directors is unable or fails to perform its duty in convening a shareholders' general meeting, the Board of Supervisors shall promptly convene the meeting. If the Board of Supervisors does not convene the meeting, the shareholders who individually or jointly hold above 10% in total of the Bank's voting shares for above ninety (90) consecutive days (the "**Convening Shareholders**") may convene such a meeting on their own initiative.

**Article 11** Above half of the independent Directors (at least two independent Directors) shall have the right to propose to the Board of Directors to convene an extraordinary general meeting. In respect of such proposal, the Board of Directors shall, in accordance with the laws, administrative regulations and the Articles, make a written response as to whether or not it agrees to convene the extraordinary general meeting within ten (10) days of receiving the proposal.

If the Board of Directors agrees to convene the extraordinary general meeting, a notice convening such a meeting shall be issued within five (5) days after the resolution of the Board of Directors is passed. If the Board of Directors does not agree to convene the extraordinary general meeting, it shall give an explanation.

**Article 12** The Board of Supervisors shall have the right to propose to the Board of Directors to convene an extraordinary general meeting and shall make its motions to the Board of Directors in writing. The Board of Directors shall, in accordance with the laws, administrative regulations and the Articles, make a written response as to whether or not it agrees to convene the extraordinary general meeting within ten (10) days of receiving the proposal.

If the Board of Directors agrees to convene the extraordinary general meeting, a notice convening such a meeting shall be issued within five (5) days after the resolution of the Board of Directors is passed. If the original proposal contained in the notice is changed, approval of the Board of Supervisors shall be sought.

If the Board of Directors does not agree to convene the extraordinary general meeting or fails to give its response within ten (10) days of receiving the proposal, it shall be deemed to be unable or to have failed to perform its duty in convening a shareholders' general meeting, and instead the Board of Supervisors may convene and preside over the shareholders' general meeting on its own initiative.

**Article 13** When the Requesting Shareholders request to convene an extraordinary general meeting or any class shareholders' meeting (hereinafter referred to as "**Relevant Meetings**"), they shall act in compliance with the following procedures:

The Requesting Shareholders shall have the right to request the Board of Directors to convene Relevant Meetings and shall propose their motions to the Board of Directors in writing. The Board of Directors shall, in accordance with the laws, administrative regulations and the Articles, make a written response as to whether or not it agrees to convene the Relevant Meetings within ten (10) days of receiving the proposal.

If the Board of Directors agrees to convene Relevant Meetings, a notice convening such meetings shall be issued within five (5) days after the resolution of the Board of Directors is passed. If the original request contained in the notice is changed, approval of the relevant Shareholders shall be sought.

If the Board of Directors does not agree to convene the Relevant Meetings, or fails to give its response within ten (10) days of receiving the proposal, Requesting Shareholders shall have the right to propose to the Board of Supervisors to convene the Relevant Meetings and this proposal shall be made to the Board of Supervisors in writing.

If the Board of Supervisors agrees to convene the Relevant Meetings, a notice for convening such meetings shall be issued within five (5) days of receiving the proposal. If the original request contained in the notice is changed, approval of the relevant Shareholders shall be sought.

If the Board of Supervisors fails to give the notice of Relevant Meetings within the specified time limit, it shall be deemed to have failed to convene or preside over the Relevant Meetings, and Convening Shareholders shall have the right to convene and preside over such meetings by themselves.

Reasonable expenses incurred from the aforesaid case where shareholders convene and hold the meeting by themselves due to the failure of the Board of Directors or the Board of Supervisors to convene the meetings shall be borne by the Bank, and the same shall be deducted from the payment to those Directors or Supervisors who failed to perform their duties.

**Article 14** If either the Board of Supervisors or Convening Shareholders propose to convene a shareholders' general meeting on their own initiatives, the Board of Directors shall be informed in writing. The shareholding proportion of the Convening Shareholders before the resolution of the shareholders' general meeting shall not be under 10%.

**Article 15** With respect to a shareholders' general meeting convened by the Board of Supervisors or Shareholders on their own initiatives, the Board of Directors and the secretary to the Board of Directors shall cooperate. The Board of Directors shall offer the register of Shareholders as at the shareholding registration date. The register of Shareholders offered to the conveners shall only be used for the shareholders' general meeting and shall not be used for other purposes.

#### **CHAPTER 4 PROPOSALS AND NOTICE OF SHAREHOLDERS' GENERAL MEETING**

**Article 16** The contents of the proposal shall fall within the terms of reference of the shareholders' general meeting, with definite topics and specific resolutions and shall be in compliance with the laws, administrative regulations and the Articles.

