

*Important Note: The following is an English translation of the Chinese version of the Articles of Association of Huadian Power International Corporation Limited (华电国际电力股份有限公司公司章程). In case of any discrepancies or inconsistencies, the Chinese version shall always prevail.*



**HUADIAN POWER INTERNATIONAL  
CORPORATION LIMITED**

**ARTICLES OF ASSOCIATION**

**These Articles of Association were considered and approved by way of special resolution at the Company's general meeting convened on 22 September 1997, and subsequent amendments were considered and approved by the following meetings:**

- 1. special resolution at the 2000 annual general meeting convened on 26 April 2001**
- 2. special resolution at the 2002 annual general meeting convened on 24 June 2003**
- 3. special resolution at the 2003 annual general meeting convened on 29 June 2004**
- 4. special resolution at the 2007 first extraordinary general meeting convened on 5 February 2007**
- 5. special resolution at the 2007 annual general meeting convened on 30 June 2008**
- 6. special resolution at the 2008 annual general meeting convened on 2 June 2009**
- 7. special resolution at the 2010 extraordinary general meeting convened on 26 October 2010**
- 8. special resolution at the 2011 extraordinary general meeting convened on 22 February 2011**
- 9. special resolution at the 2012 second extraordinary general meeting convened on 28 December 2012**
- 10. special resolution at the 2012 annual general meeting convened on 25 June 2013**
- 11. special resolution at the 2013 first extraordinary general meeting convened on 6 December 2013**
- 12. special resolution at the 2013 annual general meeting convened on 30 May 2014**
- 13. special resolution at the 2014 second extraordinary general meeting convened on 23 December 2014**
- 14. special resolution at the 2015 first extraordinary general meeting convened on 13 February 2015**
- 15. special resolution at the 2015 third extraordinary general meeting convened on 28 December 2015**
- 16. special resolution at the 2016 annual general meeting convened on 30 June 2017)**
- 17. special resolution at the 2017 annual general meeting convened on 26 June 2018**
- 18. special resolution at the 2019 annual general meeting convened on 30 June 2020**

19. special resolution at the 2020 first extraordinary general meeting convened on 28 October 2020
20. resolution at the 21st meeting of the 9th session of the Board on 26 October 2021 (authorised by special resolution at the 2021 third extraordinary general meeting convened on 28 May 2021)
21. special resolution at the 2022 annual general meeting convened on 31 May 2023
22. special resolution at the 2023 first extraordinary general meeting, special resolution at the 2023 first A Share class meeting and special resolution at the 2023 first H Share class meeting convened on 30 November 2023
23. special resolution at the 2023 annual general meeting convened on 17 June 2024
24. special resolution at the 2024 annual general meeting convened on 17 June 2025
25. special resolution at the 2025 third extraordinary general meeting on 18 November 2025

Note: In the marginal notes to the Articles of Association, the “**Company Law**” refers to the Company Law of the People's Republic of China promulgated in 1993 and amended from time to time; the “**Securities Law**” refers to the Securities Law of the People's Republic of China promulgated in 1998 and amended from time to time; the “**Guidelines on Articles of Association**” refers to the Guidelines on Articles of Association for Listed Companies promulgated by the CSRC and amended from time to time; the “**Governance Standards**” refers to the Standards for Governance of Listed Companies promulgated by the CSRC and amended from time to time; the “**Independent Directors Measures**” refers to the Measures for the Administration of Independent Directors of Listed Companies promulgated by the CSRC and amended from time to time; the “**Regulatory Guidelines No.3**” refers to Regulatory Guidelines No.3 for Listed Companies - Cash Dividends of Listed Companies promulgated by the CSRC and amended from time to time; **CSRC Document No.138** refers to the Notice of the China Securities Regulatory Commission on Matters Concerning Listed Companies’ In-depth Study of the Amendment (VI) to the Criminal Law; “LR” refers to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the listing rules); and “App” refers to the Appendix to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange.

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## **Chapter 1    General Provisions**

**Article 1**     To protect the legitimate rights and interests of the Company, its Shareholders, employees and creditors, and to regulate the organisation and conduct of the Company, these Articles of Association are formulated in accordance with the Company Law of the People’s Republic of China (referred to as the “Company Law”), the Securities Law of the People’s Republic of China (referred to as the “Securities Law”), the securities regulatory provisions of the place where the Shares of the Company are listed and other relevant provisions.

**Article 2**     The Company (formerly known as Shandong International Power Development Company Limited until 1 November 2003 when the present name was officially adopted) is a joint stock limited company established in accordance with the Company Law and other relevant legislations and administrative regulations of the PRC.

The Company was established by way of promotion on 28 June 1994 under the approval as evidenced by Document Ti Gai Sheng No. [1994]76 issued by the State Commission for Restructuring the Economic Systems. On the same day, it was registered with the Administration Bureau of Industry and Commerce of Shandong Province and obtained its business license. Under the approval given by the Ministry of Foreign Trade and Economic Cooperation of the People’s Republic of China as evidenced by Document [2000] Wai Jing Mao Zi Er Han Zi No. 545, the Company was transformed into a foreign-invested joint stock limited company. The current unified social credit code of the Company is 913700002671702282.

The promoters of the Company are (based on the names then):

Shandong Electric Power Corporation

Shandong International Trust and Investment Corporation

Shandong Luneng Development General Corporation China

Power Trust and Investment Company Limited

Zaozhuang City Infrastructure Investment Company

**Article 3** The registered name of the Company

Chinese: 华电国际电力股份有限公司(Abbreviation: “华电国际”)

English: HUADIAN POWER INTERNATIONAL CORPORATION LIMITED  
(Abbreviation: “HDPI”)

**Article 4** The Company’s domicile: No.14800, Jingshi Road, Lixia District, Jinan City, Shandong Province, the PRC

Postcode: 250014

**Article 5** The Company is a joint stock limited company in perpetual existence.

**Article 6** The Company’s registered capital is RMB11,611,774,184. The Company registers its registered capital in accordance with the provisions of relevant laws and regulations.

The Company may increase or decrease its registered capital according to the needs of its operational development. The procedures for increasing or decreasing the registered capital shall proceed in accordance with the relevant provisions of laws, administrative regulations and these Articles of Association.

**Article 7** The Company’s Chairman of the Board is a legal representative of the Company. If the Chairman of the Board resigns, he/she shall be deemed to have concurrently resigned as the legal representative. Where the legal representative resigns, the Company shall appoint a new legal representative within 30 days from the date of resignation by the legal representative.

**Article 8** The legal consequences of civil activities conducted by the legal representative in the name of the Company shall be borne by the Company. Restrictions on the authority of the legal representative, whether stipulated in these Articles of Association or imposed by the general meeting, may not be imposed against bona fide third parties. Should the legal representative cause damage to others in the course of performing his/her duties, the Company shall bear civil liability. Where the Company bears civil liability, it may seek recourse from the legal

representative who is at fault in accordance with the provisions of laws or these Articles of Association.

**Article 9** The liabilities of the shareholders of the Company are limited to the shares subscribed for by them, and the Company is liable for its debts to the extent of its entire property.

**Article 10** From the date on which it becomes effective, the Articles of Association constitute a legally binding document regulating the Company's organization and activities, and the rights and obligations between the Company and each shareholder and among the shareholders, which are binding on the Company, its shareholders, Party Committee members of the Company, directors, and senior management. Pursuant to these Articles of Association, actions can be brought by a shareholder against another shareholder, by a shareholder against directors and senior management of the Company, by shareholders against the Company, and by the Company against its shareholders, directors and senior management.

**Article 11** Senior management referred to in the Articles of Association mean the general manager, deputy general managers, the financial controller and the Secretary to the Board, the chief legal counsel, the chief engineer and the chief economist of the Company or other members as determined by the board of directors.

**Article 12** The Company may invest in other enterprises. Where laws stipulate that the Company shall not be financier assuming joint and several liability for the debts of the enterprises so invested, such stipulations shall apply.

**Article 13** The Company shall establish organisations and working organs of the CPC to carry out activities of the CPC and establish working institutions of the CPC. The working organs of the CPC shall be equipped with sufficient and efficient staff and provided with sufficient funds by the Company.

## **Chapter 2 Purposes and Scope of Business**

**Article 14** The purposes of the Company are to: commit itself to the development, construction and management of power source projects, expedite the development of power business and increase power supply through the use of advanced

management methods and flexible operation policies, thereby enhancing profitability and delivering stable and growing earnings to its shareholders.

The Company shall abide by national laws and regulations, and implement national policies; improve market-oriented operating mechanisms, engage in production and operation activities independently and in accordance with the law, and enhance market competitiveness; adhere to reform and innovation, improve independent innovation capabilities and value creation capabilities; accelerate structural adjustment, optimize resource allocation, promote the high-quality development of the Company, unswervingly strengthen, optimize and expand the Company, and accelerate the cultivation of a world-class enterprise.

When engaging in business activities, the Company shall fully consider the interests of stakeholders such as its employees and consumers, as well as social public interests including ecological environmental protection, and undertake social responsibilities.

The Company persists in corporate governance in accordance with the law, and strives to build a rule-of-law enterprise with sound governance, compliant operations, standardized management, and integrity in observing the law.

Based on its development capability and business requirements, the Company may adjust its business scope and mode of operation when necessary according to law and establish branches and representative offices at home and abroad.

**Article 15** The Company's scope of business is as follows:

Licensed items: power generation business, power transmission business, power supply (distribution) business; construction project design; port operation; heat production and supply; construction engineering supervision; construction engineering; the installation, maintenance and testing of power facilities for transmission, supply and receiving of electricity. (Items subject to approval in accordance with the law, can only carry out business activities after approval by the relevant departments, the specific business items are subject to the approval documents or licenses of the relevant departments).



General items: power generation technical services; technical services, technology development, technology consulting, technology exchanges, technology transfer, technology promotion; energy performance contracting; engineering technical services (excluding planning management, surveying, design, and supervision); new energy technology research and development; technical services for energy storage; ship and port services; cooling services; repair of general-purpose equipment; repair of electrical equipment. (Items other than those subject to approval under the laws can be carried out with a business license for business activities independently in compliance with the laws).

The Company's scope of business shall only cover the business scope approved by the Market Supervision Administration.

## **Chapter 3    Shares**

### **Section 1    Issuance of Shares**

**Article 16**    There must, at all times, be ordinary shares in the Company. The Company may create other classes of shares when necessary according to the applicable laws, administrative regulations and the securities regulatory provisions of the place where the Shares of the Company are listed.

**Article 17**    All the shares issued by the Company shall have a par value, which shall be RMB1 for each share.

**Article 18**    Subject to the registration or filing of the securities regulatory authority of the State Council, the Company may issue shares to domestic and foreign investors in accordance with the laws.

The foreign investors referred to in the preceding paragraph mean those investors who subscribe for the shares issued by the Company and who are located in foreign countries or the regions of Hong Kong, Macau and Taiwan. Domestic investors mean those investors who subscribe for shares issued by the Company and who are located within the territory of the PRC other than the abovementioned regions.

Shares issued by the Company to domestic investors for subscription in RMB shall be referred to as domestic-invested shares (or the “A Shares”). Shares issued by the Company to foreign investors for subscription in foreign currency shall be referred to as foreign-invested shares. Foreign-invested shares which are listed outside the PRC shall be referred to as overseas-listed foreign-invested shares or simply referred to as “H Shares”. The domestic-invested shares and the foreign-invested shares are not regarded as different classes of shares unless otherwise provided for in the applicable laws and regulations and securities regulatory provisions of the place where the shares of the Company are listed.

The domestic-invested shares of the Company are deposited with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited. The overseas-listed foreign-invested shares of the Company are principally placed in the custody of Hong Kong Securities Clearing Company Limited.

The Company shall issue shares in an open, equitable and fair manner, and each of the shares in the same class shall carry the same rights. Shares of the same class and the same issuance shall issue on the same conditions and at the same price. The subscriber shall pay the same price for each of the shares it or he or she subscribes for.

**Article 19** As approved by the companies approving department authorised by the State Council, the Company issued 3,825,056,200 ordinary shares to its promoters at the time of its establishment, accounting for 100% of all its ordinary shares then in issue.

The share capital structure of the Company upon its incorporation (based on the names at the time of the share issue) comprised 2,904,472,000 shares held by Shandong Electric Power Corporation, 794,047,400 shares held by Shandong International Trust and Investment Corporation, 86,536,800 shares held by Shandong Luneng Development General Corporation, 20,000,000 shares held by China Power Trust and Investment Company Limited, and 20,000,000 shares held by Zaozhuang City Infrastructure Investment Company, representing 75.93%, 20.76%, 2.27%, 0.52% and 0.52% of the total issued ordinary shares in

the Company, respectively.

The Company issued and over-allocated 1,431,028,000 overseas-listed foreign-invested shares after its establishment, as approved by shareholders by way of special resolution at a shareholders' general meeting and by the approving authorities authorised by the State Council. After the said issue of overseas-listed foreign-invested shares, the Company issued 765,000,000 ordinary shares, comprised 569,000,000 A Shares and 196,000,000 shares placed to China Huadian Corporation Limited. (formerly known as China Huadian Corporation), a holder of unlisted domestic-invested shares, as approved by shareholders by way of special resolution at a shareholders' general meeting and by the approving authorities authorised by the State Council.

The share capital structure of the Company following the said new issues for capital increases comprised 6,021,084,200 ordinary shares, including 3,011,075,430 shares held by China Huadian Corporation Limited. (formerly known as China Huadian Corporation), 1,009,980,770 shares held by other holders of domestic-invested shares, 569,000,000 A Shares and 1,431,028,000 overseas-listed foreign-invested shares, representing 50.009%, 16.774%, 9.450% and 23.767% of the total issued ordinary shares in the Company, respectively.

The Company implemented equity division reform plan in 2006. As approved at the shareholders' meeting related to A share market by way of special resolutions and approved by the approving authorities authorised by the State Council, holders of circulating A Shares in the Company were granted 3 shares for every 10 circulating A Shares held which totalled 229,500,000 shares, by China Huadian Corporation Limited. (formerly known as China Huadian Corporation), Shandong International Trust and Investment Company Limited, Shandong Luneng Development (Group) Company Limited and Zaozhuang City Infrastructure Investment Company (aforesaid four shareholders are according to their names used at that time).

In 2009, under the approval of its shareholders by way of special resolution at a shareholders' general meeting and the approval of the approving authorities

authorised by the State Council, the Company issued 750,000,000 A Shares through private placement.

In 2012, under the approval of its shareholders by way of special resolution at a shareholders' general meeting and the approval of the approving authorities authorised by the State Council, the Company issued 600,000,000 A Shares through private placement.

In 2014, under the approval of its shareholders by way of special resolution at a shareholders' general meeting and the approval of the approving authorities authorised by the State Council, the Company issued 1,150,000,000 A Shares through private placement.

In 2014, under the approval of its shareholders by way of special resolution at a shareholders' general meeting and the approval of the approving authorities authorised by the State Council, the Company issued 286,205,600 H shares through private placement.

In 2015, under the approval of its shareholders by way of special resolution at a shareholders' general meeting and the approval of the approving authorities authorised by the State Council, the Company issued 1,055,686,853 A Shares through private placement.

In 2021, under the approval of its shareholders by way of special resolution at a shareholders' general meeting and the approval of the approving authorities authorised by the State Council, the Company issued 6,881,562 A Shares through private placement.

In 2021, as approved by an extraordinary resolution at the shareholders' general meeting, the Company issued a total of 14,701,590 convertible corporate bonds to CCB Financial Asset Investment Co., Ltd. and BOC Financial Asset Investment Co., Ltd. upon approval by China Securities Regulatory Commission. Such bonds can be converted into shares of the Company from 28 September 2022, and the conversion period is from 28 September 2022 to 27 September 2024. As of 1 June 2023, the cumulative number of shares converted was 357,702,918.

In 2025, as approved by a special resolution at the general meeting, the Company issued 678,863,257 A Shares to China Huadian Corporation LTD.\* (中國華電集團有限公司) upon approval by China Securities Regulatory Commission (“CSRC”).

In 2025, as approved by a special resolution at the general meeting, the Company issued 705,349,794 A Shares to specific targets upon approval by CSRC.

The current share capital structure of the Company comprises 11,611,774,184 ordinary shares, including 9,894,540,584 A Shares and 1,717,233,600 overseas listed foreign-invested shares, representing 85.21% and 14.79% of the total issued ordinary shares in the Company respectively.

**Article 20** The Company or its subsidiaries (including its affiliates, which refers to enterprises directly or indirectly controlled by the Company) shall not give any financial assistance, in the form of gift, advance, guarantee or loan and other forms, to any person who acquires shares of the Company or its parent company, except for the Company’s implementation of employee stock ownership plans.

For the benefit of the Company, pursuant to a resolution of the general meeting, or a resolution made by the board of directors in accordance with these Articles of Association or the authorization of the general meeting, the Company may provide financial assistance to any person who acquires shares of the Company or its parent company, provided that the accumulated total amount of such financial assistance shall not exceed 10% of the total issued share capital. A resolution made by the board of directors shall be passed by two-thirds or more of all directors.

**Article 21** Domestic-invested shares and overseas-listed foreign-invested shares of the Company shall be traded, donated, inherited and pledged in accordance with the PRC laws, the securities regulatory provisions of the place where the Shares of the Company are listed and the Articles of Association, respectively. The transfer and assignment of shares of the Company shall follow transfer formalities in accordance with relevant regulations. However, no transfer or other change formalities will be effected from the date when the Company announces the

commencement of liquidation.

## **Section 2 Increase, Reduction and Repurchase of Shares**

**Article 22** The Company may, based on its operation and development needs, increase its capital in the following manners in accordance with the provisions of the laws and regulations upon resolution of the general meeting:

- (1) by issuance of shares to non-specific targets;
- (2) by issuance of shares to specific targets;
- (3) by allotting bonus shares to existing shareholders;
- (4) by converting capital reserve to share capital;
- (5) by any other means which is provided by laws and administrative regulations and securities regulatory authorities.

The Company's increase of share capital by means of issuance of new shares shall, after being approved pursuant to the provisions of the Articles of Association, be conducted in accordance with the procedures stipulated by relevant PRC laws, administrative regulations and securities regulatory provisions of the place where the shares of the Company are listed.

**Article 23** The Company may reduce its registered capital. The Company's reduction of registered capital shall be processed in accordance with the Company Law, other relevant provisions, and the procedures stipulated in these Articles of Association.

**Article 24** The Company shall not acquire the Company's shares, except in any one of the following circumstances:

- (1) to reduce the Company's registered capital;
- (2) to merge with another company that holds shares in the Company;
- (3) to use the shares for employee stock ownership plans or as share incentives;
- (4) to acquire shares held by shareholders (upon their request) who vote against any resolution proposed in any general meeting on the merger or division of the

Company;

(5) to use the shares for conversion of corporate bonds which are convertible into shares issued by the Company;

(6) where it is necessary for the Company to safeguard its value and the interests of its shareholders; or

(7) other circumstances as required by laws and administrative regulations.

**Article 25** Where the Company purchases its shares, the repurchase shall be conducted through public and centralized trading, or other methods recognized by laws, administrative regulations, securities regulatory provisions of the place where the shares of the Company are listed, and securities regulatory authorities.

If the Company repurchases its shares in the circumstances set out under items (3), (5) and (6) of Clause 1 of Article 24 of the Articles of Association, the acquisition shall be conducted through public and centralized trading.

**Article 26** If the Company purchases its shares in the circumstances set out under items (1) and (2) of Clause 1 of Article 24 of the Articles of Association, the purchase shall be subject to the approval of the general meeting. If the Company purchases its shares in the circumstances set out under items (3), (5) and (6) of Clause 1 of Article 24 of the Articles of Association, the purchase may be conducted in compliance with the requirements of the Articles of Association or the authorization granted at the general meeting upon approval by the Board meeting attended by two-thirds or more of the directors.

If the Company purchases its shares in the circumstances set out under Clause 1 of Article 24 of the Articles of Association, in the case of item (1), the shares shall be cancelled within 10 days from the date of repurchase; in the case of items (2) and (4), the shares shall be transferred or cancelled within 6 months; in the cases of items (3), (5) and (6), the total number of shares in the Company held by the Company shall not exceed 10% of total shares issued by the Company and these shares shall be transferred or cancelled within 3 years.

**Article 27** Shares of the Company acquired in accordance with the laws by the Company

shall be cancelled or transferred within the period prescribed by laws, administrative regulations and securities regulatory provisions of the place where the shares of the Company are listed. And under the circumstance of the cancellation, the Company shall carry out the registration of the change in its registered capital with its original registrar and have a relevant announcement published.

The amount of the Company's registered capital shall be reduced by the total par value of the shares cancelled.

### **Section 3 Share Transfer**

**Article 28** Shares of the Company shall be transferred in accordance with the law.

**Article 29** The Company does not accept its shares as the subject of any pledge.

**Article 30** During their term of office, the directors and senior management of the Company shall report periodically to the Company their shareholdings in the Company and any changes therein. Transfer of shares by the aforesaid persons shall be conducted in accordance with the laws, regulations and securities regulatory provisions of the place where the shares of the Company are listed.

