

25 April 2017

BOCOM INTERNATIONAL HOLDINGS COMPANY LIMITED

and

BANK OF COMMUNICATIONS CO., LTD.

**FINANCIAL SERVICES FRAMEWORK
AGREEMENT**

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THIS AGREEMENT is made on 25 April 2017

BETWEEN:

- (1) **BOCOM INTERNATIONAL HOLDINGS COMPANY LIMITED**, a company incorporated under the laws of Hong Kong with limited liability, whose registered office is at 9/F, Man Yee Building, 68 Des Voeux Road Central, Hong Kong (the *Company*); and
- (2) **BANK OF COMMUNICATIONS CO., LTD.**, a joint stock company incorporated in the PRC with limited liability, whose registered office is at No. 188, Yin Cheng Zhong Road, Pudong New District, Shanghai, the PRC, 200120 and whose H-shares and A-shares are listed on the Stock Exchange (stock code: 3328) and the Shanghai Stock Exchange (stock code: 601328), respectively (*BOCOM*),

(each, a *Party* and together, the *Parties*).

WHEREAS:

- (A) The Company intends to undertake a listing of its Shares (the *Listing*) on the Stock Exchange.
- (B) The BOCOM Group has entered into, and will continue to enter into, Transactions in the ordinary and usual course of business with companies which are members of the Group.
- (C) Under the Listing Rules, members of the BOCOM Group are deemed to be connected persons of the Company and the Transactions constitute continuing connected transactions of the Company.
- (D) In preparation for the Listing, the Parties agree that the BOCOM Group and the Group shall enter into, renew or extend agreements in respect of all Transactions on the terms of this Agreement and in accordance with the Listing Rules.

NOW IT IS HEREBY AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 In this Agreement (including the Recitals) the following words and expression shall, unless the context otherwise requires, have the following meanings:

Applicable Laws means and includes all applicable laws, rules, regulations, orders, judgements, decrees, guidelines, opinions, notices, circulars or rulings of any court, Governmental Authority;

BOCOM Group means BOCOM and its subsidiaries (excluding the Group);

Business Day means a day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong and the PRC are open for normal banking business;

connected person has the meaning given to it in the Listing Rules;

connected transaction has the meaning given to it in the Listing Rules;

Definitive Agreement(s) means definitive agreement(s) which may be entered into between any member(s) of the Group and any member(s) of the BOCOM Group from time to time in relation to any of the Transactions at any time during the term of this Agreement;

Effective Date means the date on which the Listing takes place;

Governmental Authority means any public, regulatory, taxing, administrative or governmental, agency or authority (including, without limitation, the Stock Exchange, the Securities and Futures Commission), other authority and any court at the national, provincial, municipal or local level;

Group means the Company and its subsidiaries from time to time;

Hong Kong means the Hong Kong Special Administrative Region of the PRC;

Initial Term has the meaning given to it in **Clause 5.1**;

Listing has the meaning given to it in **Recital (A)**;

Listing Rules means the Rules Governing the Listing of Securities on the Stock Exchange, as amended and supplemented from time to time;

PRC means the People's Republic of China, which, for the purpose of this Agreement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan;

Shares means ordinary shares in the capital of the Company;

Stock Exchange means The Stock Exchange of Hong Kong Limited; and

Transactions means all existing and future provision of financial services between members of the BOCOM Group and members of the Group comprising the following:

(i) Financial services provided by the Group to the BOCOM Group

- securities brokerage settlement and subscription of new shares services
- investment advisory and management services
- underwriting, securities issuance and advisory services

(ii) Financial services provided by the BOCOM Group to the Group

- deposit services
- customer referral services
- fund product distribution services
- miscellaneous banking and financial services.

1.2 In this Agreement, unless the context otherwise requires:

- (a) references to the singular includes a reference to the plural and *vice versa*;
- (b) references to any Recital or Clause is to a recital or clause (as the case may be) of, or to, this Agreement; and
- (c) the headings are inserted for convenience only and shall not affect the construction of this Agreement.