**Article 17** When the Bank is to convene an annual general meeting, the convener shall issue a written notice, at least twenty (20) days (excluding both the date when the notice is dispatched and the date of meeting) prior to the date of the meeting; when the Bank is to convene an extraordinary general meeting, the convener shall issue a written notice, at least fifteen (15) days prior to the extraordinary general meeting. Laws and regulations, and where the securities regulatory authorities of the jurisdiction in which the Bank's shares are listed provide otherwise, such provisions shall prevail.

**Article 18** When the Bank convenes a shareholders' general meeting, the Board of Directors, the Board of Supervisors and the Proposing Shareholders shall be entitled to submit their proposals in writing to the Bank. The Bank shall include matters in the proposals which are within the scope of responsibilities of the shareholders' general meeting into the agenda.

The Proposing Shareholders may submit provisional proposals to the conveners in writing ten (10) days prior to the date of the shareholders' general meeting. The conveners shall issue a supplemental notice setting out the content of the provisional proposals within two (2) days of receiving the proposals. If otherwise provided in listing rules of the stock exchange in the place where the shares of the Bank are listed, its requirements shall also be met.

Except for the provisions stated in the above paragraph, the conveners shall not amend nor add any new proposals to those which are set out in the notice of the shareholders' general meeting once given.

Proposals which have not been set out in the notice of shareholders' general meeting or which are not in compliance with Article 16 of the Rules shall not be put forward and voted upon as resolutions at a shareholders' general meeting.

**Article 19** The Board of Directors shall give explanations and reasons at a shareholders' general meeting if it decides not to include a shareholder's proposals in the agenda.

**Article 20** Notice of shareholders' general meeting shall be made in writing and contain the following contents:

- (I) the venue, date and time of the meeting;

- (II) the matters to be tabled for discussion at the meeting;
- (III) all necessary information and explanation to enable Shareholders to make informed decisions on the matters to be discussed. This means that when the following matters, which shall include, but shall not be limited to: any merger, share repurchase, share capital reorganization or any proposals relating to change in the structure of the Bank are involved, the detailed terms of the proposed transaction, copies of the proposed agreement (if any) and detailed explanation as to the cause and effect of such a proposal transaction shall be provided;
- (IV) if any of the Directors, Supervisors, President or other senior management personnel have material interest in the matters to be discussed, they shall disclose the nature and extent of such interest; and if the effects of the matters to be discussed have a different effect on the Director, Supervisor, President or other senior management personnel as Shareholders compared to other Shareholders of that same class, they shall explain this difference;
- (V) the full text of any proposed special resolution to be voted on at the meeting;
- (VI) a prominent statement stating that a Shareholder entitled to attend and vote at the meeting, is entitled to appoint one proxy or over one proxy to attend and vote on his/her behalf, and such proxy need not be a Shareholder of the Bank;
- (VII) the shareholding registration date of the Shareholders who are entitled to attend the meeting;
- (VIII) the time and address for lodging the proxy forms of the relevant meeting;
- (IX) the name and phone number of the contact person of the meeting.

**Article 21** Unless otherwise stipulated by the laws, regulations, the regulations of the relevant regulatory authorities as well as the Articles, the notice of a shareholders' general meeting shall be delivered by hand or prepaid mail to all Shareholders (regardless of whether they have voting rights at the shareholders' general meeting). The address of the recipients shall be the address registered in the register of Shareholders. For holders of domestic shares, the notice of a shareholders' general meeting may be in the form of an announcement.

The aforesaid announcement shall be published in one or more newspapers specified by the securities regulatory and administrative authorities under the State Council. All holders of domestic shares shall be deemed as having been notified of the forthcoming shareholders' general meeting once the announcement is published.

Subject to the laws, administrative regulations, departmental rules, regulatory documents, and listing rules of the stock exchange in the place where the shares of the Bank are listed and the regulations of the relevant regulatory authorities, the Bank may also send or dispatch the aforesaid notice of the shareholders' general meeting to the holders of H shares through the websites of the Bank and the Hong Kong Stock Exchange, instead of sending or dispatching the same by personal delivery or prepaid mail.

**Article 22** If the elections of Directors and Supervisors are intended to be discussed at the shareholders' general meeting, the shareholders' general meeting shall fully disclose the details of the candidates for the role of Directors and Supervisors, and shall at least include the following particulars:

- (I) personal particulars such as education level, work experience and any part-time work undertaken;
- (II) whether there is any related party relationship with the Bank or with the controlling shareholders and de facto controllers of the Bank;
- (III) disclosure of their shareholding in the Bank;
- (IV) whether it is in compliance with the requirements of relevant laws, regulations, departmental rules and regulatory documents including the Company Law on the qualification of directors or supervisors of a commercial bank;
- (V) information in relation to the new appointment or re-designation of Directors or Supervisors to be disclosed as required by the Hong Kong Listing Rules.