**Article 31** Any gains from sale of shares in the Company or other securities with the nature of equity by any director, senior management or shareholder holding 5% or more of the shares in the Company within six (6) months after their purchase of the same, and any gains from purchase of shares in the Company or other securities with the nature of equity by any of the aforesaid parties within six (6) months after sale of the same shall be disgorged and paid to the Company. The board of directors of the Company shall forfeit such gains from the abovementioned parties. However, if a securities company holds not less than 5% shares by purchasing the remaining shares after sale pursuant to an underwriting arrangement and the securities regulatory provisions of the place where the Shares of the Company are listed stipulate other circumstances, the foregoing requirements shall not apply.

Shares or other securities with the nature of equity held by directors, senior management, natural person shareholders referred to in the preceding paragraph



include shares or other securities with the nature of equity held by their spouse, parents, children and under others' account.

Should the board of directors of the Company fail to comply with the requirements set out in the first paragraph, a shareholder shall be entitled to request the board of directors to implement the same within thirty (30) days. Should the board of directors of the Company fail to do so within the said time limit, a shareholder shall have the right to initiate proceedings in the People's Court directly in his/her own name for the interests of the Company.

Should the board of directors of the Company fail to comply with the requirements set out in the first paragraph, the responsible director(s) shall be held jointly liable.

## **Chapter 4 Shareholders and Shareholders' General Meetings**

### **Section 1 Share Certificates and Register of Shareholders**

**Article 32** In addition to those items provided in the Company Law, a share certificate of the Company shall also contain any other items required to be specified by the securities regulatory provisions of the place where the shares of the Company are listed.

**Article 33** The Company shall keep the register of shareholders with the certificate granted by the securities registration and clearing organization. Unless there is evidence to the contrary, the register of shareholders shall be sufficient evidence of the shareholders' shareholdings in the Company.

**Article 34** The Company may, in accordance with the mutual understanding and agreements made between the securities regulatory authority of the State Council and the securities regulator in Hong Kong, maintain its register of holders of overseas-listed foreign-invested shares which are listed in Hong Kong and appoint Hong Kong agent(s) to manage such register.

The register of holders of overseas-listed foreign-invested shares is open for inspection by shareholders of the Company, but the Company may close the

register of shareholders in accordance with relevant laws and regulations of Hong Kong.

The Company shall maintain a duplicate of the register of holders of overseas-listed foreign-invested shares at the Company's domicile. The appointed overseas agent(s) shall ensure the consistency between the original and the duplicate of the register of holders of overseas-listed foreign-invested shares at all times.

If there is any inconsistency between the original and the duplicate of the register of holders of overseas-listed foreign-invested shares, the original version shall prevail.

**Article 35** The Company shall maintain a complete register of shareholders. The register of shareholders shall include the following:

- (1) the register of shareholders maintained at the Company's domicile (other than those parts as described in subparagraphs (2) and (3) of this Article);
- (2) the register of shareholders in respect of the holders of overseas-listed foreign-invested shares of the Company maintained at the place where the overseas stock exchange on which the shares are listed is located;
- (3) the register of shareholders maintained at such other place as the board of directors may consider necessary for the purpose of listing of the Company's shares.

**Article 36** Where laws, regulations, securities regulatory provisions and stock exchanges of the place where the shares of the Company are listed stipulate on the period of closure of the register of shareholders before the date of the general meeting or before the record date set by the Company for the purpose of distribution of dividends, such provisions shall prevail.

## **Section 2 Rights and Obligations of Shareholders**

**Article 37** A shareholder of the Company is a person who lawfully holds shares of the Company and whose name is entered in the register of shareholders.

A shareholder shall enjoy rights and assume obligations according to the class of

shares held by him; shareholders who hold shares of the same class shall enjoy the same rights and assume the same obligations.

**Article 38** In the event that the Company holds a general meeting, distributes dividends, liquidates its assets, or engages in other activities which require the confirmation of the identity of the shareholders, the board of directors or the convener of the general meeting shall fix a date as a record date for the registration of equity interests. The shareholders of the Company entitled to the underlying interests shall be those whose names appear in the register of shareholders after the closing of trading on the record date.

**Article 39** The ordinary shareholders of the Company shall have the following rights:

- (1) the right to dividends and other distributions in proportion to the number of shares held;
- (2) the right to propose the holding of, convene and preside over, to attend or appoint a proxy to attend general meetings, to speak at the general meetings, and to exercise the corresponding voting right thereat (unless any individual shareholders are, under the applicable securities regulatory provisions of the place where the shares of the Company are listed as stipulated from time to time, required to abstain from voting to approve the matter under consideration);
- (3) the right to supervise the operation of the Company, and to put forward proposals and raise inquiries;
- (4) the right to transfer, donate or pledge the shares held by him in accordance with the laws, administrative regulations and the Articles of Association;
- (5) the right to inspect and reproduce the Articles of Association, the register of shareholders, minutes of general meetings, resolutions of Board meetings, the financial and accounting report, and the Company's accounting books and accounting vouchers available for inspection by qualified shareholders;
- (6) in the event of the termination or liquidation of the Company, the right to participate in the distribution of the residual assets of the Company in proportion to the number of shares held;

(7) with respect to shareholders who vote against any resolution adopted at the general meeting on the merger or division of the Company, the right to demand the Company to acquire the shares held by them;

(8) the right to initiate a lawsuit in the People's Court against any act in violation of the Company's interests or detrimental to the legal interests of the shareholders and claim relevant rights in accordance with the Company Law or other laws or administrative regulations;

(9) other rights conferred by the laws, administrative regulations, departmental rules and the Articles of Association.

**Article 40** Shareholders proposing to inspect the relevant information as set out in the preceding Article or collect information shall present evidence to prove the class and amount of shareholding in writing. The Company shall provide the shareholders such information as required after verification of the identities of the shareholders. Shareholders requesting to inspect and reproduce the relevant materials of the Company shall comply with the provisions of the Company Law, the Securities Law and other laws and administrative regulations.

**Article 41** A resolution of the Company's general meeting or Board meeting may be declared void by the People's Court upon application from shareholders if the content contravenes the law or administrative regulations.

In the event the procedures for convening the general meeting and the Board meeting and voting thereat violate the law, administrative regulations or the Articles of Association, or the content resolved being contrary to the Articles of Association, the shareholder shall have the right to submit to the People's Court to rescind the resolution within 60 days after the resolution is made. However, this shall be excluded where there are only minor defects in the procedures for convening the general meeting or the Board meeting or the voting methods thereof without materially affecting the resolution.

Where the board of directors, shareholders or other relevant parties have disputes over the validity of resolutions of the general meeting, they shall promptly file a lawsuit with the People's Court. Before the People's Court renders a judgment

or ruling to revoke a resolution or otherwise, the relevant parties shall implement the resolutions of the general meeting. The Company, its directors and senior management shall effectively perform their duties to ensure the Company's normal operation.

Where the People's Court makes a judgment or ruling on relevant matters, the Company shall fulfil its information disclosure obligations in accordance with the provisions of laws, administrative regulations, the CSRC and the stock exchange, fully explain the impact, and actively cooperate with the implementation after the judgment or ruling takes effect. Where corrections to prior matters are involved, they shall be handled promptly and the corresponding information disclosure obligations shall be fulfilled.

**Article 42** Under any of the following circumstances, a resolution of the general meeting or Board meeting shall not be established:

- (1) A resolution is made without holding a general meeting or a Board meeting;
- (2) The general meeting or the Board meeting fails to vote on the matters to be resolved;
- (3) The number of attendees or the number of voting rights held at the meeting fails to reach the number of attendees or the number of voting rights held as stipulated by the Company Law or these Articles of Association;
- (4) The number of people attending the meeting or the number of voting rights held fails to reach the number of people or the number of voting rights held as stipulated by the Company Law or these Articles of Association.

**Article 43** In the event the directors other than those members of the audit committee and senior management violate the law, administrative regulations or the provisions of the Articles of Association in performing the Company's duties, and incur a loss to the Company, the shareholder(s), either individually or jointly holding more than 1% of the Company's shares for more than 180 consecutive days shall have the right to submit a written request to the audit committee for initiating legal proceedings in the People's Court. In the event the members of the audit

committee violate the law, administrative regulations or the provisions of the Articles of Association in performing the Company's duties, and incur a loss to the Company, the aforesaid shareholders shall have the right to submit a written request to the board of directors for initiating legal proceedings in the People's Court.

In the event the audit committee or the board of directors refuses to initiate legal proceedings after receiving the written request from the shareholders as provided in the paragraph above, or has not initiated legal proceedings within 30 days after receiving the written request, or in case of emergency, without initiating legal proceedings forthwith will result in damages in the interests of the Company considerably difficult to rectify, the shareholders as provided in the paragraph above shall have the right to initiate legal proceedings directly in the People's Court in their own names for the interests of the Company.

In the event the legal interests of the Company are being violated by other parties, which incur a loss to the Company, the shareholders as provided in the first paragraph of this Article shall initiate legal proceedings in the People's Court in accordance with the provisions in the earlier two paragraphs.

In the event the directors, or senior management of the wholly-owned subsidiaries of the Company violate the law, administrative regulations or the provisions of the Articles of Association in performing their duties, and incur a loss to the Company, or if other parties infringe upon the legitimate rights and interests of the wholly-owned subsidiaries of the Company and incur a loss, the shareholder(s), either individually or jointly holding more than 1% of the Company's shares for more than 180 consecutive days, may be implemented, in accordance with the provisions of the Company Law and the first and second paragraphs of this Article.

**Article 44** In the event the directors and senior management members violate the law, administrative regulations or the provisions of the Articles of Association, and the rights of shareholders are prejudicially affected, the shareholders shall have the right to initiate legal proceeding in the People's Court.

**Article 45** The ordinary shareholders of the Company shall assume the following obligations:

(1) to comply with laws, administrative regulations and the Articles of Association;

(2) to pay subscription monies according to the number of shares subscribed and the method of subscription;

(3) not to withdraw the share capital unless required by the laws and regulations;

(4) not to abuse their shareholders' rights to harm the interests of the Company or other shareholders; and not to abuse the independent legal person status of the Company and the limited liability of shareholders to harm the interests of any creditor of the Company; shareholders of the Company who abuse their shareholder's rights and thereby cause losses to the Company or other shareholders shall be liable for damages according to the law. Where shareholders of the Company abuse the Company's position as an independent legal person and the limited liability of shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company;

(5) other obligations imposed by laws, administrative regulations, securities regulatory provisions of the place where the shares of the Company are listed and the Articles of Association.

**Article 46** The controlling shareholder and de facto controller of the Company shall exercise their rights and perform their obligations in accordance with laws, administrative regulations, and the regulations of CSRC and the stock exchange, so as to protect the interests of the listed company.

**Article 47** The controlling shareholder and de facto controller of the Company shall comply with the following provisions:

(1) exercise shareholder's rights in accordance with the law, and shall not abuse their controlling right or harm the legitimate rights and interests of the Company

or other Shareholders by utilising connected relationships;

(2) strictly fulfil public statements and all commitments made, and shall not unilaterally alter or waive them;

(3) strictly perform their information disclosure obligations in accordance with relevant regulations, actively and proactively cooperate with the Company in its information disclosure, and promptly inform the Company of material events that have occurred or are intended to occur;

(4) shall not appropriate the Company's funds in any manner;

(5) shall not coerce, instruct, or demand the Company and its relevant personnel to provide guarantees in violation of laws and regulations;

(6) shall not seek benefits by utilising the Company's undisclosed material information, or disclose any undisclosed material information related to the Company in any manner, or engage in illegal or irregular activities such as insider trading, short-swing trading, or market manipulation;

(7) shall not harm the legitimate rights and interests of the Company and other Shareholders through unfair connected transactions, profit distribution, asset restructuring, external investments, or any other means;

(8) ensure the integrity of the Company's assets, personnel independence, financial independence, organisational independence, and operational independence, and shall not affect the Company's independence in any manner;

(9) other provisions of laws, administrative regulations, CSRC regulations, stock exchange business rules, and these Articles of Association.

Where the controlling shareholder and de facto controller of the Company do not serve as directors of the Company but actually manage the Company's affairs, the provisions of these Articles of Association regarding the directors' duties of loyalty and diligence shall apply.

Where the controlling shareholder and de facto controller of the Company instruct directors or senior management to engage in acts that harm the interests of



the Company or its Shareholders, they shall bear joint and several liability with such directors and senior management.

**Article 48** Where the controlling shareholder and de facto controller pledge the Company's shares held or actually controlled by them, they shall maintain the stability of the Company's control and production and operation.

**Article 49** Where the controlling shareholder and de facto controller transfer their shares in the Company, they shall comply with the restrictive provisions on share transfers in laws, administrative regulations, and the regulations of CSRC and the stock exchange, as well as their commitments regarding restrictions on share transfers.

### **Section 3 General Provisions of Shareholders' General Meetings**

**Article 50** The general meeting is composed of all shareholders, and is the organ of authority of the Company that exercises the following functions and powers in accordance with law:

- (1) to elect non-employee representative directors, replace directors, and to decide on matters relating to the remuneration of directors;
- (2) to consider and approve the reports of the board of directors;
- (3) to consider and approve the Company's profit distribution plan and loss recovery plan;
- (4) to resolve on any increase or reduction of registered capital of the Company;
- (5) to decide on matters such as merger, division, dissolution, liquidation or changing the form of the Company;
- (6) to decide on the issuance of corporate bonds;
- (7) to decide on the appointment, removal or non-reappointment of accounting firms that undertake audit engagements for the Company and their remunerations;
- (8) to amend the Articles of Association;
- (9) to resolve on purchase or sale of material assets by the Company within one

year, the amount of which exceeds 30% of its latest audited total assets;

(10) to resolve on the Company's provision of a guarantee to third parties which is subject to the approval of shareholders at a general meeting as required under laws, administrative regulations and the Articles of Association;

(11) to consider and approve any change in the use of proceeds from fund raising;

(12) to consider share incentive plans and employee stock ownership plans;

(13) to decide on other matters which are, according to the laws, administrative regulations, departmental rules, securities regulatory provisions of the place where the shares of the Company are listed and the Articles of Association, subject to the resolution of general meeting.

The general meeting may authorise the board of directors to make resolutions on the issuance of corporate bonds.

**Article 51** Any guarantee provided to the third parties by the Company is subject to the consideration and approval by the board of directors. The following guarantees provided to the third parties by the Company, after being considered by the board of directors, are subject to the consideration and approval of general meeting:

(1) any guarantee provided after the total amount of guarantee to third parties provided by the Company and its controlled subsidiaries has exceeded 50% of the Company's latest audited net assets;

(2) any external guarantee, when aggregated on a cumulative basis for 12 consecutive months, is in excess of 30% of the Company's latest audited total assets;

(3) a guarantee to be provided in favour of a party with an asset to liability ratio exceeding 70%;

(4) a single guarantee in excess of 10% of the Company's latest audited net assets;

(5) any guarantee to be provided in favour of shareholders, de facto controllers and their respective related parties;

(6) any guarantee provided after the total amount of guarantees to third parties provided by the Company and its controlled subsidiaries has exceeded 30% of

the Company's latest audited total assets;

(7) other guarantees subject to the consideration and approval of the general meeting as provided in the laws and regulations, the securities regulatory provisions of the place where the shares of the Company are listed and the Articles of Association.

Where any of the directors and senior management of the Company has committed any violations of the laws, administrative regulations or their authorities of approval and examination procedures for the external guarantees prescribed in the Articles of Association, such person shall be liable for any losses suffered by the Company arising therefrom, and the Company may institute legal proceedings against him/her by law.

**Article 52** Any provision of financial assistance by the Company shall be subject to consideration and approval by the board of directors. The following financial assistance, upon consideration by the board of directors, shall further be submitted to the general meetings for approval:

(1) the amount of a single financial assistance exceeds 10% of the Company's latest audited net assets;

(2) the asset-liability ratio of the recipient of financial assistance exceeds 70% according to data from the latest financial statement;

(3) the aggregated amount of financial assistance provided in the latest 12 months exceeds 10% of the Company's latest audited net assets;

(4) other circumstances as required by the securities regulatory provisions of the place where the Shares of the Company are listed or the Articles of Association.

Where the recipient of financial assistance is a controlled subsidiary within the Company's consolidated financial statements, and the other shareholders of such controlled subsidiary do not include the Company's controlling shareholder, de facto controller and their related parties, the provisions under the preceding paragraphs shall not apply.

If any director and senior management violate provisions on the approval

authority or consideration procedure in respect of the provision of financial assistance as specified in laws, administrative regulations or the Articles of Association, thereby causing the Company to sustain a loss, he or she shall be liable for damages and the Company may institute a legal action against him or her in accordance with the law.

**Article 53** Matters that shall be determined at general meetings in accordance with the laws, administrative regulations, securities regulatory provisions of the place where the shares of the Company are listed, and the Articles of Association must be considered at relevant general meeting(s) for the purpose of safeguarding the right of shareholders to decide on such matters. Where necessary and reasonable, a general meeting may authorise the board of directors to determine, within the scope of authorisation as to be granted by such general meeting, specific issues relating to matters which shall be resolved but can't be decided upon immediately at such meeting. A general meeting should authorise within the scope of laws, administrative regulations and securities regulatory provisions of the place where the shares of the Company are listed.

Where the authority granted by the general meeting to the board of directors is related to a matter subject to an ordinary resolution, it shall be passed by votes representing a majority of the voting rights of the shareholders (including proxies) present at the general meeting; where it is related to a special resolution, it shall be passed by votes representing two-thirds or more of the voting rights of the shareholders (including proxies) present at the general meeting. The substance of the authorisation shall be clear and specific.

**Article 54** Unless otherwise under special emergency circumstances, the Company shall not, without the approval of general meeting in the form of a special resolution, enter into any contract with any person other than a director or senior management of the Company whereby such person is put in charge of the management of a whole or any substantial part of the Company's business.

**Article 55** A general meeting shall either be an annual general meeting or an extraordinary general meeting.

An annual general meeting is held once every year and within six (6) months from the end of the preceding financial year. A general meeting shall have a venue where it shall be held in the form of an onsite meeting, and shall adopt safe, economical, and convenient internet and other means to facilitate shareholders' attendance and voting in accordance with the provisions of laws, administrative regulations, or the regulations of CSRC or these Articles of Association.

The Company shall maximize the percentage of presence of public shareholders at any general meeting by other various means, on condition that the general meeting shall be held legally and validly without detriment to the legal rights and interests of domestic and foreign shareholders. A shareholder who participated in a general meeting in the aforesaid manners shall be deemed to have been present at the meeting.

The Company shall hold an extraordinary general meeting within two (2) months of the occurrence of any one of the following facts:

- (1) where the number of directors falls below the number prescribed by the Companies Act or two-thirds of the number stipulated in these Articles of Association;
- (2) where the unrecovered losses of the Company amount to one-third of the total amount of its share capital;
- (3) where any shareholder(s) individually or jointly holding 10% or more of the Company's shares (including preference shares with restored voting rights) request(s) for the convening of such extraordinary general meeting;
- (4) whenever the board of directors deems necessary;
- (5) whenever the audit committee proposes to convene such a meeting;
- (6) other circumstances provided by laws, administrative regulations, departmental rules or the Articles of Association.

The shareholdings referred to in subparagraph (3) above shall be calculated as at the date of written request of the shareholder(s).

**Article 56** The Company shall, in connection with the holding of a general meeting, engage lawyers to issue legal opinions in respect of the following matters and make announcements accordingly:

- (1) whether the procedures for convening and holding the meeting comply with laws and administrative regulations as well as the Articles of Association;
- (2) the legality and validity of the qualifications of the attendees and the convener of the meeting;
- (3) the legality and validity of the voting procedures and results of the voting for the meeting;
- (4) legal opinions on other related matters as requested by the Company.

## **Section 4 Convening of the Shareholders' General Meeting**

**Article 57** The board of directors shall convene a general meeting on time within the time limit as stipulated in the Articles of Association.

With the consent of a majority of all independent directors, independent directors shall have the right to propose the board of directors to hold extraordinary general meetings. The audit committee or shareholders who individually or jointly hold shares of the Company 10% or more (including preference shares with restored voting rights) shall have the right to propose to the board of directors for holding an extraordinary general meeting. The independent directors, the audit committee or shareholders individually or jointly holding 10% or more of shares of the Company (including preference shares with restored voting rights) may request the convening of an extraordinary general meeting, subject to the following procedures:

- (1) sign one or more counterpart requisition(s) in the same form and substance, stating the subject of the meeting and requiring the board of directors to convene a meeting. The board of directors shall give a reply in writing, as to whether or not it agrees to hold the meeting within ten (10) days after receiving the aforementioned requisition.

The aforesaid proportion of shareholding shall be calculated according to such shareholders' shareholding at the date of the deposit of the requisition.

(2) where the board of directors agrees to hold the meeting, it shall issue the notice of the meeting within five (5) days after the resolution has been made by the board of directors. Prior approval from the original proposer(s) is required for any change to the original proposal.