2. CONDITIONALITY

This Agreement shall be conditional on (a) the Stock Exchange granting the listing of, and permission to deal in, the Shares on the Stock Exchange and (b) the commencement of dealings in the Shares on the Stock Exchange.

3. GENERAL TERMS FOR TRANSACTIONS

3.1 At any time during the term of this Agreement, the relevant members of the Group and relevant members of the BOCOM Group may from time to time enter into Definitive Agreement(s) in relation to any Transaction(s) upon, and subject to, the terms and conditions in compliance with those of this Agreement as may be agreed between the relevant members. For the avoidance of doubt, all existing agreements between the relevant members of the Group and the relevant members of the BOCOM Group in respect of the Transactions (to the extent they cover Transactions after the Effective Date) shall be treated as Definitive Agreements made pursuant to this Agreement as from the Effective Date.

3.2 The Parties agree that, from the Effective Date, the Transactions shall be conducted:

- (a) in the ordinary and usual course of business of the Group and the BOCOM Group;
- (b) on an arm's length basis;
- (c) on normal commercial terms or better to the Group;
- (d) (in respect of the provision of financial services by the BOCOM Group to the Group) on terms no less favourable than those offered by the BOCOM Group to independent third parties for similar or comparable transactions;
- (e) (in respect of the provision of financial services by the Group to the BOCOM Group) on terms no less favourable than those offered by the Group to independent third parties for similar or comparable transactions;
- (f) in accordance with the pricing policies set out in the **Appendix**; and
- (g) in compliance with, among other things, all applicable provisions of the Listing Rules, Applicable Laws, this Agreement and the Definitive Agreement(s).

3.3 The Parties agree that in the event of any conflict between the terms of this Agreement and the terms of any Definitive Agreement, the terms of this Agreement shall prevail.

4. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

4.1 Each Party represents and warrants that it has full authority, power and capacity to enter into and perform its obligations under this Agreement.

4.2 For the principal purpose of enabling the Company and BOCOM to comply with their relevant obligations under the Listing Rules, respectively, each of the Company and BOCOM undertakes to each other to allow the other Party's independent non-executive directors and auditors sufficient access to their records for the purpose of reporting on the Transactions. For such purpose, each of the Company and BOCOM shall use its reasonable endeavours to provide such information and assistance as the other Party's independent non-executive directors and auditors may reasonably request. Either Party shall notify the other Party of any such review in writing at least 10 Business Days (or such other date as may be mutually agreed by the Parties) in advance.

5. DURATION AND TERMINATION

5.1 This Agreement shall commence on the Effective Date, and shall continue up to and including 31 December 2019 (the *Initial Term*), unless terminated earlier in accordance with **Clause 5.3** or **5.4**. Subject to compliance with the requirements of the Listing Rules or, alternatively, any waivers obtained from strict compliance with such requirements, upon expiration of the Initial Term or subsequent renewal term, this Agreement is automatically renewed for a successive period of three years thereafter (or such other period permitted under the Listing Rules).

5.2 Any renewal of this Agreement is subject to compliance with the then relevant requirements of the rules of any stock exchange to which either of the Parties is subject to, including, but not limited to, the Listing Rules in relation to connected transactions.

5.3 Either Party shall be entitled to terminate this Agreement with immediate effect if:

- (a) the Parties cease to be a connected person of each other, or the Transactions cease to be subject to the Listing Rules in relation to connected transactions;
- (b) the other Party commits a material breach of any material obligation under this Agreement and, in the case of a breach that is capable of remedy, fails to remedy that breach within 30 days of receipt of a written notice giving full particulars of the breach and requiring it to be remedied; or
- (c) the other Party ceases to carry on the whole or any material part of its business and that cessation, in the reasonable opinion of the first Party, would be likely to affect adversely the other Party's ability to observe and perform properly and punctually any of its obligations under this Agreement.

For the purposes of **Clause (b)**, a breach shall be considered capable of remedy if the Party in breach can comply with the provision in question in all respects other than as to time of performance.