**Article 23** The accidental omission to give notice of meeting to, or the non-receipt of notice of meeting by, any person entitled to receive notice shall not invalidate the meeting and the resolutions adopted at such meeting.

**Article 24** Once the notice of shareholders' general meeting is issued, the meeting shall not be postponed or cancelled without proper reasons, and proposals contained in the notice or supplementary notice shall not be withdrawn. In the event of any postponement or cancellation, the convener shall make an announcement and state the reasons before the original meeting date.

## **CHAPTER 5 HOLDING OF A SHAREHOLDERS' GENERAL MEETING**

**Article 25** The Board of Directors and other conveners shall take necessary measures to maintain order at the shareholders' general meeting. Behavior such as disruption of the meeting, provocation of trouble and infringement on the legitimate rights and interests of Shareholders shall be prevented and promptly reported to relevant authorities for investigation.

**Article 26** All shareholders whose names appear on the register of Shareholders on the shareholding registration date shall be entitled to attend the shareholders' general meeting. Except those Shareholders who are imposed restriction on voting rights according to the requirements of regulatory authorities or relevant provisions of the Articles, other attending Shareholders may exercise their voting rights in accordance with relevant laws, regulations and the Articles. Shareholders may attend a shareholders' general meeting in person or appoint proxies to attend and vote on their behalf.



**Article 27** Any Shareholder entitled to attend and having voting rights at a shareholders' general meeting shall be entitled to appoint one or more persons (these persons need not be Shareholders) as proxies to attend and vote on their behalf. If the shareholder is a corporate, it shall be entitled to appoint a representative to attend and vote at any shareholders' general meeting of the Bank and, where a corporate shareholder is so represented, it shall be treated as being present at any meeting in person. A corporate shareholder may execute a form of proxy under the hand of a duly authorized officer. A proxy may exercise the following powers at a shareholders' general meeting:

- (I) the same right of speech as the Shareholder at the meeting;
- (II) have authority to demand or join other Shareholders in demanding a poll;
- (III) have the right to vote by hand or on a poll, but when more than one proxy has been appointed, the proxies only have the right to vote on a poll.

**Article 28** Shareholders shall appoint their proxies in writing. The proxy form should be executed by appointing Shareholders or an attorney duly authorised by them in writing. Where the appointing shareholder is a legal person, the proxy form should be executed under its common seal or under the hand of its legal representative, director or an attorney in writing to sign the same.

**Article 29** If an individual Shareholder attends the meeting in person, he/she shall produce his/her own identification document or other valid documents or certificates providing proof of his/her identity. If a proxy is appointed to attend the meeting, the proxy shall produce his/her own identification document and instrument of proxy.

A corporate shareholder shall attend the shareholders' general meeting through its legal representative or proxies authorized by the resolutions of the Board and other decision-making bodies. The legal representative of the corporate shareholder may appoint a proxy to attend the meeting. If a legal representative attends the meeting, he/she shall produce his/her own identification document or valid documents showing that he/she qualifies to serve as a legal representative. If a proxy attends the meeting, he/she shall produce his/her own identification document or written power of attorney granted by the corporate shareholder according to laws.

**Article 30** The power of attorney used by Shareholders to appoint proxies to attend the shareholders' general meeting shall contain the following information:

- (I) name of the proxy and the number of shares to be represented by the proxy;
- (II) whether or not the proxy has the right to vote;
- (III) instructions on how to vote (voting in the affirmative, negative, or in abstention) in relation to each of the resolutions on the agenda of the shareholders' general meeting;
- (IV) date of issuance and term of validity;
- (V) signature (or seal) of the appointing shareholder; if the appointing shareholder is a body corporate, the document shall be affixed with the legal person's seal.

**Article 31** The proxy form issued by the Board of Directors of the Bank to the shareholder for the appointment of proxies shall freely allow a Shareholder to instruct his/her proxy to vote as he/she sees fit (voting in the affirmative, negative or in abstention), and to give separate instructions for each resolution that will be voted on at the meeting. The power of attorney should indicate that the proxy may vote at his/her discretion if no instructions have been given by the shareholder.

**Article 32** The power of attorney shall be placed at the Bank's domicile or at any other place designated in the notice of a shareholders' general meeting, and at least twenty-four (24) hours prior to either the convening of the relevant meeting in which the resolutions are to be voted on or the designated voting time. If the power of attorney is signed by a person authorized by the appointing Shareholder instead of the appointing Shareholder himself/herself, the power of attorney or other authorization documents shall be notarized. The notarized power of attorney or other authorization documents shall, together with the proxy form authorizing the proxy to vote, be placed at the Bank's domicile or any other place designated in the notice of the meeting.