(3) In the event that the board of directors does not give its consent to hold the meeting as requested by independent directors, it shall explain the relevant reasons and publish an announcement.

(4) where the board of directors does not give its consent to hold a meeting as requested by the audit committee, or fails to give any reply within ten (10) days after the receipt of the said requisition, the board of directors shall be deemed to be unable to perform or failing to perform its function of convening a meeting. The audit committee itself may convene and preside over the meeting. The convening procedures should be as similar as possible as that in which meetings are to be convened by the board of directors.

(5) where the board of directors refuses to hold the meeting as requested by shareholders, or does not give any reply within ten (10) days after receipt of the requisition, the shareholders shall propose to the audit committee in writing to hold the meeting.

Where the audit committee agrees to hold the meeting, it should issue the notice of the meeting within five (5) days after receipt of the requisition. Prior approval from the original proposer(s) is required for any change to the original proposal.

Where the audit committee fails to issue notice of the meeting within the prescribed period, the audit committee shall be deemed not to convene and preside over the meeting, and the shareholders individually or jointly holding not less than 10% shares of the Company (including preference shares with restored voting rights) for a period of ninety (90) consecutive days or more are entitled to convene and preside over the meeting on their own. The convening procedures should be as similar as possible as that in which meetings are to be convened by

the board of directors.

Where the audit committee or shareholders decide to convene and hold the meeting on their own in accordance with the preceding paragraphs, they should inform the board of directors in writing and file for record with the competent authorities in accordance with applicable regulations; and shall submit relevant supporting documents to the stock exchange when issuing the notice of general meeting and the announcement of the resolutions of the general meeting. Prior to the announcement of the resolutions of the general meeting, the percentage of shares held by the convening shareholders (including preferred shares with voting rights restored, etc.) shall not be less than 10%. The board of directors and the Secretary to the Board shall be cooperative for purpose of the meeting and the board of directors shall provide the register of shareholders as at the record date. All reasonable expenses incurred for the meeting shall be borne by the Company.

## **Section 5    Motions and Notices of Shareholders' General Meetings**

**Article 58**    Proposals put forward at a general meeting shall be the specific resolutions relating to matters which should be discussed at a general meeting. Proposals put forward at a general meeting shall satisfy the following requirements:

- (1) free of conflicts with the provisions of laws, administrative regulations and the Articles of Association, and within the business scope of the Company and the terms of reference of general meetings;
- (2) with definite topics to discuss and specific matters to resolve;
- (3) be submitted or served to the convener in writing.

**Article 59**    When the Company holds a general meeting, the board of directors, the audit committee and the shareholders either individually or jointly holding 1% or more of the Company's shares (including preference shares with restored voting rights) may propose proposals to the Company.

Shareholders either individually or jointly holding 1% or more of the Company's



shares (including preference shares with restored voting rights) may submit extempore proposals to the convener in writing ten (10) days prior to the date of the general meeting. The convener shall issue a supplementary notice of the general meeting and announce the contents of such extempore proposals within two (2) days upon receipt of the proposals, and shall submit such extempore proposals to the general meeting for consideration. However, extempore proposals that violate the provisions of laws, administrative regulations or the Articles of Association, or that are not within the scope of the functions and powers of the general meeting shall be excluded. If the securities regulatory provisions of the place where the Shares of the Company are listed otherwise stipulates, such other requirements shall be also complied with.

Except for the circumstance provided by the preceding paragraph, the convener shall not amend the proposals set out in the notice of the general meeting or add any new proposal subsequent to the issue of the notice of the general meeting.

Proposals on matters which are not stated in the notice of general meetings or are in contravention with the Articles of Association shall not be voted on and decided at general meetings.

**Article 60** When the Company holds an annual general meeting, the written notice shall be dispatched twenty (20) days before the date of the meeting. When the Company holds an extraordinary general meeting, the written notice shall be dispatched fifteen (15) days before the date of the meeting. Such notice shall notify all of the shareholders whose names appear in the register of shareholders of the matters to be considered at and the date and place of the meeting. Where laws, regulations, securities regulatory provisions of the place where the shares of the Company are listed stipulate on the abovementioned matter otherwise, their provisions shall also be complied with.

After the notice of the general meeting has been dispatched, without due cause, the general meeting shall not be postponed or cancelled, and the proposals specified in the notice of the general meeting shall not be cancelled. In the event of postponement or cancellation, the convener shall announce and state the reasons

at least two (2) working days before the original scheduled date of the meeting.

The board of directors and other conveners of the Company shall adopt necessary measures to ensure the normal order of the general meeting. For acts that interfere with the general meeting, create disturbances and infringe upon the legitimate rights and interests of shareholders, measures will be taken to stop such acts and report to relevant authorities for investigation and disposition in a timely manner.

**Article 61** The notice of a general meeting shall contain the following contents:

- (1) time, venue and duration of the meeting;
- (2) matters and proposals to be considered at the meeting;
- (3) a conspicuous statement that all ordinary shareholders (including preference shareholders with restored voting rights), shareholders holding shares with special voting rights and other shareholders are entitled to attend at the general meeting, and a shareholder may appoint a proxy in writing to attend the meeting and vote on his/her behalf and such proxy is not necessarily a shareholder of the Company;
- (4) record date for shareholders who are entitled to attend the general meeting;
- (5) name and telephone number of the standing contact person for meeting affairs;
- (6) voting time and the voting procedures for online or other forms of meeting.

**Article 62** For matter of discussion which involve the election of directors, the notice of the general meeting shall fully disclose the detailed information of the candidates for such directors, which should at least include the following:

- (1) education background, work experience and any part-time job;
- (2) whether there is any associated relationship between the Company or the controlling shareholders and de facto controller of the Company;
- (3) their shareholdings in the Company;
- (4) whether or not they have been penalized by CSRC or other related securities

regulatory departments and the stock exchange.

Unless a director is elected via the accumulative voting system, each candidate of director shall be individually proposed.

**Article 63** Notices of a general meeting issued to the holders of overseas-listed foreign-invested shares shall be sent in any of the following ways:

(1) to publish on the website of the Company or on the website designated by the stock exchange where the shares of the Company are listed in compliance with the applicable laws, administrative regulations and securities regulatory provisions of the place where the shares of the Company are listed;

(2) to send in accordance with other requirements of securities regulatory provisions of the place where the shares of the Company are listed.

For holders of domestic shares, the notice of a general meeting shall be given by way of a public announcement or by any other means as provided for in the Articles of Association.

If a notice of a general meeting is given in the form of an announcement, once the announcement is published, all relevant persons shall be deemed to have received the notice relating to the general meeting.

## **Section 6 Holding of Shareholders' General Meetings**

**Article 64** All holders of ordinary shares registered on the share register on the record date (including holders of preference shares with restored voting rights), holders of shares with special voting rights and other shareholders or their proxies shall be entitled to attend general meetings and exercise their voting rights in accordance with relevant laws, regulations and these Articles of Association. Any shareholder who is entitled to attend and vote at a general meeting shall be entitled to attend the general meeting in person or appoint one or more persons (whether a shareholder or not) as his/her proxy to attend and vote on his/her behalf, and a proxy so appointed shall be entitled to exercise the following rights pursuant to the authorisation from that shareholder:

- (1) the right of the shareholder to speak at the general meeting;
- (2) the voting right shall be exercised in accordance with the applicable laws, administrative regulations, securities regulatory provisions of the place where the shares of the Company are listed, and the Articles of Association.

Where that shareholder is a recognised clearing house within the meaning of securities regulatory provisions of the place where the shares of the Company are listed, such person or persons appointed by the shareholder or its corporate representative may attend any general meeting or any creditors meeting, and shall enjoy the same legal rights as other shareholders, including speaking and voting at the meeting; but if one person or more is so authorised, the power of attorney must specify the number and class of shares in respect of which each such person is so authorised.

**Article 65** Shareholders shall appoint a proxy in writing which is signed by the principal or his/her/its proxy so authorized in writing, or if the principal is a legal person, sealed by the stamp of the legal person or signed by its director or duly appointed proxy.

The instrument shall contain the number of the shares represented by the proxy. If several persons are authorized as the proxies of the shareholder, the instrument shall specify the number of the shares represented by each proxy.

**Article 66** Without violation of relevant laws and regulations and the securities regulatory provisions of the place where the shares of the Company are listed, the proxy form appointing a voting proxy shall be deposited within the time specified by the Company or delivered in the manner prescribed by the securities regulatory provisions of the place where the shares of the Company are listed, at the domicile of the Company or at such other place as specified in the notice of convening the meeting. If the proxy form is signed by another person authorized by the principal, the power of attorney or other document authorizing the signature shall be notarized. The notarized power of attorney or other authorizing document shall be deposited together with the proxy form appointing the voting proxy or delivered in the manner prescribed by the securities regulatory provisions of the

place where the shares of the Company are listed, at the domicile of the Company or at such other place as specified in the notice of convening the meeting.

## **Section 7 Voting and Resolutions of Shareholders' General Meetings**

**Article 67** For connected transactions to be considered at a general meeting, connected shareholders shall abstain from voting on such connected transactions, and the number of shares carrying voting rights they represent shall not be counted into the valid voting results. And the announcement of resolutions passed at the general meeting shall fully disclose the voting of non-connected shareholders on the transactions.

**Article 68** A shareholder when voting at a general meeting may exercise voting rights in accordance with the number of voting shares represented by him/her. Each share shall have one vote, except for the adoption of the accumulative voting system for election of directors as stipulated in the Articles of Association.

Where material issues affecting the interests of minority investors are being considered in the general meeting, the votes by minority investors shall be counted separately. The separate counting results shall be publicly disclosed in a timely manner.

The shares held by the Company carry no voting rights and shall not be counted into the total number of shares with voting rights held by shareholders attending the meeting.

The board of directors, independent directors and shareholders holding 1% or more of the voting shares of the Company or investor protection institutions established in accordance with laws, administrative regulations or the provisions of the CSRC may publicly solicit votes of shareholders, provided that sufficient disclosure of information such as the specific voting preference shall be made to the shareholders from whom voting rights are being solicited. No consideration or other form of de facto consideration shall be involved in the solicitation of voting rights from shareholders. Save for the statutory requirements, the Company shall not impose any limitation related to minimum shareholdings on the

solicitation of voting rights. Public solicitation of votes shall be made in accordance with securities regulatory provisions of the place where the shares of the Company are listed.

**Article 69** Where any shareholder is, under the securities regulatory provisions of the place where the shares of the Company are listed as stipulated from time to time, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution at any general meeting, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted. Voting at general meeting will record the name of the voter, that is, by open ballot unless otherwise required by applicable securities regulatory provisions of the place where the shares of the Company are listed.

Before voting on a proposal in the general meeting, two shareholder representatives shall be elected to participate in vote counting and scrutinizing. When shareholders are related parties in a proposed matter, the related shareholders and proxies are not allowed to participate in vote counting and scrutinizing process.

When a proposal is voted in a general meeting, the vote counting and scrutinizing process shall be jointly responsible and performed by a lawyer, a representative of shareholders or other person so required by the securities regulatory provisions of the place where the Shares of the Company are listed, the voting result should be announced on-site and the voting result of a resolution shall be recorded in the minutes of meeting. A shareholder of the Company or his/her proxy who has voted through the internet or other voting methods shall be entitled to inspect his/her own voting result through the corresponding voting system.

**Article 70** Shareholders who attend the general meeting in person shall express one of the following indications about the proposal submitted for voting: for, against or abstain. China Securities Depository and Clearing Co., Ltd. is the nominee holder of shares transacted through the mutual connection mechanism between stock markets in Mainland China and Hong Kong, except for reporting on indications

expressed by beneficial shareholders.

Empty, erroneous or illegible ballot papers and uncast ballot papers from shareholders attending in person are deemed as abstained from voting by the voters, and the voting result in respect of the number of shares held by such voters are counted as “abstention”.

**Article 71** Resolutions of general meetings shall be either ordinary or special resolutions.

To adopt an ordinary resolution, votes representing a majority of the voting rights represented by the shareholders present at the general meeting must be cast in favour of the resolution.

To adopt a special resolution, votes representing two-thirds or more of the voting rights represented by the shareholders present at the general meeting must be cast in favour of the resolution.

**Article 72** The following matters shall be resolved by ordinary resolution at a general meeting:

- (1) work reports of the board of directors;
- (2) profit distribution plans and loss recovery plans formulated by the board of directors;
- (3) appointment or removal of members of the board of directors, their remuneration and manners of payment thereof;
- (4) appointment, removal or non-reappointment of accounting firms and their remunerations;
- (5) matters other than those which are required by the laws and administrative regulations or by the Articles of Association to be adopted by special resolution.

**Article 73** The following matters shall be resolved by special resolution at a general meeting:

- (1) increase or reduction of the share capital and the registered capital and issue of shares of any class, warrants or other similar securities;
- (2) division, spin off, merger, dissolution and liquidation (including voluntary

winding up) of the Company;

(3) amendment to the Articles of Association;

(4) purchase or disposal of material assets, or provision of guarantee within one year, the amount of which exceeds 30% of the latest audited total assets of the Company;

(5) share incentive plan;

(6) any other matters required by the laws, administrative regulations, departmental rules and the Articles of Association and considered by the general meeting, by way of an ordinary resolution, to have a substantial impact on the Company and should be adopted by a special resolution.

**Article 74** A general meeting shall be presided over and chaired by the Chairman of the Board. If the Chairman of the Board is unable or fails to perform his/her duties, the vice-chairman of the board of directors (in case of two or more vice-chairmen, the vice-chairman who is jointly elected by a majority of the directors) shall preside over and chair the meeting. If the vice-chairman is unable or fails to perform his/her duties, the meeting shall be presided over and chaired by a director jointly elected by a majority of the directors.

A general meeting convened by the audit committee shall be presided over by the convener of the audit committee, or a member of the audit committee jointly elected by a majority of the members of the audit committee if the convener of the audit committee is unable or fails to perform his/her duties.

A general meeting convened by the shareholders shall be chaired by the conveners or a representative elected by the conveners.

During the course of a general meeting, if the chairman of the meeting is in breach of the rules of procedure and renders it impossible for the meeting to continue, with the consent of the shareholders present at the meeting and representing a majority of the total voting rights of all shareholders so present, the general meeting may elect one individual to be the chairman of the meeting and the meeting shall continue. The Company's Rules of Procedures for General



Meeting specifies in details the procedure for convening, holding and voting at the general meeting, including notification, registration, consideration of proposals, voting, counting of votes, announcement of voting results, formation of meeting resolutions, minutes of meeting and their signing, public announcements, as well as the principles of authorization by the general meeting to the board of directors, and the authorized content shall be clear and specific. The Rules of Procedures for General Meeting shall be an appendix to the Articles of Association, and shall be stipulated by the board of directors and approved by the general meeting.

**Article 75** The on-site general meeting shall not end earlier than the online means or other means. The chairman of the meeting shall announce the voting and results of each of the proposals, and announce whether or not they are approved in accordance with the voting results. The Company shall announce the resolutions of a general meeting in accordance with applicable laws and securities regulatory provisions of the place where the shares of the Company are listed.

**Article 76** If the chairman of the meeting has any doubt as to the result of a resolution put to vote at the meeting, he/she may have the votes counted. If the chairman of the meeting fails to have the votes counted, any shareholder who is present in person or by proxy and who objects to the result announced by the chairman of the meeting may demand that the votes be counted immediately after the declaration of the result, and the chairman of the meeting shall have the votes counted immediately.

If votes are counted at a general meeting, the counting results shall be recorded into the minutes of the meeting.

**Article 77** Minutes of general meetings shall be kept and the Secretary to the Board shall be responsible therefor.

The minutes of the meeting shall include the following matters:

- (1) the date, venue and agenda of the meeting, and the name of the convener;
- (2) the name of the chairman of the meeting, and the names of directors and

senior management present at the meeting;

(3) the number of holders of the domestic-invested shares, holders of overseas-listed foreign-invested shares, holders of ordinary shares (including holders of preference shares with restored voting rights), holders of class shares and their respective proxies attending the meeting, the number of shares with voting rights held or represented by them and the percentage thereof in relation to the total number of shares in the Company;

(4) the consideration carried out, major comments made, and voting results in respect of each proposal; and voting on each resolution by holders of the domestic-invested shares, holders of overseas-listed foreign-invested shares, holders of ordinary shares (including holders of preference shares with restored voting rights) and holders of class shares;

(5) the inquiries or suggestions of the shareholders, and the corresponding answers or explanations;

(6) the names of lawyers, vote counting officers and scrutineer;

(7) such other matters as required by the Articles of Association to be recorded in the minutes of the meeting.

The conveners of general meetings shall ensure the truthfulness, accuracy and completeness of the minutes of the meeting. Directors attending or observing the meeting, the Secretary to the Board, the convener or their representative(s), and the chairman of the meeting shall sign the minutes of the meeting. The minutes of the meeting, together with the signatures of shareholders present at the meeting, proxy forms, and the valid information for on-line and other forms of voting shall be kept at the legal address of the Company for at least ten (10) years.

## **Chapter 5 The CPC Committee**

**Article 78** In accordance with the Constitution of the CPC, the Regulations on the Work of Grassroots Organizations of State-owned Enterprises of the Communist Party of China (for Trial Implementation) and other relevant requirements, and upon

approval by the higher-level Party organization(s), the Company has established the Committee of the Communist Party of Huadian Power International Corporation Limited. Concurrently, the Discipline Inspection Commission of the Communist Party has also been established according to the relevant requirements.

**Article 79** The CPC Committee of the Company shall be elected by the Party member congress or the Party member representative congress, and its term of office shall generally be five years. Re-election shall be conducted as scheduled upon the expiration of the term of office. Each term of office for the Discipline Inspection Commission of the Communist Party shall be the same as that of the CPC Committee.

**Article 80** The CPC Committee of the Company shall consist of one secretary and several other members. Subject to the approval of the higher-level Party organization(s), the Chairman of the Board and the secretary to the CPC Committee may be held by the same individual. A full-time deputy secretary responsible for Party building may be appointed as needed. The full-time deputy secretary shall generally serve on the board of directors and shall not hold a position in the management.

The Company adheres to and improves the leadership mechanism of “Dual Entry and Cross Appointment”, whereby eligible members of the CPC Committee may take seats in the board of directors or the management through statutory procedures, and eligible Party members within the board of directors or the management team may, in accordance with relevant regulations and procedures, also join the CPC Committee.

**Article 81** The Company’s CPC Committee shall play a leadership role by providing general direction, controlling the overall situation, and ensuring effective implementation, and fulfilling its responsibilities of making decisions on or providing guidance and direction for major matters, thereby providing strong political and organizational support for the Company’s pursuit of becoming stronger, better, and larger.

All corporate governance bodies of the Company shall consciously uphold the leadership role of the CPC Committee and, within their respective duties and

authorities, study and decide on major matters in accordance with the relevant provisions of the Articles of Association and the corresponding rules of procedure.

**Article 82** The CPC Committee of the Company shall discuss and decide on major matters of the Company in accordance with the regulations. Its main responsibilities are:

(1) to enhance the building of politics of the Party in the Company, adhere to and implement the fundamental system, basic system and important system of socialism with Chinese characteristics as well as educate and guide all Party members to maintain a high degree of consistency with the Party Central Committee with Comrade Xi Jinping as the core in the political stance, political direction, political principles and political path;

(2) to thoroughly study and implement Xi Jinping's Socialism Ideology with Chinese Characteristics in the New Era, learn and propagate the Party's theory, thoroughly implement the Party's lines, principles and policies as well as supervise and guarantee the implementation of major strategy deployments of the Party Central Committee as well as the resolutions of the Party organisation at a higher level in the Company;

(3) to consider and discuss the significant operation and management matters of the Company and support the board of directors and the management to exercise their rights and perform their duties in accordance with the laws;

(4) to strengthen the leadership and gatekeeping role in the process of selection and appointment of personnel of the Company, and the building of the leading team, the cadre team and the talents team;

(5) to undertake the main responsibility in improving Party conduct and upholding integrity of the Company, lead and support discipline inspection institutions to fulfil their supervisory and disciplining responsibilities as well as exercise strict administrative discipline and political rules and promote Party self-governance exercised fully and with rigor into the grassroots level;

(6) to strengthen the building of grass-root Party organisations and the Party

member service, unit and lead officials and employees to devote themselves into the reform and development of the Company;

(7) to lead the Company's ideological and political work, the spirit and civilization progress, the United Front work and lead mass organisations such as the Labour Union, Communist Youth League and Women's Organisation of the Company;

(8) to conduct inspection and establish inspection body as needed, and, in principle, carry out inspection and supervision over subordinate Party organizations in accordance with the Party's organisational hierarchy and the authority over cadre management;

(9) to discuss and decide on other important matters within the scope of duties of the CPC Committee.

**Article 83** The Company shall, in accordance with relevant regulations, formulate a list of significant operation and management matters. Significant operation and management matters must be studied and discussed by the CPC Committee in advance before being decided upon by the board of directors or other bodies in accordance with their authority and prescribed procedures.