5.4 This Agreement may be terminated by either Party giving to the other Party not less than six months' prior written notice to that effect.

5.5 The rights to terminate this Agreement given by this **Clause 5** shall not prejudice any other right or remedy of either Party in respect of the breach concerned (if any) or any other breach.

6. NOTICES

6.1 Any notice in connection with this Agreement shall be in English and Chinese and delivered by hand, fax, registered post or courier using an internationally recognised courier company. A notice shall be effective upon receipt and shall be deemed to have been received (a) at the time of delivery, if delivered by hand, registered post or courier or (b) at the time of transmission if delivered by fax.

6.2 The addresses and fax numbers of the parties for the purpose of **Clause 6.1** are:

Company	Address: 9/F, Man Yee Building 68 Des Voeux Road Central Hong Kong	Fax: +852 3798 0133
	For the attention of: YI Li	
BOCOM	Address: No.188, Yin Cheng Zhong Road, Pudong New District, Shanghai, P.R. China	Fax: +86-21-58798398
	For the attention of: DU Jianglong	

7. GENERAL

7.1 Each Party shall pay its own costs and expenses relating to the preparation, execution and performance by it of this Agreement and each document referred to in this Agreement.

7.2 Nothing in this Agreement shall create, or be deemed to create, any binding obligations between the Parties to enter into any Transactions.

7.3 Neither Party shall assign, transfer, charge or otherwise deal with all or any of its rights under this Agreement nor grant, declare, create or dispose of any right or interest in it without the prior written consent of the other Party.

7.4 This Agreement may be executed in any number of counterparts, and by each Party on separate counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument. Delivery of a counterpart of this Agreement by e-mail attachment or telecopy shall be an effective mode of delivery.

7.5 No amendment of this Agreement (or of any of the documents referred to in this Agreement) shall be valid unless it is in writing and signed by or on behalf of the Parties.

7.6 Each of the provisions of this Agreement is severable. If any provision is held to be or becomes invalid or unenforceable in any respect under the law of any jurisdiction, it shall have no effect in that respect and the Parties shall use all reasonable efforts to replace it by a valid and enforceable substitute provision the effect of which is as close to its intended effect as possible.

7.7 Except as expressly provided in this Agreement, no failure or delay by either Party in exercising any right or remedy relating to this Agreement shall affect or operate as a waiver or variation of that right or remedy or preclude its exercise at any subsequent time. No single or partial exercise of any such right or remedy shall preclude any further exercise of it or the exercise of any other remedy.

7.8 This Agreement and the Definitive Agreement(s) contain the entire agreement between the Parties with respect to the subject matter hereof, and supersede all previous agreements and understandings between the Parties.

7.9 A person who is not a party to this Agreement shall have no rights under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) to enforce any of its terms.

7.10 If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable, in whole or in part, in any respect under the law of any jurisdiction, that shall not affect or impair:

- (a) the legality, validity or enforceability in that jurisdiction of the remainder of and/or any other provision of this Agreement; or
- (b) the legality, validity or enforceability under the law of any other jurisdiction of the remainder and/or any other provision of this Agreement.

8. GOVERNING LAW AND JURISDICTION

8.1 This Agreement shall be governed by, and construed in accordance with, the laws of Hong Kong.

8.2 The Parties agree that the courts of Hong Kong shall have non-exclusive jurisdiction to settle any proceedings, suits, disputes or actions which may arise out of or in connection with this Agreement.