If the Shareholder is a recognized clearing house or its agent as defined in the Hong Kong Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), such a Shareholder is entitled to appoint more than one person it deems suitable to act as its proxy in the shareholders' general meeting or class shareholders' general meeting. If above two persons are appointed as proxies, the power of attorney shall clearly state the number and the class of shares represented by each of the proxies. The proxy forms shall be signed by the respective proxies appointed by the recognized clearing house, and the proxies so appointed may represent the recognized clearing house or its agent in exercising its rights at any meeting (without being required to present share certificate, certified statement of proxy and/or further evidence of due authorization) as if that person is a natural person shareholder of the Bank.

**Article 33** The attendance records of the meeting shall be prepared by the Bank. The records shall, amongst other matters, contain the names (or corporate names) of the attendees, their identity card numbers, their residential addresses, the number of voting shares held or represented by them, and the names (or corporate names) of the proxies.

**Article 34** If the appointing Shareholder has passed away, lost his/her ability to act, withdrawn the authorization or has transferred all of his/her shares prior to voting, as long as the Bank has not received any written notice regarding these matters before the commencement of the relevant meeting, the vote cast by the proxy in accordance with the proxy form shall remain valid.

**Article 35** The convener and the lawyers appointed by the Bank shall verify the legitimacy of shareholders' qualifications based on the records available from the register of Shareholders, and further shall record the names (or corporate names) of Shareholders and the number of voting shares held by them. The registration process for the meeting shall be terminated before the chairman of the meeting announces the number of Shareholders and proxies attending the meeting and the total number of voting shares represented by them.

**Article 36** When a shareholders' general meeting is being convened, all the Bank's Directors, Supervisors and the secretary to the Board of Directors shall attend the meeting. The president and other senior management personnel of the Bank shall observe the meeting.

**Article 37** The shareholders' general meeting shall be convened by the Board of Directors according to laws and shall be presided over by the chairman of the Board of Directors. If the chairman of the Board of Directors is unable or fails to perform his/her duties, the deputy chairman of the Board of Directors shall preside over the meeting. If the deputy chairman is unable or fails to perform his/her duties, a Director elected by above half of the Directors shall preside over the meeting. In the event that no such designation is made, a Shareholder as elected from the attending Shareholders may preside over the meeting. If, for any reason, the attending Shareholders fail to elect one to be the chairman, the attending Shareholder (or his proxy) who holds the most voting shares shall preside over the meeting.

A shareholders' general meeting convened by the Board of Supervisors shall be presided over and chaired by the chairman of the Board of Supervisors. If the chairman of the Board of Supervisors is unable or fails to perform his/her duties, the deputy chairman of the Board of Supervisors shall preside. If the deputy chairman of the Board of Supervisors is unable or fails to perform his/her duties, a supervisor elected by above half of the supervisors shall preside over the meeting.

A shareholders' general meeting convened by the Shareholders shall be presided over by a representative elected by the convener.

During the course of a shareholders' general meeting, if the chairman of the meeting violates the procedural rules such that the meeting cannot be continued, the shareholders in the shareholders' general meeting may elect one person to act as the chairman of the meeting to continue the meeting so long as the proposed chairman has the consent of more than half of the shareholders with voting rights who are present at the meeting.

**Article 38** The chairman of the meeting shall, prior to voting, announce the number of shareholders and proxies attending the meeting and the total number of voting shares represented by them, but the figures recorded in the attendance records will prevail.

**Article 39** Minutes shall be recorded for the shareholders' general meeting, and the Secretary to the Board of Directors shall be in charge of recording the minutes. The minutes shall contain the following information:

- (I) the time, venue, and agenda of the meeting, as well as the name (or corporate name) of the convener;
- (II) the names of the chairman of the meeting, and the directors, supervisors, president and other senior management personnel who attend or observe the meeting;
- (III) the total number of shares with voting rights held by shareholders (including his/her proxy) present at the meeting, and the percentage in relation to the total number of the Bank's voting shares;
- (IV) the consideration process for each resolution, key points of speeches made and voting outcome;

(V) the name of the lawyer, vote counter and scrutineer; and

(VI) any other matters required by the provisions of the Articles to be recorded in the minutes.

**Article 40** The convener shall ensure that the minutes are truthful, accurate and complete. The attending directors, supervisors, Secretary to the Board of Directors, convener or their representatives and the chairman of the meeting shall sign on the minutes.

The minutes, list of signatures by shareholders in attendance, powers of attorney, and valid information regarding alternative voting methods shall be filed permanently.