## **Chapter 6 Directors and Board of Directors**

### **Section 1 General Provisions of Directors**

**Article 84** Directors of the Company shall be natural persons. A person may not serve as a director of the Company if he/she is a natural person and any of the following circumstances applies:

(1) a person without capacity or with limited capacity for civil acts;

(2) a person who was sentenced to criminal punishment for his/her corruption, bribery, misappropriation of property or diversion of property or for disrupting the order of the socialist market economy; or a person who was deprived of his/her political rights for committing a crime, where not more than five years have elapsed since the expiration of the period of deprivation, or where two years

have not elapsed since the expiry of the probation period if a person was given a suspended sentence;

(3) a person who served as a director, or factory director or manager, who bears personal liability for the bankruptcy liquidation of his/her company or enterprise, where not more than three years have elapsed since the date of completion of the bankruptcy liquidation;

(4) a person who served as the legal representative of a company or enterprise that had its business licence revoked or that was ordered to close down for breaking the law, where such representative bears individual liability therefor and not more than three years have elapsed since the date of revocation of the business licence or the order to close down;

(5) a person being listed as a dishonest person subject to enforcement by the people's court with comparatively large debts that have fallen due but have not been settled.

(6) a person who has been banned from the securities market by the CSRC where the term of enforcement has not expired;

(7) a person who has been publicly identified by the stock exchange as being unsuitable to serve as a director, senior officer or other positions of a listed company, where the term of enforcement has not expired;

(8) other circumstances as prescribed by laws, administrative regulations, departmental rules or the stock exchange.

In the event that a director is elected, appointed or employed in violation of the provisions of this Article, such election, appointment or employment shall be null and void. In the event that any of directors are involved in any of the circumstances set out in this Article during their tenure of office, the Company shall remove them from their position and terminate their duties in accordance with the relevant provisions.

**Article 85** Non-employee representative directors shall be elected or changed at the general meeting, for a term of three (3) years, and may be removed from their office by

the general meeting prior to the maturity of their term. Upon maturity of the term of office, a director shall be eligible for re-election and re-appointment. An independent director shall not serve exceeding six (6) consecutive years.

Employee representative directors shall be democratically elected by the Company's employees through the employees' congress, employees' meeting, or other forms, which is not subject to consideration by the general meeting and their term of office shall be consistent with that of the non-employee representative directors of the same session of the board of directors.

The term of office of a director shall commence from the date on which he/she takes office to the expiration of the term of the current session of the board of directors. Where re-election is not carried out timely after a director's term of office expires, the existing director shall continue to perform the director's duties subject to the laws, administrative regulations, departmental rules and the Articles of Association before a new director is elected to take office.

The senior management may also serve as directors. The total number of directors also serving as senior management or employees' representatives shall not exceed half of the total number of the directors of the Company.

**Article 86** Directors shall comply with the laws, administrative regulations and the Articles of Association and shall have obligations of loyalty to the Company. They shall take measures to avoid conflicts between their own interests and those of the Company, and shall not use their powers to seek improper benefits.

Directors shall have the following duties of loyalty to the Company:

- (1) not to embezzle the Company's properties and misappropriate the Company's funds;
- (2) not to deposit the Company's funds into accounts under their own names or the name of other individuals;
- (3) not to make use of their powers to offer bribes or accept other unlawful income;
- (4) not to directly or indirectly enter into contracts or to deal with the Company

without reporting to the board of directors or the general meeting and being approved by a resolution of the board of directors or the general meeting in accordance with the Articles of Association;

(5) not to make use of their positions to procure business opportunities belonging to the Company for themselves or others, unless such opportunities have been reported to the board of directors or the general meeting and approved by a resolution of the general meeting, or unless the Company cannot make use of such commercial opportunities in accordance with laws, administrative regulations, or the provisions of the Articles of Association;

(6) not to engage in or operate for others any business that is of the same nature as the Company's business without reporting to the board of directors or the general meeting and being approved by a resolution of the general meeting;

(7) not to accept commission from others in connection with any deal with the Company for their own benefits;

(8) not to disclose confidential information of the Company without authorisation;

(9) not to take advantage of their connected relationship to prejudice the interests of the Company;

(10) to perform other fiduciary duties as specified in the laws, administrative regulations, departmental rules and the Articles of Association.

Income generated by directors in violation of this Article shall belong to the Company. A director who incurs any loss to the Company shall be liable to the Company for compensation.

The provisions of subparagraph (4) of paragraph 2 of this Article shall apply where directors and their close relatives, or enterprises directly or indirectly controlled by directors, and their close relatives, or any other related party having an association with the directors, enter into a contract or conduct a transaction with the Company.

**Article 87** The directors shall comply with the laws, administrative regulations and the



Articles of Association and owe the diligent duties to the Company. In performing duties, they shall exercise reasonable care normally expected of a manager to serve the best interests of the Company.

The directors shall have the following duties of diligence to the Company:

- (1) shall exercise the rights conferred upon them by the Company prudently, conscientiously and diligently in order to ensure that the commercial acts of the Company comply with the State's laws and administrative regulations and the requirements of various economic policies of the State. The scope of commercial activities shall not exceed the business scope stipulated in the business licence;
- (2) shall treat all the shareholders fairly;
- (3) shall familiarise with the operating and management conditions of the Company in a timely manner;
- (4) shall sign written confirmations on the regular reports of the Company in order to ensure that all information disclosed by the Company is true, accurate and complete;
- (5) shall provide the relevant circumstances and information to the audit committee in accordance with the facts, and shall not hinder the audit committee in exercising its powers;
- (6) other duties of diligence as stipulated by the laws, administrative regulations, departmental rules and the Articles of Association.
- (7) Directors shall complete training on specific topics every year as stipulated.

**Article 88** Without the authorisation specified in the Articles of Association or lawfully granted by the board of directors, a director of the Company may not act on the behalf of the Company or the board of directors in his/her own name. When a director acts in his/her own name and a third party could reasonably believe that he/she is acting on behalf of the Company or the board of directors, he/she shall first declare his/her position and capacity.

**Article 89** Where directors of the Company cause damage to others in the course of

performing their duties for the Company, the Company shall bear liability for compensation; where such directors have acted with intent or gross negligence, they shall also bear liability for compensation. Any director of the Company who violates any laws, administrative regulations, departmental rules or the Articles of Association in performing his/her duties and causes losses to the Company shall be liable for any indemnity thereto. Any director of the Company who has unduly vacated his/her office without authorisation before his/her tenure expires, thereby causing loss to the Company, shall be liable to indemnify the Company for such loss.

**Article 90** The list of candidates for the directors shall be submitted in form of a proposal to a general meeting for consideration.

Candidates for directors may be nominated by the board of directors or shareholders individually or jointly holding 1% or more of the Company's shares (including preference shares with restored voting rights), and shall be elected by the general meetings of the Company. Investor protection institutions established in accordance with laws may publicly request shareholders to appoint them to exercise the rights to nominate independent directors on their behalf. The nominator(s) shall not nominate persons who are interested parties with him/her or other closely related members who have other circumstances that may affect their independent duty performance as candidates for independent directors.

**Article 91** The following procedure shall be followed prior to the election of non-independent directors:

(1) Before nominating a candidate for non-independent director, the nominator shall seek the consent of the nominee, acquire all the personal particulars of the nominee as to his/her occupation, academic qualification, title, detailed work experience and concurrent jobs, whether there is material discredit and other bad records, and shall provide such particulars in writing to the Company. The candidate shall undertake in writing to the Company that he/she accepts the nomination, that the information publicly disclosed about him/her is true and complete, and that he/she will earnestly perform directorship duties if elected;

(2) where a candidate for non-independent director is nominated before the Company holds a meeting of the board of directors, the written information regarding the nominee set out in subparagraph (1) of this Article shall be, if required under applicable laws and regulations and securities regulatory provisions of the place where the shares of the Company are listed, announced together with the resolutions of the board of directors;

(3) in the case where a temporary proposal for the election of a non-independent director is put forward by shareholders holding 1% or more of the Company's shares (including preference shares with restored voting rights), the intent to nominate a candidate for non-independent director and the written notice indicating the nominee's willingness to accept the nomination, together with the relevant written information and undertakings of the nominee as set forth in subparagraph (1) above, shall be delivered to the Company no later than ten (10) days before the holding of the general meeting.

**Article 92** The following procedure shall be followed prior to the election of independent directors:

(1) before nominating a candidate for independent director, the nominator shall seek the consent of the nominee, acquire all the personal particulars of the nominee as to his/her occupation, academic qualification, title, detailed work experience and concurrent jobs, whether there is material discredit and other bad records, and shall provide such particulars in writing to the Company. The candidate shall undertake in writing to the Company that he/she accepts the nomination, that the information publicly disclosed about him/her is true and complete, and that he/she will earnestly perform directorship duties if elected;

(2) the person nominating a candidate for independent director shall give opinion on the independence and other qualifications of nominee to act as an independent director and, if required under applicable laws and regulations and securities regulatory provisions of the place where the shares of the Company are listed, the nominee shall make an open announcement that he/she fulfils the independence and other qualifications to act as an independent director;

(3) where a candidate for independent director is nominated before the Company holds a Board meeting, the written information regarding the nominee set out in subparagraphs (1) and (2) of this Article shall be, if required under applicable laws and regulations and securities regulatory provisions of the place where the shares of the Company are listed, announced together with the resolutions of the board of directors;

(4) in the case where a temporary proposal for the election of an independent director is put forward by shareholders individually or jointly holding 1% or more of the Company's shares (including preference shares with restored voting rights), the intent to nominate a candidate for the independent director and the written notice indicating the nominee's willingness to accept the nomination, together with the relevant written information and undertakings of the nominee as set forth in subparagraphs (1) and (2) hereof, shall be delivered to the Company no later than ten (10) days before the holding of the general meeting;

(5) prior to the holding of a general meeting for the purpose of electing independent director(s), the Company shall, if required under applicable laws and regulations and securities regulatory provisions of the place where the shares of the Company are listed, submit the relevant information of the nominee(s) to the stock exchange. In the case that the board of directors of the Company dissents from the relevant information on the nominees, written opinions of the board of directors shall be also submitted. If the stock exchange raises objections to a candidate for independent director, the Company shall not submit it for election at the general meeting.

**Article 93** The cumulative voting system will be adopted for the election of directors at a general meeting, i.e., when two or more directors are being elected at a general meeting, each of the shares held by the shareholders participating in voting shall carry voting rights equal in number to the total number of directors to be elected; a shareholder may cast all of his/her votes on a particular candidate or on multiple candidates.

The provisions of the preceding paragraph shall apply when two or more

independent directors are elected at the general meeting.

**Article 94** The general meeting may remove directors by way of resolution, and such removal shall take effect on the date when the resolution is made. Where a director is removed before the expiration of his/her term of office without proper reason, the director may require the Company to provide compensation.

Any director who fails to attend Board meetings in person for two consecutive times, nor appoints another director to be present on his/her behalf, shall be deemed incapable of performing his/her duties, and the board of directors shall propose to the general meeting to replace such director.

Where any existing director falls within any of the circumstances specified by the laws, administrative regulations, securities regulatory provisions of the place where the shares of the Company are listed and the Articles of Association where he/she shall not serve as a director of the Company, he/she shall immediately cease to perform his/her duties. The board of directors shall, as soon as it knows or ought to have known of the occurrence of such fact, remove him/her from office in accordance with the regulations.

Before the expiration of the term of office of an independent director, the Company may remove him/her from office in accordance with legal procedures. In the event that an independent director is removed in advance, the Company shall timely disclose the specific reasons and basis. The Company shall timely disclose any objection of the independent director, if any.

Where an independent director who does not meet the qualifications for serving as a director of a listed company or the independence requirements for independent directors as specified in the laws and regulations or the Articles of Association shall immediately cease to perform his/her duties and resign from his/her position. If he/she fails to resign, the board of directors shall, upon becoming aware of or should become aware of the fact, immediately remove him/her from office as required.

Should an independent director fail to attend in person the Board meetings for two consecutive times and fails to entrust another independent director to attend

the meetings on his/her behalf, the board of directors shall, within thirty (30) days from the date of the occurrence of such fact, propose to hold a general meeting to remove such independent director from his/her position.

**Article 95** A director may resign prior to the expiry of his/her term. A resigning director shall submit to the Company a written resignation report which, in case of an independent director, shall contain explanations on matters related to his/her resignation or any other matters that he/she may consider necessary to be brought to the attention of the shareholders and creditors of the Company. The Company shall disclose the reasons for and concerns about the resignation of an independent director. The resignation shall take effect on the date the Company receives the resignation report, and the Company shall disclose the relevant information within 2 trading days.

In the event that the number of members on the board of directors of the Company falls below the statutory minimum or there is a lack of directors of different genders due to the resignation of a director; or the resignation of a member on the audit committee results in the number of members on the audit committee falling below the statutory minimum, or there is a lack of an accounting professional serving as convener, such director's resignation report shall not become effective until the vacancy resulting from his/her resignation is filled up by a succeeding director. The existing director shall continue to perform the director's duties subject to the applicable laws, administrative regulations, securities regulatory provisions of the place where the shares of the Company are listed and the Articles of Association before a new director is elected to take office.

Should the resignation of an independent director result in the proportion of independent directors in the board of directors of the Company or its special committees falling below the requirement as required by the laws, regulations, securities regulatory provisions of the place where the shares of the Company are listed or the Articles of Association, or result in a shortage of accounting professionals among the independent directors, the resignation report of the said independent director shall not take effect until the vacancy resulting from his/her

resignation is filled up by a succeeding independent director. The independent director who intends to resign shall continue to perform his/her duties until the date on which a new independent director is appointed. The Company shall complete the by-election of an independent director within 60 days from the date the independent director tenders his/her resignation.

**Article 96** The Company shall establish a management system for the resignation of directors, which clearly defines safeguard measures for accountability and recovery in respect of unfulfilled public undertakings and other outstanding matters. When the resignation of a director of the Company takes effect or when his/her tenure expires, he/she shall complete all handover procedures required by the board of directors and his/her loyalty duties towards the Company and shareholders are not automatically terminated after the expiry of his/her tenure. His/her duty of confidence in relation to the Company's business secrets survives the expiry of his/her tenure until such secrets become public information. Other duties may continue for such period as fairness may require depending on the time lapses between such termination or expiry and the act concerned and the circumstances and conditions under which the relevant relationship with the Company terminates or expires. The responsibilities that directors shall bear during their term of office in the course of performing their duties shall not be exempted or terminated due to their resignation.

## **Section 2 Board of Directors**

**Article 97** The Company shall have a board of directors.

Subject to the requirements of the securities regulatory provisions of the place where the Shares of the Company are listed as amended from time to time applicable to the Company, the board of directors shall consist of twelve (12) directors, among which one (1) shall be an employee director, and one half or more shall be external directors and one third or more shall be independent directors. At least one (1) of the independent directors shall have accounting expertise.

The board of directors shall have one (1) Chairman of the Board and two (2)

vice-chairmen.

**Article 98** The board of directors shall exercise the following functions and powers:

- (1) to convene general meetings and to report on its work to the shareholders in general meetings;
- (2) to implement the resolutions of the general meetings;
- (3) to decide on the Company's business plans and investment plans;
- (4) to decide on the Company's annual financial budgets and final accounts;
- (5) to formulate the Company's profit distribution plan and loss recovery plan;
- (6) to formulate proposals for increase or decrease of the Company's registered capital and for issue of corporate bonds or other securities, and listing plans;
- (7) to draw up plans for significant acquisition of the Company, the repurchase of the Company's shares or for merger, division, dissolution and changing the form of the Company;
- (8) to determine external investments, acquisition and disposal of assets, assets mortgage, entrusted asset management, connected transactions, external donations and issuance of bonds of the Company within the authorisation of the general meeting; and to decide on external guarantees; matters other than those requiring approval of the shareholders at general meeting according to the laws, administrative regulations and the provisions of the Articles of Association;
- (9) to decide on the establishment of the Company's internal management structure;
- (10) to decide on the appointment or dismissal of the Company's general manager, the Secretary to the Board and other senior management, and to determine their remuneration, incentives and punishments; based on the nomination by the general manager, to decide on the appointment or dismissal of senior management including deputy general manager, chief financial officer, the chief engineer, the chief economist and the chief legal counsel of the Company and to determine their remunerations, incentives and punishments;



- (11) to formulate the Company's basic management system to facilitate the development of legal governance;
- (12) to formulate proposals for any amendment to the Articles of Association;
- (13) to manage the information disclosure of the Company;
- (14) to propose at general meetings for the appointment or change of accounting firm conducting auditing for the Company;
- (15) to hear the work report and inspect the work of the Company's general manager;
- (16) to exercise any other functions and powers specified in the laws, administrative regulations, departmental rules and the Articles of Association and conferred by the general meetings.

If any director is connected with the enterprises or individuals that are associated with the matters to be resolved at a Board meeting, such director shall submit a written report to the board of directors in a timely manner. The connected director shall not exercise his/her voting rights on such matters, nor shall such director exercise voting rights on behalf of other directors. Such a Board meeting may be held if attended by a majority of the non-connected directors. Decisions made at the Board meetings shall be passed by a majority of the non-connected directors. If the non-connected directors attending at the Board meetings are less than three, such matters shall be placed before general meeting of the Company for consideration.

**Article 99** All directors of the Company shall carefully deal with and strictly control the liability risks arising from external guarantees, and shall adhere to the following principles when making decision on matters relating to external guarantees of the Company:

- (1) the provision of guarantees by the Company to other parties should be based on the principles of equality, willingness, fairness, honesty and mutual benefits;
- (2) before deciding on the matters relating to the provision of guarantees to other parties or deciding to present such matters before a general meeting for

shareholders' consideration, full understanding of the credit records of the parties to which a guarantee is given shall be obtained and sufficient analysis on the interests and risks that such guarantees may bring to the Company shall be made;

(3) guarantees may only be provided to the enterprises with good credit records and sound repayment ability; applicable laws shall be complied with and no guarantees shall be provided to the parties to which the Company is prohibited to provide guarantees according to law.

**Article 100** With authorisation of the board of directors, the chairman of the board of directors may exercise certain powers of the board of directors during the recess period of Board meetings. The content of the authorisation of the board of directors shall be clear and specific.

**Article 101** The chairman and vice-chairmen of the board of directors shall be elected and removed by more than one half of all directors. The term of office of the chairman and vice-chairman of the board of directors shall be three years, renewable upon re-election and re-appointment.

**Article 102** The Chairman of the Board shall exercise the following functions and powers:

(1) to preside over general meetings and to convene and preside over Board meetings;

(2) to promote or check on the implementation of resolutions of the board of directors;

(3) to exercise other functions and powers conferred by the board of directors and securities regulatory provisions of the place where the Shares of the Company are listed.

The vice-chairman shall assist the Chairman of the Board in performing duties. If the Chairman of the Board is unable or fails to perform his/her duties, such duties will be performed by the vice-chairman (in case of two or more vice-chairmen, the one who is jointly elected by a majority of all directors); and if the vice-chairman is unable or fails to perform his/her duties, such duties will be performed by a director jointly elected by a majority of all directors.

**Article 103** At least four (4) regular meetings of the board of directors shall be held every year, which shall be convened by the Chairman of the Board. Notice of a Board meeting shall be served on all of the directors fourteen (14) days before the date of the meeting.

The Chairman of the Board shall hold an extraordinary meeting of the board of directors within ten (10) days upon occurrence of any of the following circumstances, in which case the aforesaid limitation on the notification period shall not apply but the reasonable notice should be given to all directors:

- (1) when proposed by shareholders representing 10% or more of voting rights;
- (2) when deemed as necessary by the Chairman of the Board;
- (3) when proposed by one third or more of the directors;
- (4) when proposed by a majority of the independent directors;
- (5) when proposed by the audit committee.

Notices of regular Board meetings and extraordinary Board meetings should be served on either by written notice or by electronic mail.

Should a director attend a meeting, and does not raise a contention regarding non-receipt of notice of the meeting prior to or at the meeting, such notice shall be deemed as being served to him/her. The notice of a board of directors meeting shall include the date, venue and duration of the meeting, the reason for convening the meeting and agenda thereof, and the date of issuing the notice.

**Article 104** A meeting of the board of directors may not be held unless a majority of the directors attend.

A resolution of the board of directors requires the affirmative votes of a majority of all the directors in order to be passed, unless otherwise stipulated in laws, regulations, securities regulatory requirements of the place where the Company's Shares are listed, or the Articles of Association. Each director shall have one vote for resolutions of the board of directors.

**Article 105** Directors shall attend the Board meetings in person. A regular or extraordinary

Board meeting may be held by way of telephone conference or other similar telecommunication equipment, as long as the participating directors can hear clearly what the other directors are saying and communicate with each other in a normal manner, and all participating directors shall be deemed as attending the meeting in person.

If a director is unable to attend for any reasons, he/she may, by power of attorney, appoint another director in writing to attend on his/her behalf. Such power of attorney shall specify the attorney's name, matters of entrustment, the scope of authorisation and its period of validity, and shall be signed or sealed by the principal. Independent directors shall not appoint non-independent directors to vote on their behalf.

