

Memorandum of Understanding

between

the New Development Bank

and

the Bank of China Limited

on

Strategic Cooperation

The New Development Bank (“NDB”) and the Bank of China Limited (“BOC”), hereinafter jointly referred to as “the Participants” in the plural and as “Participant” in the singular;

DESIRING to promote cooperation and a mutually beneficial business relationship;

HEREBY reach the following understanding:

PARAGRAPH 1

OBJECTIVE

The objective of this Memorandum of Understanding (hereinafter referred to as “MOU”) is to establish a strategic partnership between the Participants. The Participants will consider each other as “preferred” partners and are willing to fully harness their respective resource advantages and professional expertise, aiming to build a long-term, stable and mutually beneficial business relationship. The purpose of this MOU is to formalize a non-exclusive framework to facilitate cooperation between the Participants.

PARAGRAPH 2

AREAS OF COOPERATION

The Participants express their intention to cooperate in the following areas:

(a) **Bond Issuance**

BOC and NDB will explore bond issuance opportunities in the onshore and offshore bond market, in particular RMB-denominated bonds. BOC is willing to assist NDB in its first RMB denominated bond issuance and provide underwriting services, and rating advisory services. Furthermore, BOC will provide its expertise in communicating with all the market regulators and assist NDB in its consequent filing of the requisite documents.

(b) Co-financing

The Participants will encourage their respective Project Finance Departments to collaborate in the areas of co-financing, loan syndication as well as partner in areas of Private-Public Partnership to meet the broader objective of mobilizing resources to fund infrastructure and sustainable development projects in emerging economies, especially in the “BRICS” countries.

(c) Treasury management

The Participants will explore a mutually beneficial partnership in the field of treasury management and liquidity product services. BOC will offer currency exchange and derivative products services to the NDB, such as swaps, futures, options, etc. to help NDB mitigate risk associated from unforeseen volatility in currency and money markets.

(d) Cash Management

The Participants will make a joint effort to expand collaboration in cash management. BOC will give preference to NDB’s request and address such requests with immediate and comprehensive action. Furthermore, BOC will also provide NDB with all necessary advisory services, sharing information, support and services regarding account management and cash management.

(e) Personal Banking and Staff Service

NDB may give consideration to BOC as being one of its main personal banking service providers, particularly in China. BOC, through its local offices in Shanghai and other locations where NDB may require local services, will provide NDB staff or service personnel with comprehensive services to facilitate their personal or family financial activities, and activities related to their fulfilment of services to NDB.

(f) Strategic Dialogue and Information Exchange

The Participants may consider increasing interactions in order to facilitate a continuous strategic dialogue for the purpose of exploring the potential to further enhance partnership in different areas and increase the sharing of information, as two

comprehensive financial services providers. The Participants acknowledge that this MOU does not require the release or exchange of any confidential information.

(g) Human Resources and Training

The Participants may organize regular activities for regular communication and exchange of personnel and training resources, and potentially build a system for more frequent communication.

BOC may from time to time provide NDB with professional advice regarding financial services related to bilateral business.

PARAGRAPH 3

MEETINGS

In order to accomplish the objectives of this MOU, and subject to paragraph 5 below, the Participants may arrange, in accordance with each Participant's relevant internal rules, meetings and other activities to establish direct contact between the Participants to exchange information on a regular basis. The Participants may arrange periodic meetings to be held at mutually convenient dates.

PARAGRAPH 4

COST

Except as otherwise agreed in writing by both Participants, each Participant will be responsible for its own costs and expenses in connection with undertaking any action contemplated by this MOU.

PARAGRAPH 5

CONFIDENTIALITY

Unless otherwise agreed all information received by each Participant under this MOU will be treated as confidential by each Participant and may not be disclosed, without the prior written consent of the disclosing Participant, to any third party.

PARAGRAPH 6

NON-BINDING

This Memorandum of Understanding is a record of the Participants' mutual understandings, based on good faith and does not constitute a legally binding agreement. It does not prevent any of the Participants from entering into any other agreements, nor from giving any preferential rights to any third party. Nothing contained herein confers any legal rights or obligations on third party. These and any other activities agreed to between the Participants will be subject to the respective internal objectives, credit approval, functions, policies and procedures of the Participants.

PARAGRAPH 7

NON-EXCLUSIVITY

Unless expressly agreed otherwise in writing, nothing contained herein will be deemed to obligate either Participant to deal exclusively with the other Participant with respect to any project, transaction or matter arising during the term of this MOU. Each Participant recognizes that the cooperation described in this MOU is not exclusive and that each Participant may enter into similar memoranda with any other party.

PARAGRAPH 8

IMMUNITIES AND PRIVILEGES

Notwithstanding any provision in this Memorandum of Understanding, to the contrary, the NDB has not waived any immunity and privilege to which it is or may be entitled to, by virtue of international or domestic law.

PARAGRAPH 9

DURATION AND TERMINATION

This MOU will come into effect on the date of signature. This MOU will remain in force indefinitely unless terminated by either Participant giving 30 days prior written notice in

advance, and thereupon all the undertakings of the Participants under this MOU, other than paragraph 5 on Confidentiality, will terminate.

PARAGRAPH 10

PUBLICITY

Notwithstanding the obligations under paragraph 5 on Confidentiality, Participants may, jointly or respectively, publish a news release containing a summary of this MOU in English, Chinese and any other language that is deemed necessary, as agreed by the Participants.

PARAGRAPH 11

AMENDMENT AND ASSIGNMENT

- 1) The Participants may amend this MOU at any time by written mutual consent.
- 2) Any amendments and supplements to this MOU will be made in written form and signed by duly authorized signatory of each respective Participant and will be an integral part of this MOU.
- 3) No Participant will assign any part of this MOU without the express prior written consent of the other Participant.

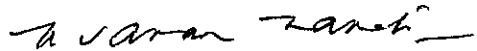
PARAGRAPH 12

SETTLEMENT OF DISPUTES

Any disputes arising from this MOU or in connection herewith will be resolved by the Participants through negotiation and consultation.

IN WITNESS WHEREOF, the undersigned, being duly authorised have signed this Memorandum of Understanding in duplicate in the English language, both texts being equally authentic.

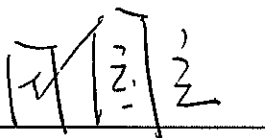
DONE at Shanghai on this 14th day of January 2016.



(Signature) _____

Title: President

New Development Bank

(Signature)  _____

Title: Chairman

Bank of China Limited