## **CHAPTER 6 VOTING PROCEDURES AND RESOLUTIONS OF SHAREHOLDERS' GENERAL MEETING**

**Article 41** When a shareholder (including his/her proxy) shall exercise his/her voting rights based on the number of shares with voting rights held. Each share shall have one (1) vote. However, the shares held by the Bank have no voting rights and that part of the shareholding is not counted towards the total number of shares with voting rights that is held by shareholders attending the meeting.

If any laws, administrative regulations and the Hong Kong Listing Rules require that any shareholder shall abstain from voting on a certain matter or limit any shareholder to cast affirmative or negative votes on a certain matter, any votes cast by the shareholder or proxy in violation of the aforesaid requirements or restrictions shall not be included in the voting results.

**Article 42** The resolutions of a shareholders' general meeting shall either be classified as ordinary resolutions or special resolutions.

Ordinary resolutions shall be approved by a simple majority of voting rights held by the shareholders (including their proxies) attending the meeting.

Special resolutions shall be approved by above two-thirds of voting rights held by the shareholders (including their proxies) attending the meeting.

**Article 43** The following matters shall be resolved at the shareholders' general meeting by way of an ordinary resolution:

(I) work reports of the Board of Directors and Board of Supervisors;

(II) profit distribution plans and loss recovery plans formulated by the Board of Directors;

(III) removal of any member of the Board of Directors and Board of Supervisors, their remuneration and manner of payment;

(IV) annual budgets, final accounts, balance sheets, profit statements and other financial statements of the Bank;

(V) annual profit distribution proposals of the Bank;

(VI) the appointment or dismissal of accounting firms; and

(VII) matters other than those which are required by laws and administrative regulations or these Articles to be resolved by a special resolution.

**Article 44** The following matters shall be resolved at the shareholders' general meeting by way of a special resolution:

(I) an increase or reduction of the registered capital of the Bank;

(II) the issuance and listing of all kinds of stocks, bonds or other securities by the Bank;

(III) the division, merger, any other change in the corporate form, dissolution and liquidation of the Bank;

(IV) amendments to the Articles;

(V) the removal of the independent directors;

(VI) the consideration and approval of medium and long term incentive plans such as stock incentive plans and employee stock ownership plans;

(VII) any other matters as required by the laws, regulations, regulatory requirements or the Articles, or other matters that, resolved by the shareholders' general meeting by way of an ordinary resolution, may have a material effect on the Bank and should therefore be adopted by a special resolution.

**Article 45** When a shareholders' general meeting examines related (connected) transactions, the related (connected) shareholders and its associates (defined in the Hong Kong Listing Rules) shall not participate in voting and the number of shares with voting rights represented by them shall not be counted in the total number of valid votes; the announcement of the shareholders' general meeting shall fully disclose the voting by unrelated (unconnected) shareholders.

**Article 46** The avoidance and voting procedures for related (connected) shareholders are that they may choose proactive avoidance or be subject to any request for avoidance made by any other shareholders or representative shareholders attending the shareholders' general meeting. If any request for avoidance is made by any other shareholders or representative shareholders but the relevant shareholders think they are beyond the scope of avoidance, they shall state the reason. If after stating the reason the relevant shareholders cannot persuade any shareholders who has made the request, the shareholders' general meeting may respectively record the voting results when the shareholders with disputed related (connected) relation identity avoids or does not avoid voting. After the shareholders' general meeting, the Board shall confirm the final voting results by applying to relevant authorities for identifying related (connected) shareholders and inform all shareholders.

**Article 47** The list of candidates for directors and supervisors shall be submitted to the shareholders' general meeting as a proposal for voting.

**Article 48** All proposals shall be voted one by one at the shareholders' general meeting. Unless the shareholders' general meeting is suspended or that a resolution cannot be made due to special reasons including force majeure, the shareholders' general meeting shall not put off the proposals or refuse to vote on the proposals. When considering a proposal, the shareholders' general meeting shall not amend it. Otherwise, such amendment shall be deemed a new proposal and shall not be considered and voted on at the current shareholders' general meeting.

A special reminder, in the event that the proposal is not passed or the resolution from a previous shareholders' general meeting is amended by the shareholders' general meeting, shall be made at the resolution of the shareholders' general meeting.

**Article 49** Any voting at the shareholders' general meeting shall be taken by way of poll of registered voters.

**Article 50** A voting by poll that is demanded for matters concerning the election of chairman or termination of the meeting shall be conducted immediately; for other matters, the chairman of the meeting shall decide when to conduct voting by poll and the meeting can continue to discuss other matters. The voting results shall still be deemed as a resolution adopted at such meeting.