The director attending the meeting on another's behalf shall exercise the rights of the director within the scope of authorisation. Should a director neither attend a Board meeting nor appoint an attorney to attend on his/her behalf, he/she shall be deemed as waiving his/her right to vote at such meeting.

**Article 106** A written resolution may be accepted by the board of directors in lieu of holding a Board meeting provided that the draft of such resolutions shall be sent to each director by electronic communication, hand, mail, telegram or facsimile. Unless otherwise stipulated by applicable laws, regulations and securities regulatory provisions of the place where the Shares of the Company are listed, when a resolution is endorsed by the directors satisfying the quorum for adoption of such resolution required under the laws, administrative regulations and the Articles of Association and is returned to the Secretary to the Board by the aforesaid means, such resolution shall become a resolution of the board of directors without convening a Board meeting.

Regular Board meetings and meetings involving the approval of connected transactions cannot be held by way of circulation of written resolutions.

**Article 107** The board of directors shall keep minutes of resolutions passed at each meeting of the board of directors, and the minutes shall be signed by the directors attending the meeting and the person who recorded the minutes. The minutes of Board

meetings shall include the following:

- (1) the date and venue of the meeting as well as names of convener;
- (2) the names of the attending directors and the names of the directors (proxies) entrusted by others to attend the Board meeting;
- (3) agenda of the meeting;
- (4) key points of a director's speech (the written feedback of a director shall be taken as reference for a meeting convened by way of written resolutions);
- (5) voting method and result of each resolution (the voting result shall state the number of consenting votes, dissenting votes, and abstention votes).

Each director attending the meeting shall have the right to request explanatory remarks on his/her speech at the meeting to be written down in the minutes.

The minutes of Board meetings shall be kept as corporate archives permanently.

**Article 108** Any written resolution without execution by directors in accordance with legal procedures, even opined by each director by other means, shall not come into legal force as a resolution of the board of directors.

For a resolution of the board of directors that is in breach of laws, administrative regulations, the Articles of Association and resolutions of the general meetings, the directors who voted in favour of such resolution shall be held directly liable for it; the directors who are proven to have voted against such resolution during the voting and whose dissenting votes have been recorded in the minutes of the meetings can be exempted from liabilities; the directors who have abstained from voting, or who have been absent at the meeting and have not authorised another person to attend on his/her behalf at the meeting shall not be exempted from liabilities; and the directors who have clearly expressed their dissent during the discussion but have not voted against the resolution shall not be exempted from liabilities.

### **Section 3 Independent Directors**

**Article 109** Independent directors shall conscientiously perform their duties in accordance

with the provisions of laws, administrative regulations, and the regulations of the CSRC, stock exchanges and these Articles of Association, by playing a role in participating in decision-making, supervision and checks and balances, and professional consultation within the board of directors, safeguarding the overall interests of the Company and protecting the legitimate rights and interests of minority shareholders.

**Article 110** An independent director must remain independent. The following persons may not serve as independent directors:

- (1) the persons who are employed by the Company or its subsidiaries, or direct relatives and major social relationships thereof (direct relatives shall refer to spouses, parents, and children; and major social relationships shall include siblings, spouses of siblings, parents of spouses, the siblings of the spouses, spouses of children, parents of spouses of children);
- (2) the shareholders of natural persons who directly or indirectly hold not less than 1% of the issued shares of the Company, or who are among the top ten shareholders of the Company, and the direct relatives thereof;
- (3) the persons employed by corporate shareholders which directly or indirectly hold not less than 5% of the issued shares of the Company or are among the top five shareholders of the Company, and the direct relatives thereof;
- (4) the employees of subsidiaries owned by the controlling shareholders or de facto controllers of the Company and their spouses, parents, and children;
- (5) persons who have significant business dealings with the Company, its controlling shareholders, de facto controllers or their respective subsidiaries, or who serve in entities with which they have significant business dealings and their controlling shareholders or de facto controllers;
- (6) persons providing financial, legal, consulting and sponsorship and other services to the Company, its controlling shareholders, de facto controllers or their respective subsidiaries; including, but not limited to, all members of the project team of the intermediaries providing the services, reviewers at all levels, persons

signing the report, partners, directors, senior management and principals;

(7) the persons who fell under the category described in (1) to (6) within the last twelve months;

(8) other persons who do not possess independence as stipulated by laws, administrative regulations, the securities regulatory provisions of the place where the Shares of the Company are listed and the Articles of Association.

The subsidiaries of the controlling shareholders and the de facto controllers of the Company mentioned in subparagraphs 4 to 6 of the preceding paragraph exclude the enterprises which are controlled by the same state-owned assets management institution together with the Company and are not related with the Company according to the relevant regulations.

Independent directors shall conduct an annual self-examination of independence and submit the self-examination to the board of directors. The board of directors shall evaluate and issue a special opinion on the independence of the incumbent independent directors on an annual basis, which shall be disclosed at the same time as the annual report.

**Article 111** An independent director shall meet the following basic conditions:

(1) to be qualified for listed company directors in accordance with laws, administrative regulations and other relevant regulations;

(2) being independent as specified in relevant laws, administrative regulations and departmental rules;

(3) having basic knowledge of the operation of listed companies and being familiar with the relevant laws, regulations and rules;

(4) having no less than five years of working experience in law, accounting or economics necessary for performing the duties of an independent director;

(5) having good personal integrity and no major breach of trust or other adverse records;

(6) other conditions as specified in the laws, administrative regulations,

securities regulatory provisions of the place where the Shares of the Company are listed and the Articles of Association.

**Article 112** As members of the board of directors, independent directors shall owe duties of loyalty and diligence to the Company and all shareholders, and shall prudently perform the following duties:

- (1) participate in decisions to be made at the board of directors and express clear opinions on matters under discussion;
- (2) supervise potential material conflicts of interest between the Company and its controlling shareholder, de facto controller, directors, and senior management, so as to protect the legitimate rights and interests of minority shareholders;
- (3) provide professional and objective advice on the Company's business development, so as to promote the improvement of the decision-making level of the board of directors;
- (4) other duties prescribed by laws, administrative regulations, the CSRC regulations and these Articles of Association.

**Article 113** The independent directors shall exercise the following specific functions and powers:

- (1) to independently engage an intermediary organisation to conduct audits, consultations or verifications on specific matters of the Company;
- (2) to propose to the board of directors for holding extraordinary general meetings;
- (3) to propose to hold a Board meeting;
- (4) to publicly solicit shareholders' rights from the shareholders in accordance with the laws;
- (5) to express independent opinions on matters that may prejudice the interests of the Company or minority shareholders;
- (6) other functions and powers prescribed by laws, administrative regulations, securities regulatory authorities and the Articles of Association.



Where an independent director exercises the functions and powers listed in subparagraphs (1) to (3) of the preceding paragraph, he/she shall obtain the approval of a majority of all independent directors.

When an independent director exercises the functions and powers listed in the first paragraph, the Company shall timely disclose. In the event that above powers cannot be exercised in the normal manner, the Company shall disclose the specific circumstances and reasons.

**Article 114** The following matters shall be submitted to the board of directors for consideration after being approved by a majority of all independent directors of the Company:

- (1) related-party transactions that shall be disclosed;
- (2) the proposal for change or waiver of commitments by the Company and related parties;
- (3) in the event of a takeover, decisions made and measures taken by the board of directors of the Company in response to the takeover;
- (4) other matters as specified by laws, administrative regulations, the CSRC regulations, and the Articles of Association.

**Article 115** The Company shall establish a special meeting mechanism exclusively attended by the independent directors. Where the board of directors considers matters such as connected transactions, prior approval shall be obtained from the special meeting of independent directors. The Company shall hold special meetings of independent directors on a regular or irregular basis. Matters listed in subparagraph (1) to (3) of the first paragraph of Article 113, and Article 114 shall be considered at a special meeting of independent directors.

The special meetings of independent directors may study and discuss other matters of the Company as needed.

The special meetings of independent directors shall be convened and chaired by an independent director jointly elected by more than half of the independent directors; in the event that the convener is not performing his/her duties or is

unable to perform his/her duties, two or more independent directors may convene their own meeting and elect a representative to chair the meeting.

The special meeting of independent directors shall prepare the minutes of the meeting in accordance with regulations, and the opinions of the independent directors shall be recorded in the minutes of the meeting. Independent directors shall sign and confirm the minutes of the meeting.

The Company shall provide convenience and support for the convening of the special meetings of independent directors.

**Article 116** Independent directors shall present an annual work report at general meeting of the Company, stating their performance of duties.

## **Section 4 Special Committees of the board of directors**

**Article 117** The board of directors of the Company shall establish an audit committee, which shall exercise the functions and powers of the supervisory committee as stipulated by the Company Law.

**Article 118** The audit committee shall consist of 6 members, all of whom shall be non-executive directors of the Company, including 4 independent directors. An accounting professional among the independent directors shall serve as the convener.

**Article 119** The audit committee shall be responsible for reviewing the financial information and its disclosure of the Company, and supervising and evaluating internal and external audit work and internal control. The following matters shall be submitted to the board of directors for consideration only after obtaining the consent of a majority of all members of the audit committee:

- (1) disclosure of financial accounting reports, financial information in periodic reports, and internal control evaluation reports;
- (2) appointment or dismissal of accounting firms undertaking audit engagements for the Company;
- (3) appointment or dismissal of the financial controller of the Company;
- (4) making changes in accounting policies or accounting estimates, or correcting

significant accounting errors, for reasons other than changes in accounting standards;

(5) other matters stipulated by laws, administrative regulations, securities regulatory provisions of the place where the shares of the Company are listed, and these Articles of Association.

**Article 120** The audit committee shall hold at least one meeting each quarter. Extraordinary meetings may be held upon proposal by two or more members, or when the convener deems it necessary. Meetings of the audit committee shall only be held if attended by two-thirds or more of its members.

Resolutions of the audit committee shall be adopted by a majority of the votes of its members.

Voting on resolutions of the audit committee shall be on a one-person, one-vote basis.

Resolutions of the audit committee shall be recorded in minutes in accordance with the regulations, and members of the audit committee attending the meeting shall sign the minutes of the meeting.

The working procedures of the audit committee shall be formulated by the board of directors.

**Article 121** The board of directors of the Company shall establish other special committees such as the strategy committee, nomination committee, and remuneration and appraisal committee, which shall perform their duties in accordance with these Articles of Association and the authorisation of the board of directors. Proposals of the special committees shall be submitted to the board of directors for consideration and decision. The working procedures of the special committees shall be formulated by the board of directors.

**Article 122** The primary duties of the strategy committee are to research and make recommendations on the long-term development strategies and major investment decisions of the Company.

**Article 123** The nomination committee shall be responsible for formulating the selection

criteria and procedures for directors and senior management, for selecting and reviewing candidates for directors and senior management and their qualifications for office, and for making recommendations to the board of directors on the following matters:

- (1) nomination or removal of directors;
- (2) appointment or dismissal of senior management;
- (3) assisting in the preparation of a board of directors skills matrix;
- (4) assisting the Company in regularly evaluating the performance of the board of directors;
- (5) other matters stipulated by laws, administrative regulations, securities regulatory provisions of the place where the shares of the Company are listed, and these Articles of Association.

The nomination committee shall include at least one female director.

If the recommendations from the nomination committee to the board of directors are not adopted or not fully adopted, the board of directors shall record in its resolution the opinions of the nomination committee and the specific reasons for not adopting them, and make disclosure thereof.

**Article 124** The remuneration and appraisal committee shall be responsible for formulating the appraisal standards for directors and senior management and conducting appraisals, formulating and reviewing remuneration policies and plans for directors and senior management, including remuneration determination mechanisms, decision-making processes, payment and stop payment and clawback arrangements, and for making recommendations to the board of directors on the following matters:

- (1) remuneration of directors and senior management;
- (2) formulation or amendment of share incentive plans and employee stock ownership plans, and the achievement of conditions for incentive recipients to be granted and exercise their entitlements;

(3) directors and senior management arranging shareholding plans in proposed spin-off subsidiaries;

(4) other matters stipulated by laws, administrative regulations, securities regulatory provisions of the place where the shares of the Company are listed, and these Articles of Association.

If the recommendations from the remuneration and appraisal committee to the board of directors are not adopted or not fully adopted, the board of directors shall record in its resolution the opinions of the remuneration and appraisal committee and the specific reasons for not adopting them, and make disclosure thereof.

## **Section 5 Secretary to the board of directors**

**Article 125** The Company shall have one secretary to the board of directors. The secretary to the board of directors is a senior management member of the Company.

**Article 126** The Secretary to the Board shall be a natural person with the requisite professional knowledge and experience, and shall be appointed by the board of directors. His/her primary responsibilities are:

(1) handling disclosure of information of the Company, coordinating the disclosure of company information, organizing the formulation of a management system for the Company's information disclosure affairs and supervising the Company and the relevant information disclosure obligators to comply with the relevant regulations on information disclosure;

(2) managing investor relations, coordinating communication between the Company and securities regulators, investors and de facto controllers, intermediaries, media, etc.;

(3) being responsible for preparing and organising Board meetings and general meetings, attending general meetings, Board meetings and relevant meetings of the senior management, being responsible for taking the minutes of Board meetings and giving signature;

- (4) being responsible for the confidentiality of information disclosure of the Company, and immediately reporting and disclosing to the stock exchange in the event of material information leakage that has not been made public;
- (5) paying attention to media reports and taking the initiative to verify the facts and urging the relevant entities such as the Company to respond to the inquiries from the stock exchange in a timely manner;
- (6) organising trainings for directors and senior management of the Company on relevant laws and regulations and relevant provisions of stock exchanges, and assisting the aforesaid personnel in understanding their respective responsibilities in information disclosure;
- (7) being responsible for urging directors and senior management to abide by laws and regulations, relevant regulations of the stock exchange and the Articles of Association, and earnestly fulfill their commitments. When learning that the Company, directors and senior management have made or may make resolutions that violate relevant regulations, they should be reminded and should be reported to the securities regulatory authorities immediately and truthfully;
- (8) being responsible for the management of changes in the Company's shares and derivatives thereon;
- (9) to perform other duties as provided in the laws, administrative regulations, the Articles of Association and the securities regulatory provisions of the place where the shares of the Company are listed.

**Article 127** Directors or other senior management members may also act as the secretary to the board of directors. The accountant(s) of the certified public accounting firm appointed by the Company shall not act as the secretary to the board of directors. Provided that where the office of secretary is held concurrently by a director and an act is required to be done by a director and the secretary to the board of directors separately, the person who holds the offices of director and secretary to the board of directors shall not perform the act in dual capacity.

## **Chapter 7 Senior Management Members**

**Article 128** The Company shall have a general manager who shall be responsible for the day-to-day business operations and administrative management of the Company. The Company shall also have several deputy general managers who shall assist the general manager. The general manager and deputy general managers shall be appointed or removed by resolution of the board of directors.

Where the general manager or a deputy general manager falls within any of the circumstances specified by the laws and regulations or the Articles of Association where he/she shall not serve as a senior management of the Company, he/she shall immediately cease to perform his/her duties and resign from his/her position. If such resignation is not tendered by such senior management, the board of directors shall remove such senior management from office in accordance with regulations immediately when it is aware or is deemed to be aware of the occurrence of such fact.

The general manager and deputy general managers have a term of office of 3 years and shall be eligible for reappointment and re-election.

**Article 129** The general manager of the Company shall be accountable to the board of directors and exercise the following powers:

- (1) to preside over the production, operation and management of the Company and to implement resolutions of the board of directors and report the work to the board of directors;
- (2) to draft the Company's annual production and business plans, investment plans, annual financial budget and final accounting plan;
- (3) to organise the implementation of the Company's annual business plans and investment proposals;
- (4) to draft the plan for establishment of the Company's internal management organization;
- (5) to formulate the Company's basic management system;

- (6) to formulate the specific rules and regulations of the Company;
- (7) to propose to the board of directors the appointment or dismissal of the Company's deputy general managers, the chief financial officer, the chief engineer, the chief economist, the chief legal counsel and other senior management;
- (8) to decide to appoint or dismiss management personnel other than those required to be appointed or dismissed by the board of directors;
- (9) to exercise other functions and powers conferred by the Articles of Association and the board of directors.

**Article 130** The general manager of the Company shall report the Company's execution and performance of major contracts, use of funds and profit and loss situation to the board of directors. The general manager must ensure the truthfulness of such reports.

**Article 131** The general manager shall attend Board meetings. The general manager who is not a director does not have any voting right at Board meetings.

**Article 132** The general manager shall formulate detailed work rules of general manager and submit the same to the board of directors for approval before implementation.

The detailed work rules of the general manager shall include the following:

- (1) conditions and procedures for convening a manager meeting and the participating personnel;
- (2) specific duties and division of work of the manager and other senior management members;
- (3) use of funds and assets of the Company, authority of entering into material contracts and the system on reporting to the board of directors;
- (4) other matters which are deemed necessary by the board of directors.

**Article 133** The senior management of the Company may tender his/her resignation before the expiry of his/her term of office. The specific procedure and method for such resignation tendered by senior management shall be governed by the employment contract between the senior management and the Company.



- Article 134** The senior management of the Company shall fulfill their duties honestly, protect the best interests of the Company and all the shareholders. The senior management shall be liable for compensation in accordance with laws for any damage caused to the interests of the Company and public shareholders as a result of their failure to perform duties with honesty or violation of their fiduciary duties.
- Article 135** The circumstances prohibiting a person from serving as a director and management measures for directors' departure as set out in these Articles of Association shall also apply to senior management. The provisions on directors' fiduciary duties and obligations of diligence as set out in these Articles of Association shall also apply to senior management.
- Article 136** No more than two persons holding the position of the Chairman of the Board, vice chairmen of the board of directors or directors of the Company's controlling shareholder may concurrently serve as the Chairman of the Board, vice chairmen of the board of directors or directors of the Company. Any person holding any executive position other than directors in the controlling shareholder of the Company may not concurrently serve as the senior management including the general manager, deputy general managers, chief financial officer, marketing manager, Secretary to the Board, the chief engineer, the chief economist and the chief legal counsel of the Company. The senior management of the Company shall receive salaries only from the Company and not from the controlling shareholder on its behalf.
- Article 137** Each of the Company's directors and senior management shall safeguard the safety of the Company's properties. Any director, general manager or other senior management of the Company who assists or indulges the controlling shareholder and any of its subsidiaries in misappropriating the Company's assets shall be subject to punishment by the Company, and even removal or termination of appointment in grave cases of default of obligations; and such person shall be handed over to the judiciary department for prosecution of criminal liability when such acts constitute a crime.
- Article 138** Directors and senior management of the Company shall be present the general

meeting, if so required by the general meeting, and shall give explanations and clarification to enquiries and suggestions raised from shareholders.

**Article 139** Where senior management cause damage to others in the course of performing their duties for the Company, the Company shall bear liability for compensation; where such senior management have acted with intent or gross negligence, they shall also bear liability for compensation. Any senior management of the Company who violates any laws, administrative regulations, departmental rules or the Articles of Association in performing his/her duties and causes losses to the Company shall be liable for any indemnity thereto. Any senior management of the Company who has unduly vacated his/her office without authorisation before his/her tenure expires, thereby causing loss to the Company, shall be liable to indemnify the Company for such loss.

**Article 140** Subject to the approval of the general meeting, the Company may purchase liability insurance for its directors and senior management, except for liabilities arising from the violation of laws, administrative regulations or the Articles of Association.

**Article 141** The Company shall implement a general counsel system, establish a dedicated legal affairs management department, and ensure that it is adequately staffed with competent legal professionals. The general counsel shall play a gatekeeping role in legal review in the operations and management, thereby promoting lawful operations and compliance management within the Company.

## **Chapter 8 Financial and Accounting System, Profit Distribution and Audit**

### **Section 1 Financial and Accounting System and Profit Distribution**

**Article 142** The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and the regulations of the competent national authorities.

**Article 143** The Company's financial reports shall be made available for shareholders'

inspection at the Company twenty-one days before the date of every annual general meeting, and the aforementioned reports (along with the printed copy of the report of the board of directors) shall be sent to each holder of overseas-listed foreign-invested shares by any of the following ways:

(1) to publish on the website of the Company or on the website designated by the stock exchange where the shares of the Company are listed in compliance with the applicable laws, administrative regulations and securities regulatory provisions of the place where the shares of the Company are listed;

(2) to send in accordance with other requirements of securities regulatory provisions of the place where the shares of the Company are listed.

**Article 144** The financial statements of the Company shall be prepared in accordance with the China Accounting Standards for Business Enterprises and regulations.

**Article 145** Subject to the satisfaction at all times and from time to time of laws, regulations and all applicable requirements under securities regulatory provisions of the place where the shares of the Company are listed, the Company shall submit to the local offices of the CSRC and the stock exchanges and disclose its reports as follows: the first quarterly report shall be submitted and disclosed within one month from the end of the first three months of the financial year; the interim report shall be submitted and disclosed within two months from the end of the first half of the financial year; the third quarterly report shall be submitted and disclosed within one month from the end of the first nine months of the financial year; and the annual report shall be submitted and disclosed within four months from the end of the financial year.