APPENDIX

PRICING POLICIES

The pricing policies for the financial services which the Group provides to the BOCOM Group are as follows:

(a) Securities brokerage settlement and subscription of new shares:

The fees and commission payable by the BOCOM Group to the Group for securities brokerage settlement and subscriptions of new shares will be determined by arm's length negotiation after taking into account factors including the prevailing market rates and the rates normally applicable to independent third parties for similar types of transactions at the time of the transaction, the expected significant trading volume of and revenue from the securities brokerage transactions to be referred by BOCOM (Hong Kong Branch) to the Group for brokerage settlement pursuant to the business cooperation agreement dated _____ 2017 entered into by the Company and BOCOM (Hong Kong Branch), the scope and extent of the services to be provided by the Group, the fact that the transactions involve customers of BOCOM (Hong Kong Branch) but not customers of the Group and the insignificant marketing expenses and efforts required of the Group, the fact that the orders will be placed through the trading system of BOCOM (Hong Kong Branch) but not that of the Group and the immaterial additional costs to the Group for permitting BOCOM (Hong Kong Branch) to use the broker number under the Exchange Participantship of the Group for subscription of new shares by its customers as the human resources and infrastructure required have already been put in place by the Group for the purposes of conducting other businesses of the Group.

(b) Investment advisory and management services:

The fees for the investment advisory and management services provided by the Group are payable by the BOCOM Group in accordance with the rates set out in the relevant fund management agreements which will be determined based on arm's length negotiation after taking into account factors including the extent of the Group's involvement in sourcing of transactions, the prevailing market rates for investment advisory and management services of similar types and nature, the AUM of the relevant funds in respect of which the Group provides investment advisory and management services, the fees that the Group charges independent customers for similar advisory and management services and the types of the funds involved and their investment strategies and focus which may affect the resources required for providing the management services. For targeted asset management schemes, the Group charges management fees on the basis of a specified percentage of the AUM. For specialised asset management schemes, the management fee rates will also take into account the purpose of the asset management scheme and the industry involved.

(c) Underwriting, securities issuance and advisory services:

The fees for the underwriting, securities issuance and advisory services provided by the Group are payable by the BOCOM Group in accordance with the rates set out in the relevant underwriting, advisory or other engagement agreements that may be entered into by the Group and the BOCOM Group. The underwriting commissions, sponsoring fees and securities issuance fees will be determined by arm's length negotiation after taking into account factors including the then capital market conditions, the size of the proposed issuance, the commission and fee rates charged in respect of recent issuance of similar nature and scale, the market demand for the securities to be issued and the rates that the Group charges independent third parties for similar services. The securities underwriting market is

highly competitive and the underwriting commission rates, sponsor fees and the securities issuance fees have become generally transparent across the market, which enables the Group to adopt a market-based pricing approach. The fees for advisory services are determined by arm's length negotiation after taking into account factors including the nature of the advisory services involved, the scale and complexity of the transactions or advisory projects involved and the fees and the rates that the Group charges independent customers for similar services.

The pricing policies for the financial services which the BOCOM Group provides to the Group are as follows:

(a) Deposit services:

The interest rates of the deposits of the Group placed with BOCOM will be determined by reference to the market rates of deposits in the financial industry payable to independent customers for deposits of the same type and similar amounts during that period.

(b) Customer referral services:

The customer referral commissions payable by the Group to the BOCOM Group will be determined by arm's length negotiation after taking into account factors including the nature of services required by the customers referred by the BOCOM Group, the referral commissions payable by the Group to independent parties for customers referred for similar businesses, the market conditions, the expected number of customers to be referred by the BOCOM Group for each type of services to be provided by the Group and the industry practice.

(c) Fund product distribution services:

The fees and commission payable by the Group to BOCOM (Hong Kong Branch) for the fund product distribution services will be determined by arm's length negotiation after taking into account factors including the commission payable by the Group to independent parties for similar product distribution services, the expected number of customers who will subscribe for fund products offered or managed by the Group through the BOCOM Group's distribution channels and the industry practice.


(d) Miscellaneous banking and financial services:

The fees payable by the Group to the BOCOM Group for the miscellaneous banking and financial services will be determined by arm's length negotiation after taking into account factors including the prevailing market rates for similar services provided by other banks and financial institutions. The market rates are generally transparent across the banking and financial industries.

IN WITNESS WHEREOF this Agreement has been duly executed on the date first above written.

SIGNED by TAN YUEHENG
for and on behalf of
BOCOM INTERNATIONAL
HOLDINGS COMPANY LIMITED

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