**Article 51** During the voting process of the shareholders' general meeting, the vote count and examination of the poll shall be conducted together by lawyers, representatives of shareholders, representatives of supervisors and other relevant qualified persons appointed in accordance with the Hong Kong Listing Rules under the relevant requirements of the Hong Kong Listing Rules. The chairman of the meeting shall announce the voting outcome at the meeting and shall determine, according to the voting outcome, whether the resolution has been passed. The voting outcome for each resolution shall be recorded in the meeting minutes. Shareholders or their proxies voting through the internet or other means shall have the right to check their own votes cast through the relevant voting system.

**Article 52** Shareholders who are present at the shareholders' general meeting shall adopt one of the following stances when a proposal is put forward for voting: for, against or abstention.

Any votes which are unfilled, erroneously completed, illegible or unsubmitted votes shall be counted as abstentions of the voting rights and such votes shall be counted as "abstention".

On a poll taken at a meeting, a shareholder (including his/her proxies) entitled to above two (2) votes need not cast all the votes towards the same stance.

In the event that the same voting rights have been exercised twice, the result of the first vote shall prevail.

**Article 53** If the chairman of the meeting has any doubts as to the voting outcome of any resolution, he/she may have the votes recounted. If the chairman does not recount the votes, and the shareholders or their proxies who have attended the meeting have doubts as to the outcome announced by the chairman, they may request a vote recount immediately after the announcement of the voting outcome, and the chairman shall have the votes recounted immediately.

**Article 54** If the votes are recounted at a shareholders' general meeting, the result shall be recorded into the minutes.

**Article 55** The Bank shall engage lawyers to attend the shareholders' general meeting and advise on the following issues with announcements made thereon:

- (I) whether the convening of the shareholders' general meeting and its procedures are in compliance with laws, administrative regulations, the Articles;
- (II) whether the attendees are eligible and whether the eligibility of the convener is lawful and valid;
- (III) whether the procedures of voting and the voting results of the meeting are lawful and valid;
- (IV) legal opinions on other related matters at the request of the Bank.

**Article 56** Any resolution concerning the election of director and supervisor being passed at a shareholders' general meeting shall specify the term of office of such newly elected director and supervisor.

**Article 57** Shareholders who hold different classes of shares are classified as "class shareholders".

Class shareholders are entitled to rights and are subject to the obligations pursuant to the laws, administrative regulations and the Articles.

Class shareholders within the Bank shall enjoy equal rights to receive dividends or other forms of distributions.

**Article 58** If the Bank proposes to change or nullify certain rights of a certain class of shareholders, this proposal should be passed by a special resolution at the shareholders' general meeting and passed at the separate meeting convened according to Articles 60 to 64 of the Rules for the related class of shareholders.

**Article 59** The rights of a certain class of shareholders shall be deemed to be changed or nullified in the following circumstances:

- (I) to increase or reduce the quantity of the shares of that class, or increase or reduce the quantity of the shares of other class which enjoy the same or more voting rights, distribution rights or other privileges as the shares of that class;
- (II) to convert part or whole of the shares of that class into other class(es), convert part or whole of the shares of other class(es) into that class, or grant such conversion rights;
- (III) to nullify or reduce the rights of that class of shares to receive payable dividends or cumulative dividends;
- (IV) to reduce or nullify the privileged rights of that class of shares to acquire dividends or obtain distribution of assets during liquidation of the Bank;

- (V) to increase, nullify or reduce the conversion, option, voting, transfer or privileged allotment rights of that class of shares or the rights of such class of shares to obtain securities issued by the Bank;
- (VI) to nullify or reduce the rights of that class of shares to receive amounts payable by the Bank in a particular currency;
- (VII) to establish new class(es) of shares which enjoy the same or more voting rights, distribution rights or other privileges as compared with that class of shares;
- (VIII) to restrict the transfer and ownership of that class of shares, or increase the restrictions;
- (IX) to grant the share subscription options or share conversion options of that or another class of shares;
- (X) to increase the rights or privileges of other class(es) of shares;
- (XI) any restructuring scheme of the Bank that may result in the assumption of disproportionate responsibilities by different classes of shareholders during the restructuring; and
- (XII) to revise or nullify the provisions in the Articles.

**Article 60** The shareholders of a class of share that are affected, whether they originally have voting rights at former shareholders' general meeting, shall be entitled to vote on the matters concerning sub-paragraphs (II) to (VIII), (XI) and (XII) of Article 59 of the Rules at the meeting for such class of shareholders, but shareholders with conflicts of interests therein shall have no voting rights at the meeting for such class of shareholders.

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

- (I) if the Bank has made a repurchase tender offer to all shareholders in the same proportion in accordance with Article 25 or has repurchased its own shares through public transaction on a stock exchange, "shareholders with conflicts of interests" shall mean the controlling shareholders defined in Article 65;
- (II) if the Bank has repurchased shares under an off-market agreement in accordance with Article 25, "shareholders with conflicts of interests" shall mean shareholders who are connected with the aforementioned agreement; and
- (III) under a restructuring scheme of the Bank, "shareholders with conflicts of interests" shall mean shareholders who assume liability in a lower proportion than other shareholders of the same class, or those who own different interests as compared with other shareholders of the same class.