The annual reports, interim reports and quarterly reports shall be prepared in accordance with the relevant laws, administrative regulations, and the requirements of the CSRC and the stock exchanges.

**Article 146** The Company shall not keep accounting books other than those provided for by law. The Company's funds may not be deposited into any account opened in the name of any individual.

**Article 147** After the Company has paid its various taxes in accordance with tax codes, its after-tax profits shall be distributed in the following order of priority:

- (1) making up losses for the previous year;
- (2) allocating 10 percent of such profits to the statutory reserve;
- (3) allocating to the discretionary reserve;
- (4) dividends shall be distributed in proportion to the shareholdings of the shareholders.

When the aggregate balance in the statutory reserve has reached 50 percent or more of the Company's registered capital, the Company need not make any further allocations to that fund. The general meeting shall decide whether to make an allocation to the discretionary reserve after the allocations to the statutory reserve have been made. The Company shall not distribute profits to its shareholders before making up the Company's losses and making the allocations to the statutory reserve.

If the general meeting distributes profits to shareholders in violation of the Company Law, shareholders shall return the profits so distributed to the Company. If such violation causes losses to the Company, the shareholders and the responsible directors and senior management shall bear liability for compensation.

No profit shall be distributed in respect of the shares of the Company which are held by itself.

**Article 148** The Company may distribute dividends in the following manner:

- (1) in cash;
- (2) by shares;
- (3) a combination of cash and shares;
- (4) any other methods permitted by laws and regulations.

In profit distribution by the Company, cash dividend is prior to share dividend. If the Company satisfies the cash dividends conditions, it is required to make profit distribution with cash dividends.

Where the Company's share capital size and equity structure are rational and its share capital increases in line with its results growth, the Company may distribute its profit by shares; The profit distribution by shares by the Company shall be on the premise of giving reasonable cash dividends return to shareholders and maintaining proper share capital size, and give comprehensive consideration to the growth, dilution of net asset value per share and other factors.

As required by the laws and administrative regulations of the PRC, the Company shall, in accordance with the law, withhold and pay on behalf of its shareholders the tax payable on their dividend income.

**Article 149** Subject to compliance with relevant laws and administrative regulations, the Company may distribute dividends annually. Having considered the Company's standing and when deemed fit under relevant laws and administrative regulations, the board of directors may also declare an interim dividend.

**Article 150** The Company shall implement active profits distribution methods, give priority to cash dividends, and value reasonable investment returns to investors. The Company shall distribute cash dividends provided that the Company has no significant cash outlay required for its operation and development in the foreseeable future, that the net profit for the year is positive, that the accumulated and undistributed profit at the end of the year is positive, that the cash flow generated from operating activities is positive and that the Company's normal operation will not be affected. The accumulated profit distributed by the Company in cash in the last three years shall not be less than 30% of the average annual distributable profit realized in the last three years.

Where the cash dividend conditions are satisfied, if the Company is in a mature development stage without significant cash outlay arrangements, the minimum percentage of cash dividend in profit distribution shall be 80%; if the Company is in a mature development stage with significant cash outlay arrangements, the minimum percentage of cash dividend in profit distribution shall be 40%; and if the Company is in a growth stage with significant cash outlay arrangements, the minimum percentage of cash dividend in profit distribution shall be 20%.

**Article 151** The Company's profit distribution plan shall incorporate the opinions of shareholders (minority shareholders in particular) and independent directors, gathered through various channels, before being submitted to the Board for consideration. The Board shall discuss the profit distribution plan adequately and carefully study and demonstrate the time, conditions and minimum proportion of cash dividends, the conditions for adjustment and the requirements for decision-making procedures and so on.

Independent directors shall be entitled to express independent opinions if they believe that the specific plan of cash dividends may harm the rights and interests of the Company or minority shareholders. If the board of directors fails to adopt or completely adopt the opinions of independent directors, it shall disclose the opinions of independent directors and the specific reasons for non-adoption in the announcement of resolution of the Board.

**Article 152** Before the general meeting considers the specific plan on distribution of cash dividends, the Company shall communicate and exchange ideas with shareholders (minority shareholders in particular) by phone and email and other channels, and fully heed the opinions and requests of minority shareholders on the cash dividends distribution plan and give timely reply to issues that concern minority shareholders.

**Article 153** When the Company holds an annual general meeting to consider the annual profit distribution plan, it may consider and approve the conditions, proportion cap and amount cap of cash dividends for the interim period of the next year. The dividend cap for the interim period of the next year considered at the annual general meeting shall not exceed the net profit attributable to shareholders of the Company for the corresponding period. The board of directors shall formulate a specific interim dividend plan in accordance with the resolutions of the general meeting and subject to the conditions of profit distribution.

**Article 154** The Company shall strictly implement the applicable laws, administrative regulations and securities regulatory provisions of the place where the shares of the Company are listed, the cash dividend policy stipulated by the Articles of

Association and the cash dividend plan considered and approved at the general meeting, and shall disclose in detail in the relevant part of the annual report the formulation and implementation of the cash dividend policy. If profit distribution plan for the current year cannot be decided in compliance with the cash dividends policy hereof under special circumstances, the Company shall disclose specific reasons in the annual report for the current year. Profit distribution plan for the current year shall be passed by two thirds or more of the voting rights held by shareholders attending the general meeting.

Where the Company is profitable during the annual report period, the undistributed profit in the parent company's statements is positive, and the Company has not distributed cash dividends or the ratio of total cash dividends to be distributed to the net profit for the year is less than 30%, the Company shall, in the announcement related to the profit distribution, disclose in detail the reasons for not distributing cash dividends or the low level of cash dividends, the use of such funds to be retained by the Company which may otherwise be used as dividends and their proceeds, the measures provided by the Company to facilitate minority shareholders' participation in the cash dividend decisions, and the measures to be taken in the future to enhance investors' level of returns. If the undistributed profit in the statements of the Company's parent company is negative but the undistributed profit in the consolidated statements is positive, the Company shall disclose how the Company's controlled subsidiaries distribute profits to the parent company and the measures to be taken by the Company to enhance investors' level of returns.

**Article 155** The Company shall ensure the continuity and stability of its profit distribution policy. If it is necessary to adjust or change the profit distribution policy stipulated in the Articles of Association in light of its production and operation conditions, investment plans, needs for long-term development, changes of external business environments and regulatory requirements of CSRC or the Shanghai Stock Exchange, the relevant resolution shall be considered by the board of directors and then submitted to the general meeting for approval. To be effective, the resolution must be passed by votes representing two-thirds or more of the

voting rights held by shareholders attending the general meeting.

The audit committee of the Company shall pay attention to the implementation of the cash dividends policy and shareholders' return plan by the board of directors, as well as the execution of appropriate decision-making procedures and information disclosure. The audit committee shall urge the board of directors to make correction in a timely manner in case of any of the following circumstances:

- (1) failure to strictly implement the cash dividends policy and shareholders' return plan;
- (2) failure to strictly execute appropriate decision-making procedures for cash dividends;
- (3) failure to make an authentic, accurate and complete disclosure of relevant information.

Any amount paid up in advance of calls on any shares may carry interest but the holder of such shares shall not be entitled to participate in respect thereof in a dividend subsequently declared.

**Article 156** The Company's reserves shall be used to make up the Company's losses, to expand the Company's production and operations or, through conversion into capital, to increase the Company's registered capital.

To make up the Company's losses, discretionary reserve and statutory reserve shall be utilized first. If the losses still cannot be covered, capital reserve may be used in accordance with regulations.

The Company may convert its capital reserve into additional registered capital upon a resolution adopted in general meetings and issue new shares to existing shareholders in proportion to their respective shareholdings, it is provided, however, that when the statutory reserve is converted into additional registered capital, the balance of the statutory reserve shall not fall below 25% of the Company's registered capital prior to such conversion.

**Article 157** After the profit distribution plan has been resolved at a general meeting, or after the board of directors has formulated a specific plan according to the interim



dividend conditions and caps for the next year considered and approved at the annual general meeting, the board of directors shall complete the dividend (or share) distribution within two months after the holding of such meeting.

**Article 158** Dividends on ordinary shares shall be denominated in RMB. Dividends on domestic-invested shares shall be paid in RMB, and those on overseas-listed foreign-invested shares shall be paid in HK dollars. When dividends are paid in Hong Kong dollars, the exchange rate shall be the average central parity of the exchange rate of RMB against Hong Kong dollars published by the People's Bank of China for five working days prior to the declaration of payment of such dividends.

**Article 159** The Company shall appoint receiving agents on behalf of the holders of overseas-listed foreign-invested shares. The receiving agents shall receive on behalf of such shareholders dividends declared and all other monies owing by the Company in respect of such shares.

The receiving agents appointed by the Company shall satisfy the requirements of securities regulatory provisions of the place where the shares of the Company are listed.

## **Section 2 Internal Audit**

**Article 160** The Company shall implement an internal audit system, which specifies the leadership system, duties and responsibilities, staffing, financial security, application of audit results, and accountability for internal audit work, etc.

The internal audit system of the Company shall be implemented upon approval by the board of directors and shall be disclosed to the public.

**Article 161** The Company's internal audit department shall conduct supervision and inspection on the Company's business activities, risk management, internal control and financial information, etc.

**Article 162** The internal audit department shall be accountable to the board of directors.

When conducting supervision and inspection on the Company's business

activities, risk management, internal control, and financial information, the internal audit department shall be subject to the supervision and guidance of the audit committee. If the internal audit department discovers any material issues or leads, it shall immediately report the same directly to the audit committee.

**Article 163** The Company's internal audit department shall be responsible for the specific organization and implementation of the internal control assessment. Based on the assessment report issued by the internal audit department and considered by the audit committee, together with relevant materials, the Company shall issue an annual internal control assessment report.

**Article 164** When the audit committee communicates with accounting firms, national audit institutions, or other external audit entities, the internal audit department shall actively cooperate and provide the necessary support and assistance.

**Article 165** The audit committee shall participate in the appraisal of the person in charge of the internal audit.

### **Section 3 Appointment of Accounting Firm**

**Article 166** The Company shall appoint an accounting firm which complies with the requirements under the Securities Law and securities regulatory provisions of the place where the shares of the Company are listed to audit the accounting statements, carry out net asset verifications and provide other related consulting services.

The appointment, dismissal or non-renewal of engagement of an accounting firm shall be decided by the general meetings. The board of directors shall not appoint an accounting firm before a resolution is passed by the general meeting.

**Article 167** The term of office of an accounting firm appointed by the Company shall be one year commencing from the conclusion of the annual general meeting and expiring at the conclusion of the next annual general meeting of the Company. At the expiration of its term of appointment, it may be reappointed.

**Article 168** The Company ensures to provide authentic and complete accounting vouchers, accounting books, financial accounting reports and other accounting materials

to the engaged accounting firm, without withholding, concealment or falsification.

**Article 169** The general meeting may, by way of ordinary resolution, remove an accounting firm before the expiration of its office, notwithstanding the stipulations in the contract between the Company and the firm, but without prejudice to the firm's right to claim, if any, for damages in respect of such removal.

**Article 170** The audit fee of an accounting firm shall be determined by the general meeting.

**Article 171** Upon the removal or the non-renewal of the appointment of an accounting firm, a ten-day prior notice of such removal or non-renewal shall be given to such firm and such firm shall be permitted to make representation when the general meeting votes on the removal of the accounting firm. Where the accounting firm resigns from its post, it shall make clear to the general meeting whether there has been any impropriety on the part of the Company.

## **Chapter 9 Notices and Announcements**

**Article 172** Unless otherwise prescribed in applicable laws, regulations and the securities regulatory provisions of the place where shares of the Company are listed, notices of the Company shall be given by the following means:

- (1) by hand;
- (2) by mail;
- (3) by way of a public announcement;
- (4) by email;
- (5) by any other means as provided for in the Articles of Association.

If a notice is given by the Company in the form of an announcement, it shall be deemed as received by all relevant persons upon publication of such announcement.

Unless otherwise specified in securities regulatory provisions of the place where the shares of the Company are listed or these Articles of Association, notices,

information or written statements sent by the Company to holders of overseas-listed foreign-invested shares must be delivered by public announcement or by email by default; a holder of overseas-listed foreign-invested shares may also choose in writing to receive the printed copy of the aforementioned documents by post.

**Article 173** Where a notice of the Company is served by hand, the addressee shall be required to sign his/her name (or affix his/her chop) on the receipt, and the date on which the addressee signs the receipt shall be the date of service.

For any notices issued by the Company by way of public announcement, the date of first publication shall be the date of service.

Where a notice is to be sent by post, it is only necessary to properly write down the address, prepay the postage and put the notice into the envelope, and any such notice is deemed to be served five (5) working days after the date when the envelope containing the notice is deposited at the post office.

**Article 174** The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions passed at the meeting.

**Article 175** Unless otherwise provided, for any notice or report required or permitted to be given by public announcement under the Articles of Association, the Company shall perform its obligations of information disclosure in accordance with the securities regulatory provisions of the place where the shares of the Company are listed, and shall publish announcement in at least one newspaper with national circulation designated by the State Council securities regulatory authorities and in other Chinese newspapers specified by the board of directors.

## **Chapter 10 Merger, Division, Capital Increase, Capital Reduction, Dissolution and Liquidation**

### **Section 1 Merger, Division, Capital Increase and Capital Reduction**

**Article 176** The Company may carry out mergers or divisions in accordance with the law.

In the event that the Company is merged or divided, the board of directors of the Company shall take necessary measures to safeguard the legitimate rights and interests of those shareholders who oppose the merger or division.

**Article 177** The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company.

Merger by absorption refers to a company absorbing another company, in which the company being absorbed shall be dissolved. Merger by establishment of a new company refers to establishing a new company by merging two or more companies, whereby the merging parties shall be dissolved.

In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within ten (10) days of the date of the Company's resolution on merger and shall make an announcement in a newspaper or through the National Enterprise Credit Information Publicity System within thirty (30) days of the date of the Company's resolution on merger.

A creditor shall have the right, within thirty (30) days of the date of receipt of the notice from the Company or, in case of a creditor who has not received such notice, within forty-five (45) days of the date of the public announcement, to demand the Company to repay its debts or provide a corresponding guarantee.

After the merger, the respective claims and liabilities of the parties to the merger shall be taken over by the continuing company or the newly established company.

**Article 178** Where the consideration paid for the merger does not exceed 10% of the Company's net assets, it may be carried out without a resolution of the general meeting, unless otherwise provided in the Articles of Association or by the securities regulatory provisions of the place where the shares of the Company are listed.

Where a merger is carried out by the Company without a resolution of the general meeting in accordance with the preceding paragraph, it shall be subject to a resolution of the board of directors.

**Article 179** When the Company is divided, its assets shall be split up accordingly.

In the event of a division of the Company, the balance sheets and inventories of assets shall be prepared. The Company shall notify its creditors within ten (10) days of the date of the Company's resolution on division and shall make an announcement in a newspaper or through the National Enterprise Credit Information Publicity System within thirty (30) days of the date of the Company's resolution on division.

Debts incurred by the Company before its division shall be jointly borne by the companies after the division, unless otherwise agreed by the Company and creditors on settling liabilities in writing prior to such division.

**Article 180** The Company shall prepare a balance sheet and an inventory of assets when it reduces its registered capital.

The Company shall notify its creditors within ten (10) days from the date of the general meeting's resolution on reduction of registered capital and shall publish an announcement in a newspaper or through the National Enterprise Credit Information Publicity System within thirty (30) days from the date of such resolution. A creditor shall have the right, within thirty (30) days of the date of receipt of the notice from the Company or, in case of a creditor who has not received such notice, within forty-five (45) days of the date of the public announcement, to demand the Company to repay its debts or provide a corresponding guarantee for such debt.

When the Company reduces its registered capital, the amount of capital contributions or shares shall be reduced in proportion to the shares held by its shareholders, except in the following circumstances:

- (1) Where otherwise provided by the Company Law or other laws and regulations;
- (2) After the reduction of registered capital by the Company is considered and approved at the general meeting in accordance with the Articles of Association, the reduction of registered capital by the Company is not subject to the restriction of proportional reduction, and the Company may carry out targeted capital reduction.

**Article 181** Where the Company still incurs losses after making up its losses in accordance with paragraph 2 of Article 156 herein, it may reduce its registered capital to make up for the losses. If the registered capital is reduced to make up for losses, the Company shall not make distribution to its shareholders, nor exempt the shareholders from their obligation to make capital contribution or calls on share.

The provisions of the paragraph 2 of Article 180 herein shall not apply to the reduction in the registered capital in accordance with the preceding paragraph. The Company shall publish an announcement on the newspaper(s) or through the National Enterprise Credit Information Publicity System within thirty (30) days from the date of the resolution on the reduction of its registered capital at the general meeting.

After reducing its registered capital in accordance with the provisions in the preceding two paragraphs, the Company shall not distribute profits until the cumulative amount of its statutory reserve and discretionary reserve reaches 50% of its registered capital.

**Article 182** If the reduction of the registered capital is in violation of the Company Law and other relevant provisions, shareholders shall return the funds they have received and the reduced capital contribution of the shareholders shall be restored to its original amount; in case of losses caused to the Company, the shareholders and the liable directors and senior management shall be liable for compensation.

**Article 183** When the Company issues new shares to increase its registered capital, shareholders shall not have pre-emptive rights, unless otherwise provided in the Articles of Association, or by the securities regulatory provisions of the place where the shares of the Company are listed, or unless such pre-emptive rights are granted to shareholders by a resolution at the general meeting.

**Article 184** When the merger or division of the Company involves changes in registered particulars, such changes shall be registered with the company registration authority in accordance with the law. When the Company dissolves, the Company shall cancel its registration in accordance with the law. When a new company is established, its establishment shall be registered in accordance with the law.

Where the Company increases or reduces its registered capital, it shall complete the change registration with the company registration authority in accordance with the law.

## **Section 2   Dissolution and Liquidation**

**Article 185**   The Company shall be dissolved if:

- (1) a resolution on dissolution is passed by the general meeting;
- (2) dissolution is necessary due to a merger or division of the Company;
- (3) the Company's business licence is revoked or it is ordered to close down or it is cancelled according to law;
- (4) where the Company gets into serious trouble in operation and management and its continuation may cause substantial loss to the interests of its shareholders, and no solution can be found through any other channel, shareholders representing 10% or more of the voting rights of the Company may request the people's court to dissolve the Company.

If any of the grounds for dissolution as specified in the preceding paragraph arises, the Company shall announce the ground for dissolution through the National Enterprise Credit Information Publicity System within ten (10) days.

**Article 186**   Under the circumstance described in subparagraph (1) of Article 185 in the Articles of Association, if no property has been distributed to its shareholders, the Company may continue to exist by amending the Articles of Association or by a resolution of the general meeting.

Where an amendment to the Articles of Association or a resolution of the general meeting is made in accordance with the preceding paragraph, it shall be approved by two-thirds or more of the voting rights held by the shareholders attending the general meeting.

**Article 187**   Where the Company is dissolved under subparagraphs (1), (3) and (4) of Article 185 herein, it shall be liquidated. Directors shall be the liquidation obligors of the Company, and a liquidation committee shall be set up within fifteen (15) days



from the occurrence of the dissolution events to carry out the liquidation.

The liquidation committee shall be composed of the directors, unless otherwise provided in the Articles of Association or unless the general meeting resolves to designate other persons. Members of the liquidation committee shall perform their liquidation duties with loyalty and due diligence. If any member of the liquidation committee fails to duly perform such duties, thereby causing losses to the Company, they shall be liable for compensation; if losses are caused to creditors due to willful misconduct or gross negligence, they shall be liable for compensation.

Where a liquidation obligor fails to perform liquidation obligations in a timely manner, resulting in losses to the Company or its creditors, he/she shall be liable for compensation.

**Article 188** During the liquidation period, the liquidation committee shall exercise the following functions and duties:

- (1) to ascertain the Company's assets and separately prepare a balance sheet and an inventory of assets;
- (2) to notify creditors by sending notices or by making announcements;
- (3) to deal with and settle the Company's outstanding business deals in relation to the liquidation;
- (4) to settle outstanding taxes as well as taxes arising in the course of liquidation;
- (5) to settle all claims and debts;
- (6) to distribute the remaining assets of the Company after the repayment of debts;
- (7) to represent the Company in any civil proceedings.

**Article 189** The liquidation committee shall notify creditors within ten (10) days from the date of its establishment and make a public announcement in the newspapers or through National Enterprise Credit Information Publicity System within sixty (60) days of that date. Creditors shall, within thirty (30) days from the date of

receipt of the notice or within forty-five (45) days from the date of the public announcement in the case of failing to receive the notice, declare credits against the liquidation committee.

To declare credits, a creditor shall explain the relevant matters and provide relevant evidential materials. The liquidation committee shall register the credits.

The liquidation committee shall not clear off any of the debts of any creditor during the period of credit declaration.