**Article 61** A resolution of the meeting for a certain class of shareholders shall be adopted by above two-thirds of the voting shares represented by shareholders of that class present at the meeting in accordance with Article 60 of the Rules.

**Article 62** When convening a meeting for a certain class of shareholders, the Bank shall issue a written notice, in accordance with Article 17 of the Rules, to all shareholders (including the preference shareholders with restored voting rights), in the relevant class who are entitled to attend the shareholders' general meeting and whose names appear on the register of shareholders stating the matters to be considered at the meeting and the date and venue of the meeting.

**Article 63** The notice of a meeting for a certain class of shareholders only needs to be delivered to the shareholders entitled to vote at that meeting.

Unless required otherwise by the Articles, the procedures for convening a meeting for a certain class of shareholder shall be the same as the procedures for the shareholders' general meeting to the extent practical, and the provisions in the Articles relating to the procedure to convene a shareholders' general meeting shall apply to the meeting for class shareholders.

**Article 64** Apart from other classes of shareholders, the shareholders of domestic shares and overseas listed shares are deemed to be shareholders of different classes.

The special voting procedure for class shareholders shall not apply for the following cases:

- (I) upon the approval by way of a special resolution passed by a shareholders' general meeting, the Bank independently or simultaneously issues domestic shares and/or overseas listed shares every twelve (12) months, provided that the amount of each class of shares intended to be issued is not more than 20% of the issued and outstanding shares of the respective class;
- (II) the Bank's plan on issuing domestic shares and overseas listed shares at the time of incorporation, which is completed within fifteen (15) months upon the date of approval from the securities regulatory and administrative authorities under the State Council; or
- (III) the relevant regulatory authorities such as banking regulatory and administrative authorities and the securities regulatory and administrative authorities under the State Council have given approval for unlisted shares held by the shareholders of the Bank to be traded on overseas stock exchanges.

## **CHAPTER 7 AUTHORIZATION TO THE BOARD OF DIRECTORS BY SHAREHOLDERS' GENERAL MEETING**

**Article 65** The shareholders' general meeting may grant authorization to the Board of Directors by passing resolutions.

**Article 66** Issues which require approval by shareholders' general meeting as stipulated by laws, administrative regulations, departmental rules as well as the Articles shall be considered at the shareholders' general meeting in order to protect the decision right of the shareholders of the Bank. When considered necessary, any specific matters related to the foregoing issues which are unable or unnecessary to be decided immediately at the shareholders' general meeting may be decided by the Board of Directors upon authorization by the shareholders at the general meeting.

If the Articles require that matters to be delegated to the Board of Directors are to be adopted by the shareholders' general meeting by way of ordinary resolutions, such resolutions on matters to be delegated shall be approved by more than half of the voting rights of the shareholders (including proxies thereof) attending the shareholders' general meeting. If the Articles require that matters to be delegated to the Board of Directors are to be adopted by the shareholders' general meeting by way of special resolutions, such resolutions shall be approved by above two-thirds of the voting rights of the shareholders (including proxies thereof) attending the shareholders' general meeting.

## **CHAPTER 8 IMPLEMENTATION OF RESOLUTIONS OF THE SHAREHOLDERS' GENERAL MEETING**

**Article 67** If the resolution of shareholders' general meeting violates laws or administrative regulations, it shall be deemed as invalid.

**Article 68** If the convening procedure or voting method of the shareholders' general meeting violates laws, administrative regulations or the Articles, or resolution contents violate the Articles, shareholders may, within sixty (60) days upon the date of adopting the resolution, request the people's court to rescind the resolutions.

## **CHAPTER 9 SPECIAL REGULATIONS OF PREFERENCE SHARES**

**Article 69** A company's preference shareholders shall not attend the shareholders' general meeting and the shares they hold do not have voting rights. On the occurrence of any of the following matters, the Bank shall notify preference shareholders of the shareholders' general meeting and follow the notice procedures to ordinary shareholders as provided under the Company Law and the Articles of Association. When the preference shareholders attend the shareholders' general meeting, they are entitled to vote at a separate class meeting and each preference share shall have one vote (preference shares held by the Bank does not entitle the Bank to vote):

- (I) amendments to the Articles that relate to preference shares of the Bank;
- (II) reduction of the registered capital of the Bank by more than ten percent (10%) on a single or aggregate basis;
- (III) merger, division, dissolution or change of corporate form of the Bank;

- (IV) issuance of preference shares;
- (V) other circumstances specified in the Articles.