**Article 190** After ascertaining the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and submit the same to a general meeting or the people's court for confirmation.

Pursuant to relevant laws and administrative regulations of the PRC, the assets of the Company shall be applied for liquidation in the following order of priority:

- (1) liquidation costs;
- (2) outstanding salaries payable to the employees of the Company;
- (3) social insurance premiums and statutory compensation;
- (4) outstanding taxes;
- (5) debts of the Company.

The remaining assets of the Company after liquidation in accordance with the provisions above shall be distributed to the shareholders of the Company in proportion to their respective shareholdings.

During the liquidation period, the Company continues to exist, but shall not carry out any business activities irrelevant to the liquidation. Before the settlement of repayments as prescribed in the preceding article, the Company's assets will not be distributed to shareholders.

**Article 191** If the liquidation committee, after ascertaining the Company's assets and preparing a balance sheet and an inventory of assets, discovers that the Company's assets are insufficient to repay its debts, it shall apply to the people's court for bankruptcy liquidation according to laws.

After the people's court accepts the application for bankruptcy, the liquidation committee shall transfer the liquidation matters to the bankruptcy administrator designated by the people's court.

Where the Company is declared bankrupt according to laws, the Company shall implement bankruptcy liquidation according to laws relating to bankruptcy of enterprises.

**Article 192** Following the completion of liquidation, the liquidation committee shall prepare a report on liquidation and then submit to the general meeting or the people's court for confirmation and submit to the Company registration authority to apply for company de-registration.

## **Chapter 11 Employees under Democratic Management and Labour Relations System**

**Article 193** The Company shall abide by national laws, administrative regulations, and departmental rules on work safety, emergency management, and occupational health (labour protection), and implement relevant national policies to achieve work safety and protect the legitimate rights and interests of workers. The Company shall formulate labour, personnel, and wage systems in light of operational needs in accordance with national laws, administrative regulations, departmental rules, and policies on labour and human resources. The Company shall, based on its actual situation, establish selection and employment mechanisms that meet market-oriented requirements such as open recruitment of employees, election and competitive recruitment of management personnel, adjustment of underperforming staff and dismissal of the incompetent. Meanwhile, the Company shall establish a market-competitive remuneration system for key core talents, and optimize and make full use of medium-term and long-term incentive policies.

**Article 194** The Company shall, in accordance with the law, improve a democratic management system with the employees' congress as its basic form, promote openness in factory affairs and operations, and ensure employees' rights to information, participation, expression, and supervision. Major decisions shall be made after

soliciting employees' opinions, and major issues concerning employees' vital interests must be considered by the employees' congress or general meeting of employees.

**Article 195** The Company shall uphold and improve the system of employee representative directors to ensure that employee representatives have the right to orderly participate in corporate governance.

**Article 196** Employees of the Company shall, in accordance with the Trade Union Law of the People's Republic of China, organize trade unions, carry out trade union activities, and safeguard the legitimate rights and interests of employees. The Company shall provide necessary conditions for the trade union to carry out its activities.

## **Chapter 12 Amendments to the Articles of Association**

**Article 197** The Company may amend these Articles of Association in accordance with laws, administrative regulations and these Articles of Association, subject to approval by a special resolution of the general meeting.

**Article 198** The Company shall amend the Articles of Association under any of the following situations:

(1) after the amendment to the Company Law or relevant laws and administrative regulations, there is a discrepancy between the provisions stipulated in the Articles of Association and those stipulated in amended laws and administrative regulations;

(2) there are changes in the situation of the Company resulting in inconsistency in relation to the matters mentioned in the Articles of Association;

(3) the general meeting resolves to amend the Articles of Association.

**Article 199** Any amendment to the Articles of Association passed by resolutions at the general meeting and subject to approval by competent authorities must be submitted to the competent authorities for approval. If there is any change relating to the registered particulars of the Company, change of registration shall be made in

accordance with laws.

The board of directors shall amend these Articles of Association according to the resolutions of the general meeting and the opinions of the relevant competent authority.

Any amendment to the Articles of Association shall be subject to announcement if so required to be disclosed by laws and regulations.

## **Chapter 13    Supplementary Provisions**

### **Article 200    Definitions:**

(1) A “controlling shareholder” means the shareholder whose shares account exceeds 50% of the total share capital of a joint stock limited company; or the shareholder who holds not more than 50% of the shares, but whose voting rights are sufficient to have a significant impact on the resolution of the general meeting according to the shares held.

(2) A “de facto controller” means a natural person, a legal person or other organizations, who can actually control the activities of the Company through an investment relationship, agreement, or other arrangement.

(3) “connected relationship” means the relationship between the controlling shareholder, de facto controller, directors or senior management, and enterprises directly or indirectly controlled by them, as well as other relationships which may possibly cause the transfer of the Company’s interests. However, state-owned enterprises will not be regarded as having connected relationship simply because they are commonly controlled by the state.

**Article 201**    These Articles of Association are written in Chinese and English; both versions carry the same validity. In the event of any discrepancy between the two versions or among different versions of the Articles of Association, the Chinese version most recently approved by the general meeting and approved by, registered and filed with competent administration for market regulation shall prevail.

**Article 202**    The right to interpret these Articles of Association shall vest in the board of

directors of the Company.

**Article 203** Matters not covered in these Articles of Association shall be implemented in accordance with the relevant provisions of laws, regulations, normative documents, and the securities regulatory provisions of the place where the Shares of the Company are listed. In the event of any inconsistency between these Articles of Association and the relevant provisions of laws, regulations, normative documents, and the securities regulatory provisions of the place where the Shares of the Company are listed, the relevant provisions of laws, regulations, normative documents, and the securities regulatory provisions of the place where the Shares of the Company are listed shall prevail.

**Article 204** The terms “not less than”, “within” and “not more than” in these Articles of Association shall include the number itself; and the terms “more than half of”, “less than”, “other than”, and “more than” shall not include the number itself.

**Article 205** The appendices to these Articles of Association include the Rules of Procedures for General Meetings and the Rules of Procedures for the Board of Directors.

*Important Note: The following is an English translation of the Chinese version of the Rules of Procedures for General Meetings of Huadian Power International Corporation Limited (华电国际电力股份有限公司股东大会会议事规则). In case of any discrepancies or inconsistencies, the Chinese version shall always prevail.*



**华电国际电力股份有限公司**

**HUADIAN POWER INTERNATIONAL  
CORPORATION LIMITED**

**RULES OF PROCEDURES FOR GENERAL  
MEETINGS**

**(Approved by way of special resolution at the third extraordinary general meeting convened on 18  
November 2025)**

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Note: In the marginal notes to the Rules of Procedures for General Meetings, the “**Company Law**” refers to the Company Law of the People’s Republic of China promulgated in 1993 and amended from time to time; the “**Guidelines on Articles of Association**” refers to the Guidelines on Articles of Association for Listed Companies promulgated by the CSRC and amended from time to time; the “**Governance Standards**” refers to the Standards for Governance of Listed Companies promulgated by the CSRC and amended from time to time; the “**Rules for General Meetings**” refers to the Rules for General Meetings of Listed Companies promulgated by the CSRC and amended from time to time.



## **Chapter 1    General Provisions**

- Article 1**     In order to safeguard the legitimate interests of Huadian Power International Corporation Limited (the “Company”) and its shareholders, to specify the duties, responsibilities and authorities of the general meeting, to ensure the proper, efficient and smooth operation of the general meeting and to ensure the general meeting exercises its functions and powers according to laws, these Rules are formulated according to laws and regulations including the Company Law of the People’s Republic of China (the “Company Law”), the Guidelines for the Articles of Association of Listed Companies, the Standards for Corporate Governance of Listed Companies, the Rules of General Meetings of Listed Companies, as well as the securities regulatory provisions of the places where the shares of the Company are listed and the Articles of Association of Huadian Power International Corporation Limited (the “Articles of Association”).
- Article 2**     These Rules apply to the general meetings of the Company and shall be binding on the Company, its shareholders, proxies of the shareholders attending such general meetings, directors and other relevant personnel present at such general meetings.
- Article 3**     The Company shall, through various ways and means, including modern information technology methods such as providing online voting platforms, increase the proportion of shareholders participating in the general meeting, presupposed by the legibility and validity of such general meetings and without prejudice to the legitimate rights and interests of domestic and overseas shareholders. The time and venue selected for convening the general meeting shall be convenient to shareholders’ participation as far as possible.
- Article 4**     The board of directors of the Company (the “board of directors”) shall organize the general meeting in strict compliance with all requirements on holding such general meeting set out in relevant laws, regulations and the Articles of Association. The directors of the Company shall not prevent the general meeting from exercising its functions and powers according to laws.
- Article 5**     All shareholders who lawfully and effectually hold the Company’s shares and

whose names appear on the register of members on the record date are entitled to attend the general meeting in person or by proxy, and shall enjoy various rights thereat according to laws, including the right to be informed, the right to speak, question and vote.

## **Chapter 2 Rules for the General Meeting**

**Article 6** Shareholders and their proxies attending the general meeting shall comply with the relevant laws, regulations, the Articles of Association and these Rules to maintain the order of the meeting conscientiously. The legitimate rights and interests of other shareholders shall not be infringed upon.

**Article 7** The Securities Affairs Department of the Company is responsible for various preparation and organization work for holding the general meeting.

**Article 8** The general meeting shall be held by adhering to the principles of cost-saving and simplicity. No additional economic benefits shall be granted to the shareholders (or their proxies) attending such meetings.

**Article 9** General meetings can be classified as annual general meetings and extraordinary general meetings.

**Article 10** An annual general meeting is held once every year and shall be held within six months from the end of the preceding financial year.

Where an annual general meeting cannot be held within the aforesaid time limit, the Company shall report to the local office of the China Securities Regulatory Commission (the “CSRC”) in the place where the Company is located as well as the stock exchange of the place where the Company’s shares are listed, giving reasons therefor, and making an announcement accordingly.

**Article 11** Extraordinary general meetings are held on an ad hoc basis. The Company shall hold an extraordinary general meeting within two months from the date of the occurrence of one of the following circumstances:

(1) the number of directors is less than the quorum required by the Company Law or two-thirds of the number of directors specified in the Articles of Asso-

ciation;

(2) the unrecovered losses of the Company amount to one-third of the total amount of its share capital;

(3) shareholders individually or jointly holding 10% or more of the Company's shares (including preference shares with restored voting rights) request for the convening of an extraordinary general meeting;

(4) the board of directors deems necessary;

(5) the audit committee so requests;

(6) such other circumstances as provided for by laws, administrative regulations, departmental rules or the Articles of Association.

The number of shares held as stated in sub-paragraph (3) above shall be calculated as at the date of written request of the shareholders.

If the Company cannot hold an extraordinary general meeting within the aforesaid time limit, it shall be dealt with in accordance with paragraph 2 of Article 10 herein.

**Article 12** The board of directors shall convene the general meetings in a timely manner within the periods specified in Articles 10 and 11 of these Rules.

**Article 13** The venue of the general meeting to be held by the Company shall be the domicile of the Company or such other place as may be specified in the notice of the general meeting.

The general meeting will be in the form of physical meeting to be held on-site. The Company shall, in accordance with the provisions of the laws, administrative regulations, the CSRC or the Articles of Association, adopt safe, economical and convenient online and other means to facilitate the participation and voting by shareholders.

The Company shall clearly specify the time and procedures for voting via online or other means in the notice of the general meeting.

The period for voting via online or other means at the general meeting shall

commence not earlier than 3:00 p.m. on the day prior to the holding of the on-site general meeting and not later than 9:30 a.m. on the day of the holding of the on-site general meeting, and shall end not earlier than 3:00 p.m. on the day of the conclusion of the on-site general meeting.

**Article 14** The board of directors, independent directors and shareholders holding 1% or more of the voting shares or investor protection institutions established in accordance with laws, administrative regulations or the provisions of the CSRC may publicly collect voting rights from the shareholders, provided that sufficient disclosure of information such as the specific voting preference shall be made to the shareholders from whom voting rights are being solicited. No consideration or other form of de facto consideration shall be involved in the collection of voting rights from shareholders. Save for the statutory requirements, the Company shall not impose any limitation related to minimum shareholdings on the collection of voting rights. Open collection of voting rights from the Company's shareholders by the said persons shall comply with the securities provisions of the place where the shares of the Company are listed.

**Article 15** The board of directors and other conveners shall take necessary measures to safeguard the proper order of the general meeting. The board of directors shall take measures to stop and report in a timely manner to the relevant authorities for investigation any acts of disturbing the general meeting, provoking troubles and causing troubles, and infringing upon shareholders' legitimate rights and interests.

**Article 16** The Company shall, in connection with the holding of a general meeting, engage lawyers to issue legal opinions in respect of the following matters and make announcements accordingly:

- (1) whether the procedures for convening and holding the general meeting comply with laws and regulations as well as the Articles of Association;
- (2) the legality and validity of the qualifications of the attendees and the convener of the meeting;
- (3) the legality and validity of the voting procedures and results of the voting

for the general meeting;

(4) legal opinions on other related matters as requested by the Company.

### **Chapter 3 Functions and Powers of the General Meeting**

**Article 17** The general meeting shall exercise the following functions and powers:

(1) to elect non-employee representative, replace directors, and to decide on matters relating to the remuneration of directors;

(2) to consider and approve the reports of the board of directors;

(3) to consider and approve the Company's profit distribution plan and loss recovery plan;

(4) to pass resolutions on the increase or reduction of the Company's registered capital;

(5) to pass resolutions relating to matters including the merger, division, dissolution, liquidation or changing the form of the Company;

(6) to pass resolutions on the issuance of corporate bonds by the Company;

(7) to pass resolutions on the appointment, dismissal or non-reappointment of accounting firms that undertake audit engagements for the Company;

(8) to amend the Articles of Association;

(9) to pass resolutions on transactions relating to the purchases and disposals of the Company's material assets within one year, which exceed 30% of the Company's latest audited total assets;

(10) to pass resolutions on guarantees provided to third parties which shall be considered and approved at the general meeting as required by laws, administrative regulations and the Articles of Association;

(11) to consider and approve matters relating to changes in the use of proceeds raised;

(12) to consider share incentive plans and employee share ownership plans;

(13) to determine other matters which shall be subject to the resolution of general meetings, as required by laws, administrative regulations, departmental rules, the securities regulatory provisions of the places where the shares of the Company are listed and the Articles of Association.

The general meeting may authorize the board of directors to make resolutions on the issuance of corporate bonds.

The general meeting shall exercise its functions and powers to the extent as permitted by the Company Law and the Articles of Association. It shall not interfere with shareholders in respect of disposal of their own rights.

**Article 18** Any guarantees provided to third parties by the Company shall be subject to consideration and approval by the board of directors. The following guarantees shall be submitted to the general meeting for consideration and approval after being considered by the board of directors:

(1) any guarantee provided after the total amount of guarantees provided to third parties by the Company and its controlled subsidiaries has exceeded 50% of the Company's latest audited net assets;

(2) any external guarantee, which when aggregated on a cumulative basis for 12 consecutive months, is in excess of 30% of the Company's latest audited total assets;

(3) a guarantee to be provided in favour of a party with an asset to liability ratio exceeding 70%;

(4) a single guarantee in excess of 10% of the Company's latest audited net assets;

(5) guarantee to be provided in favour of shareholders, de facto controllers and their respective related parties;

(6) any guarantee provided after the total amount of guarantees provided to third parties by the Company and its controlled subsidiaries has exceeded 30% of the Company's latest audited total assets;

(7) other guarantees subject to the consideration and approval of the general meeting as provided in laws and regulations, the securities regulatory provisions of the places where the shares of the Company are listed and the Articles of Association.

**Article 19** Any provision of financial assistance by the Company shall be subject to consideration and approval by the board of directors. The following financial assistance, upon approval by the board of directors, shall further be submitted to the general meetings for approval:

- (1) the amount of a single financial assistance exceeds 10% of the Company's latest audited net assets;
- (2) the asset-liability ratio of the recipient of financial assistance exceeds 70% according to data from the latest financial statement;
- (3) the aggregated amount of financial assistance provided in the latest 12 months exceeds 10% of the Company's latest audited net assets;
- (4) other circumstances as required by the securities regulatory provisions of the places where the shares of the Company are listed or the Articles of Association.

Where the recipient of financial assistance is a controlled subsidiary within the Company's consolidated financial statements, and the other shareholders of such controlled subsidiary do not include the Company's controlling shareholder, de facto controller and their related parties, the provisions under the preceding paragraphs shall not apply.

**Article 20** Matters to be determined by the general meeting as provided for in laws, administrative regulations, the securities regulatory provisions of the places where the shares of the Company are listed and the Articles of Association shall be subject to consideration and approval of the general meeting so as to ensure the right of the Company's shareholders to decide on such matters.

**Article 21** Where necessary and reasonable, a general meeting may authorise the board of directors to determine, within the scope of authorisation as to be granted by

such general meeting, specific issues relating to matters which shall be resolved but can not be determined upon immediately at such general meeting. A general meeting should authorise within the scope of laws, administrative regulations and securities regulatory provisions of the places where the shares of the Company are listed.

Where the authority granted by the general meeting to the board of directors is related to a matter subject to an ordinary resolution, it shall be passed by votes representing a majority of the voting rights held by the shareholders (including their proxies) attending the general meeting; where it is related to a matter subject to a special resolution, it shall be passed by votes representing two-thirds or more of the voting rights held by the shareholders (including their proxies) attending the general meeting. The substance of the authorisation shall be clear and specific.

## **Chapter 4 Proposals tabled at the General Meeting**

**Article 22** Proposals tabled at the general meeting shall be the specific resolutions put forth in relation to the matters to be discussed at such general meeting.

Proposals tabled at a general meeting shall meet the following requirements:

- (1) its contents shall be in compliance with laws, administrative regulations and the Articles of Association and shall be within the functions and powers of the general meeting;
- (2) it shall set out definite topics to be discussed and specific matters to be resolved;
- (3) it shall be submitted to the convener in writing.

**Article 23** When the Company holds a general meeting, the board of directors, the audit committee, and shareholders individually or jointly holding 1% or more of the Company's shares (including preference shares with restored voting rights) shall have the right to submit proposals to the Company.

Shareholders individually or jointly holding 1% or more of the Company's



shares (including preference shares with restored voting rights) may submit extra proposals to the convener in writing 10 days prior to the general meeting. The convener shall issue a supplementary notice of the general meeting and announce the contents of such extra proposals within 2 days after receipt thereof, and shall submit such extra proposals to the general meeting for consideration. However, extra proposals that violate the provisions of laws, administrative regulations or the Articles of Association, or that are not within the scope of the functions and powers of the general meeting shall be excluded. If there are other provisions in the securities regulatory provisions of the place where the shares of the Company are listed, such provisions shall also be satisfied.

Except for the circumstance provided by the preceding paragraph, the convener shall not amend the proposals set out in the notice of the general meeting or add any new proposals subsequent to the issue of announcement for the notice of the general meeting.

Proposals that are not specified in the notice of general meeting or do not comply with the requirements of these Rules, shall not be voted and decided at the general meeting.

**Article 24** Shareholders individually or jointly holding 10% or more of the Company's shares (including preference shares with restored voting rights) may propose to convene an extraordinary general meeting by signing one or several written requests with the same format and contents in which the board of directors shall be required to convene an extraordinary general meeting and the agenda of the meeting shall be set out clearly, and submit to the board of directors proposals which meet the requirements of these Rules.

**Article 25** The board of directors shall provide to all shareholders (and their proxies), directors and other senior management present at the general meeting with a document containing the agenda, resolutions and relevant background information in respect of the topics to be considered at such meeting, to ensure the attendees' knowledge of the content to be considered at such meeting. In case

that the audit committee or shareholders convene a general meeting in accordance with laws, the convener shall provide such document as required above.

## **Chapter 5 Notices of the General Meeting**

**Article 26** When the Company holds an annual general meeting, the written notice shall be dispatched twenty (20) days before the date of the meeting. When the Company holds an extraordinary general meeting, the written notice shall be dispatched fifteen (15) days before the date of the meeting. Such written notice shall notify all of the shareholders whose names appear in the register of shareholders of the matters to be considered at and the date and place of the meeting. Where laws, regulations and securities regulatory provisions of the place where the shares of the Company are listed otherwise stipulate on the abovementioned matters, such provisions shall also be complied with.

Notice of a general meeting issued to the holders of overseas-listed foreign-invested shares shall be sent in any of the following ways:

- (1) to publish on the website of the Company or on the website designated by the stock exchange at places where the Company's shares are listed in compliance with the applicable laws, administrative regulations and securities regulatory provisions of the place where the shares of the Company are listed;
- (2) to send in accordance with other requirements of securities regulatory provisions of the place where the shares of the Company are listed.

For holders of domestic shares, the notice of a general meeting shall be given by way of announcement or other forms prescribed by the Articles of Association.

For notice given by way of announcement, once the announcement is published, all relevant persons shall be deemed to have received the notice relating to the general meeting.

Save and except for other provisions stipulated by applicable laws, the above notice period shall commence from the date when the notice is dispatched (the

date for holding such meeting shall be excluded).