Resolutions relating to the above matters shall be approved by more than two-thirds of the votes held by ordinary shareholders present at the meeting (including preference shareholders with restored voting rights) and by more than two-thirds of the votes held by preference shareholders present at the meeting (excluding preference shareholders with restored voting rights).

In case of voting under the circumstances specified in paragraph 2 of the Article herein at the shareholders general meeting, the Bank shall separately calculate and announce the attendance at the meeting and voting results by the ordinary shareholders (including the holders of the preference shares with restored voting rights) and the preference shareholders (excluding preference shareholders with restored voting rights).

**Article 70** In the consideration of the proposal on issue of preference shares, the shareholders general meeting shall vote on the following matters one by one:

- (I) type and number of preference shares to be issued;
- (II) issue mode, objects and placing arrangements for existing shareholders;
- (III) par value, issue price or pricing range and its determination principle;
- (IV) profit distribution methods for preference shareholders, including: dividend yield and its determination principle, dividend payment conditions, dividend payment methods, whether dividends are accumulated, and whether participation in the distribution of surplus profit is allowed;
- (V) terms and conditions of repurchase, including repurchase conditions, period, price and its determination principle, and subject of exercising repurchase option (if any);
- (VI) use of proceeds;
- (VII) conditional share subscription agreements signed between the Bank and corresponding objects to which shares are issued;
- (VIII) validity period of resolution;
- (IX) plan on amendments to relevant provisions of the Articles on profit distribution policy for shareholders of preference/ordinary shares;
- (X) authorization to the board of directors on handling specific matters concerning the issue of shares;
- (XI) other matters.

**Article 71** Only votes of ordinary shares and votes of preference shares with restored voting rights shall be counted when calculating the proportion of shares and the amount of shares held by the shareholders in the following circumstances:

- (I) a request to convene an extraordinary general meeting of shareholders;
- (II) a request to convene and preside over a general meeting of shareholders;
- (III) a request to submit a proposal or an interim proposal to a general meeting of shareholders;
- (IV) a request to nominate the directors and supervisors who are not staff representatives of the Bank;
- (V) identifying controlling shareholder(s) according to the relevant provisions of these Articles;
- (VI) identifying person(s) restricted from serving as independent directors of the Bank according to the related provisions of these Articles;
- (VII) identifying the ten largest shareholders of the Bank and the number of shares held by them and the shareholder(s) holding 5% or more of the shares of the Bank in accordance with the Securities Law of the People's Republic of China and relevant regulations;
- (VIII) other circumstances provided under laws, administrative regulations, departmental regulations and these Articles.

**Article 72** Where the Bank repurchases its ordinary shares by public issuance of preference shares and repurchases its ordinary shares from specific shareholders of the Bank by consideration of non-public issuance of preference shares for the purpose of reducing its registered capital, the resolution regarding the repurchase of ordinary shares at a shareholders' general meeting shall be passed by more than two-thirds of the voting rights of the ordinary shareholders present at the shareholders' general meeting (including preference shareholders with restored voting rights).

## **CHAPTER 10 SUPPLEMENTAL PROVISIONS**

**Article 73** The Rules shall become effective from the date of approval by way of ordinary resolutions at the shareholders' general meeting of the Bank. Any amendments and cancellation of these Rules shall become effective upon approval by ordinary resolution of the shareholders' general meeting.

**Article 74** Unless specially explained, the terms used in the Rules have equal meanings as those in the Articles of Association.

**Article 75** With respect to any matter not covered in these Rules of Procedures, or any conflict between these Rules of Procedures, on one hand, and provisions under any laws, administrative regulations, departmental rules, rules of the securities regulatory authorities of the jurisdictions in which the Bank's shares are listed, Hong Kong Listing Rules and the Articles, as promulgated or amended after these Rules of Procedures come into force, on the other hand, relevant laws, administrative regulations, departmental rules, rules of the securities regulatory authorities of the jurisdictions in which the Bank's shares are listed, Hong Kong Listing Rules and the Articles (as applicable) shall prevail.

**Article 76** In the Rules, unless otherwise specified herein or there is no doubt in the context, the terms "above", "within", "at least", "before" shall include the given figures, and the terms "exceed", "less than", "insufficient", "beyond", "under" shall not include the given figures.

Unless otherwise specified, references in the Rules to share(s) (including H shares) and share certificate(s) shall refer to ordinary share(s) and ordinary share certificate(s) and references to shareholders in the Rules shall refer to ordinary shareholders. The "total voting shares" in the Rules shall only include the ordinary shares and preference shares with restored voting rights.

**Article 77** These Rules shall be interpreted by the Board of Directors of the Bank.