**Article 27** Notice of the general meeting shall include the following:

- (1) time, venue and duration of the meeting;
- (2) matters and proposals to be considered at the meeting: Any notice and supplementary notice of general meetings shall sufficiently and completely disclose all the details of all proposals and all information or interpretations necessary to enable shareholders to make a reasonable judgment on the matters to be discussed;
- (3) a conspicuous statement that all ordinary shareholders (including preference shareholders with restored voting rights), shareholders holding shares with special voting rights and other shareholders are entitled to attend at the general meeting, and may appoint a proxy in writing to attend and vote at the meeting, and such proxy is not necessarily a shareholder of the Company;
- (4) record date for shareholders who are entitled to attend the general meeting;
- (5) name and telephone number of the contact person in connection with the meeting;
- (6) voting time and the voting procedures for online or other forms of meeting. The notice of the general meeting and any supplemental notice shall fully and completely disclose the specific contents of all proposals, as well as all materials or explanations necessary to enable shareholders to make a reasonable judgment on the matters to be discussed.

**Article 28** For matters to be discussed which involve the election of directors, the notice of general meeting will fully disclose the detailed information of the candidates for such directors, which should at least include the following:

- (1) education background, work experience and any part-time job;
- (2) whether there is any associated relationship with the Company or the controlling shareholders and de facto controller of the Company;
- (3) their shareholdings in the Company;

(4) whether or not they have been penalized by CSRC or other related departments and the stock exchange.

Unless a director is elected via the accumulative voting system, each candidate of director shall be individually proposed.

**Article 29** Subsequent to the dispatch of a notice of the general meeting, the general meeting shall not be held in advance, nor be postponed or cancelled without proper reasons, and the proposals set out in the notice of the general meeting shall not be withdrawn. Once the meeting is postponed or cancelled, the convener shall make an announcement and give reasons therefor at least 2 working days prior to the original date of the general meeting.

The interval between the record date and the date of the general meeting shall not exceed 7 working days. In the event of postponement by the Company of a general meeting, the date of determination of equity entitlements (e.g. the record date, which shall not be changed once confirmed) of shareholders entitled to attend such general meeting as stipulated in the original notice shall not be altered.

**Article 30** The audit committee shall have the right to make a proposal to the board of directors for the holding of an extraordinary general meeting, which shall be in writing. The board of directors shall, in accordance with laws, administrative regulations and the Articles of Association, make a written response as to whether or not it agrees to hold an extraordinary general meeting within 10 days after receipt of such proposal.

If the board of directors agrees to hold an extraordinary general meeting, a notice of such general meeting shall be issued within 5 days after the passing of a relevant board resolution. Changes made to the original proposal set out in the notice shall be subject to the approval of the audit committee.

If the board of directors does not agree to hold an extraordinary general meeting, or gives no written response within 10 days after receipt of such proposal, the board of directors shall be deemed to be unable or to have failed to perform its duty to convene the general meeting, and the audit committee may convene

and preside over such meeting by itself.

**Article 31** With the consent of a majority of all independent directors, independent directors shall have the right to make a proposal to the board of directors for the holding of an extraordinary general meeting. In respect of such proposal by the independent directors to convene an extraordinary general meeting, the board of directors shall, in accordance with laws, administrative regulations and the Articles of Association, make a written response as to whether or not it agrees to hold an extraordinary general meeting within 10 days after receipt of such proposal.

If the board of directors agrees to hold an extraordinary general meeting, a notice of such general meeting shall be issued within 5 days after the passing of a relevant board resolution. If the board of directors does not agree to hold an extraordinary general meeting, it shall give an explanation of the reasons therefor and issue an announcement accordingly.

**Article 32** Shareholders individually or jointly holding 10% or more of the Company's shares (including preference shares with restored voting rights) shall have the right to make a request to the board of directors for the holding of an extraordinary general meeting, which shall be in writing. The board of directors shall, in accordance with laws, administrative regulations and the Articles of Association, make a written response as to whether or not it agrees to hold an extraordinary general meeting within 10 days after receipt of such request.

If the board of directors agrees to hold an extraordinary general meeting, a notice of such general meeting shall be issued within 5 days after the passing of a relevant board resolution. Changes made to the original request set out in the notice shall be subject to the approval of the relevant shareholders.

If the board of directors does not agree to hold an extraordinary general meeting, or gives no response within 10 days after receipt of such request, shareholders individually or jointly holding 10% or more of the Company's shares (including preference shares with restored voting rights) shall have the right to make a proposal to the audit committee for the holding of such general meeting,

and such request shall be in writing.

If the audit committee agrees to hold an extraordinary general meeting, a notice of such general meeting shall be issued within 5 days after receipt of such request. Changes made to the original request set out in the notice shall be subject to the approval of the relevant shareholders.

If the audit committee fails to issue the notice of such general meeting within the specified time limit, it shall be deemed to have failed to convene and preside over such general meeting, and shareholders individually or jointly holding 10% or more of the Company's shares (including preference shares with restored voting rights) for 90 consecutive days or more, shall have the right to convene and preside over such meeting by themselves.

**Article 33** When the audit committee or shareholders decide to convene a general meeting by themselves, they shall notify the board of directors in writing, and file with the relevant competent authorities pursuant to applicable provisions; and shall submit relevant supporting documents to the stock exchange when issuing the notice of general meeting and the announcement of the resolutions of the general meeting. The board of directors and the Secretary to the Board shall be cooperative for purpose of the meeting and the board of directors shall provide the register of shareholders as at the record date. If the board of directors fails to provide the register of shareholders, the convener may apply to the securities registration and clearing institutions to obtain such register by presentation of the relevant announcement in relation to the notice for convening the general meeting. The register of shareholders so obtained by the convener shall not be used for other purposes other than the holding of the general meeting. All reasonable expenses incurred for the meeting shall be borne by the Company.

Prior to the announcement of the resolution of a general meeting, the proportion of shares (including preference shares with restored voting rights) held by the convening shareholders shall not be less than 10%.

## **Chapter 6 Registration of the General Meeting**

**Article 34** Shareholders may attend general meetings in person and exercise their voting rights, or appoint proxies to attend and exercise voting rights within the scope of the authorization.

All shareholders registered on the record date or their proxies shall be entitled to attend the general meeting, and neither the Company nor the convener shall refuse such attendance on any grounds. Shareholders present at a general meeting have one vote for each share they hold, except the shareholders of classified shares (if any). Shares of the Company held by the Company itself shall not carry any voting rights.

Directors and senior management shall attend the general meeting, if so required by the general meeting, and shall give explanations and clarification to queries and suggestions raised from shareholders.

**Article 35** An individual shareholder who attends a general meeting in person shall produce his/her own identity card or other valid documents or proof evidencing his/her identity. Where a shareholder intends to appoint a proxy to attend and vote at a general meeting on his/her behalf, the proxy shall produce the proxy form issued by the shareholder and his/her own valid identity documents. A legal person shareholder shall attend and vote at the meeting by its legal representative or a proxy appointed by the legal representative. If the legal representative attends the meeting, he/she shall produce his/her own identity card and a valid proof of his/her legal representative status. If a proxy attends the meeting, such proxy shall produce his/her own identity card and the proxy form in writing issued by the legal representative of the legal person shareholder according to laws.

The proxy form issued by a shareholder appointing another person to attend a general meeting shall specify the following:

(1) the name of the appointor and the class and number of shares of the Company held;

- (2) the name of the proxy;
- (3) specific instructions of the shareholder, including instructions to vote for, vote against or to abstain from voting in respect of each matter to be considered in the agenda of the general meeting;
- (4) the date and period of validity of the proxy form;
- (5) the signature (or seal) of the appointor. Where the appointor is a legal person shareholder, the proxy form shall be affixed with the legal person's seal.

The instrument appointing a proxy shall be in writing under the hand of the appointing shareholder or his/her attorney duly authorized in writing; Where more than one proxy is appointed, such instrument shall specify the number of shares represented by each proxy.

**Article 36** Without violation of relevant laws and regulations and the securities regulatory provisions of the place where the shares of the Company are listed, proxy forms appointing proxies with the authority to vote shall be deposited at or delivered in the manner prescribed by the securities regulatory provisions of the place where the shares of the Company are listed to the address of the Company or such other place as may be specified in the notice of convening the relevant meeting within the time specified by the Company. Where a proxy form is signed by a person under a power of attorney on behalf of the appointer, such power of attorney or other authorization document shall be notarized. A notarized copy of that power of attorney or other authorization document, together with the proxy form appointing a proxy with the authority to vote, shall be deposited at or delivered in the manner prescribed by the securities regulatory provisions of the place where the shares of the Company are listed to the address of the Company or such other place as may be specified in the notice of convening the relevant meeting.

**Article 37** A register of attendance at general meetings shall be prepared by the Company. Such register shall set forth the names of attendees (or the names of the companies they represent), their identity card numbers, number of voting shares held or represented, and the names of the appointers of proxies (or the ap-



pointing companies), etc. The convener and the lawyer shall examine legality of the shareholders' qualifications according to the register of members provided by the securities registration and clearing institutions.

**Article 38** Shareholders and their proxies shall enter the meeting venue prior to the beginning of the meeting. The number of the shareholders and their proxies attending the meeting as well as the total number of shares with voting rights held by them shall be based on the register of attendance. The chairman of the meeting shall announce the number of shareholders and proxies attending the meeting and the total number of shares with voting rights held by them prior to the voting. The registration for a meeting shall end before such announcement by the chairman of the meeting. Those who enter the meeting venue after close of the registration shall be taken as attendees without voting rights and the shares held by such persons shall not be counted into the total number of shares carrying voting rights. The total number of shares carrying voting rights shall not be affected by shareholders and their proxies who fail to fill in the voting tickets due to midway exit or other reasons.

## **Chapter 7 Consideration of and Voting at the General Meeting**

**Article 39** A general meeting shall be convened and presided over by the Chairman of the Board. Where the Chairman of the Board is unable or fails to perform his/her duties, the vice chairman shall convene and preside over the meetings (and if the Company has two or more vice chairmen, such meetings shall be presided over by the vice chairman jointly elected by a majority of the directors); if the vice chairman is unable or fails to perform his/her duties, a director shall be jointly elected by a majority of the directors to convene and preside over the meetings. Unless otherwise stipulated by laws, regulations, or securities regulatory provisions of the place where the shares of the Company are listed, such stipulations shall prevail.

For a general meeting convened by the audit committee itself, such meeting shall be presided over by the convener of the audit committee. If the convener

of the audit committee is unable or fails to perform his/her duties, a member of the audit committee jointly elected by a majority of the members of the audit committee shall preside over the meeting.

For a general meeting convened by the shareholders themselves, such meeting shall be presided over by the convener or a representative elected by the convener.

During the course of a general meeting, if the chairman of the meeting is in breach of these Rules and renders it impossible for the general meeting to continue, with the consent of shareholders attending the general meeting and representing a majority of the voting rights, the general meeting may elect one individual to be the chairman of the meeting and the meeting shall continue.

**Article 40** After the chairman declaring the opening of general meetings, he/she shall first announce that the numbers of shareholders attending meetings and of shares held by such shareholders comply with lawful requirements and the Articles of Association, and then announce the meeting agenda as stated in the notice, and inquire the attendees whether there is any objection to the sequence of the proposals.

**Article 41** After announcing the agenda of the general meeting, the chairman shall read out proposals and demand explanation provided by proposers when necessary:

(1) should the proposer be from the board of directors, explanation shall be made by the Chairman of the Board or other directors or the Secretary to the Board authorized by the Chairman of the Board;

(2) should the proposer be not from the board of directors, explanation shall be made by the proposer or his/her authorized attorney.

**Article 42** For matters included in the meeting agenda, the chairman of meeting may determine at his/her discretion as to whether a summary report, item-based consideration and voting shall be adopted, or the method of reporting, considering and voting item by item shall be adopted for complicated matters.

**Article 43** At the annual general meeting, the board of directors shall report to the general

meeting its work in the preceding year, and each independent director shall also make a work report.

**Article 44** In accordance with relevant laws, regulations, the Articles of Association or other company policies, independent directors shall provide comments on matters that require their opinions.

**Article 45** The board of directors shall explain to the general meeting any non-standard auditors' opinions issued by the certified accountants regarding the financial statements of the Company.

**Article 46** For proposals included in the agenda of the general meeting that require voting, reasonable question time shall be provided for each proposal before voting.

**Article 47** Shareholders and their proxies attending general meetings may require to speak thereat either in writing or spoken form. Speeches by such shareholders and their proxies shall be subject to the approval of the chairman of the meeting, who can arrange for such speech based on meeting proceedings. In general, each shareholder and his/her proxy shall not address each proposal more than twice, with each speech running not more than 10 minutes. The speech so made by shareholders and their proxies shall not interrupt any reports or speeches by others at the meeting.

**Article 48** When considering proposals at the general meeting, only the shareholders and their proxies have the right to speak. Any speaker shall obtain the permission of the chairman of the meeting by show of hands before speaking.

**Article 49** Shareholders and their proxies may make inquiries or suggestions in connection with content of resolutions, and the chairman of the meeting shall offer corresponding replies or explanations in person or by designating directors and other relevant persons. The chairman of the meeting may decline to respond in connection with the following circumstances but shall specify the reasons:

- (1) when a speech is not related to the proposal;
- (2) when inquiries are pending further investigation;
- (3) where it involves the Company's commercial secrets which cannot be re-

vealed at the general meeting;

(4) where any response to inquiries will seriously harm the common interests of shareholders; and

(5) other important reasons.

**Article 50** When considering a proposal at the general meeting, no change shall be made thereto. Any change, if any, shall be treated as a new proposal which shall not be put up for voting at the general meeting.

**Article 51** Save for the cumulative voting system, all proposals shall be voted at the general meeting separately. Unless a general meeting is suspended or no resolution can be passed due to force majeure or other special reasons, no proposal shall be set aside or rejected for voting at the general meeting. In case of different proposals for the same matter, the proposals shall be voted according to the order of being proposed accordingly.

**Article 52** Shareholders or their authorized proxies shall exercise their voting rights at a general meeting according to the number of shares with voting rights they represent, with one vote for each share, except for such situations where cumulative voting system is applicable according to the Articles of Association and the requirements herein.

The same voting right may be exercised through only one means: on-site, online or any other means. The first voting result shall prevail where the same voting right is repeatedly exercised.

**Article 53** In the case of voting of the resolution to elect directors (including independent directors, same as below) at the general meeting, the cumulative voting method is adopted in accordance with relevant requirements of the Articles of Association, and details for the cumulative voting system are as follows:

(1) the cumulative voting method must be adopted where the number of directors to be elected is two or more;

(2) when the cumulative voting method is adopted, each of the shares held by a shareholder shall carry the same number of voting rights as the number of di-

rectors to be elected;

(3) the notice of the general meeting shall notify shareholders of the adoption of the cumulative voting method for electing directors. The meeting convener shall prepare such ballot papers as are suitable for carrying out the cumulative voting method and specify and explain, in writing, the method for casting cumulative votes, completing the ballot papers and calculating the votes;

(4) when voting on director candidates at a general meeting, shareholders may exercise their voting rights separately and cast the same number of votes for each director candidate as the number of shares he/she holds; or they may exercise the voting rights in a way to concentrate his/her votes on a particular director candidate by casting the total number of votes carried by all of his/her shares while the number of voting rights carried by each of his/her shares is the same as the number of directors to be elected; or they may spread their votes over several director candidates and cast for each of them part of the total number of votes carried by the shares they hold while the number of voting rights carried by each of his/her shares is the same as the number of directors to be elected;

(5) once a shareholder exercises his/her voting right by focusing his/her votes on one or several director candidate(s) while the number of voting rights carried by each of his/her shares is the same as the number of directors to be elected, he/she shall have no right to vote on other director candidates;

(6) in the event that the total number of the votes cast by a shareholder on one or several director candidates exceeds the voting rights represented by the total number of shares he holds, the votes cast by such shareholder shall be void and he/she is deemed to abstain from voting; in the event that the total number of the votes cast by a shareholder on one or several director candidates is less than the voting rights represented by the total number of shares he/she held, the votes cast by such shareholder shall still be valid and the voting rights attached to the shortfall between the votes actually cast and the votes which such shareholder is entitled to cast shall be deemed to have been waived by him/her;

(7) in the event that the number of affirmative votes received by a director candidate exceeds a majority of the total number of shares with voting rights represented by the shareholders attending the general meeting (before cumulating) and the number of affirmative votes exceeds the number of dissenting votes, such candidate shall be the elected. In the event that the number of the elected candidates exceeds the number of directors required to be elected at the general meeting, the candidate who wins the largest number of affirmative votes shall be the elected director (provided that where elected candidates receiving fewer affirmative votes win the same number of affirmative votes, and the number of candidates so elected would exceed the number of directors required to be elected, then such candidates shall be treated as having not been elected); in the event that the number of elected director is less than the number of directors required to be elected, a new round of voting shall be conducted for the remaining vacancies until the election of all the directors required to be elected is completed.

(8) where the general meeting holds a new round of voting for directors in accordance with the requirements set out in paragraph (7) above, the cumulative votes of the shareholders shall be re-calculated based on the number of directors elected in each round of voting.

**Article 54** When considering matters in relation to connected transactions at the general meeting, the connected shareholders should abstain from voting and the number of shares with voting rights represented by them shall not be calculated in the total number of valid votes. The announcement on the resolutions at the general meeting should contain a sufficient disclosure of the voting details of non-connected shareholders.

Where material issues affecting the interests of minority investors are being considered in the general meeting, the votes by minority investors shall be counted separately. The separate counting results shall be publicly disclosed in a timely manner.

The shares held by the Company carry no voting rights and shall not be count-

ed into the total number of shares with voting rights held by shareholders attending the meeting.

If the shareholder's purchase of the voting shares of the Company violates paragraphs 1 and 2 of Article 63 of the Securities Law of the People's Republic of China, voting rights of the shares in excess of the prescribed proportion shall not be exercisable within 36 months after the purchase and shall not be counted into the total number of voting shares present at the general meeting.

**Article 55** The poll taken on each matter considered at the general meeting shall be counted and scrutinized by a lawyer and two shareholder representatives, and the voting result shall be made public on the spot by vote counters. In case of consideration of matters in relation to connected transactions, connected shareholders shall not participate in counting the votes so cast. A shareholder of the Company or his/her proxy who has voted through the internet or other voting methods shall be entitled to inspect his/her own voting result through the corresponding voting system.

**Article 56** In the event that the chairman of a general meeting has any doubt as to the voting result in respect of a resolution put to vote at the meeting, he/she may check the numbers of relevant votes cast. If the chairman of the meeting fails to do so, any shareholder or his/her proxy attending the meeting who objects to the result announced by the chairman of the meeting shall have the right to demand that the numbers of relevant votes cast be checked immediately after the declaration of the voting result, in which case the chairman of the meeting shall have the numbers of relevant votes cast checked immediately. The shareholder or his/her proxy who objects to the voting result can participate in scrutinizing ballot counting, but the counting result shall be final. Any objection subsequent to the meeting shall be deemed as null and void.

**Article 57** The on-site session of the general meeting shall not conclude earlier than the end of the voting conducted via online or other means. The chairman of the meeting shall announce the voting situation and results for each proposal and declare on site, based on voting results, whether the proposal has been ap-

proved.

**Article 58** Shareholders attending the general meeting shall submit their voting on the proposals in the following ways: “for”, “against” or “abstain”, except for the securities registration and clearing institutions which, being the nominal holders of shares under the interconnection mechanism for transactions in the Mainland and Hong Kong stock markets, shall make declarations according to the intentions of the actual holders.

Ballot papers that are left in blank, unduly completed or illegible by attending shareholders, or that have not been used by shareholders attending in person shall be deemed to be a waiver by the voter, and the voting results corresponding to the number of shares they hold shall be treated as “abstain from voting”.

**Article 59** Resolutions of general meetings are divided into ordinary resolutions and special resolutions.

(1) ordinary resolution

An ordinary resolution of a general meeting shall be passed by votes representing more than a majority of the voting rights held or represented by the shareholders attending the general meeting.

The following matters shall be resolved by ordinary resolutions at a general meeting:

- (i) work reports of the board of directors;
- (ii) profit distribution plan and loss recovery plan formulated by the board of directors;
- (iii) appointment and removal of members of the board of directors, their remuneration and methods of payment thereof;
- (iv) appointment, removal or termination of appointment of accounting firms and their remunerations;
- (v) matters other than those required by laws and administrative regulations or the Articles of Association to be approved by special resolutions.



(2) special resolutions

A special resolution of a general meeting shall be passed by votes representing two-thirds or more of the voting rights held or represented by the shareholders present at the general meeting.

The following matters shall be resolved by special resolutions at a general meeting:

- (i) the Company's increase or decrease in the share capital and the registered capital, issue of shares of any class, warrants and other similar securities;
- (ii) division, spin off, merger, dissolution and liquidation (including voluntary winding up) of the Company;
- (iii) amendments to the Articles of Association of the Company;
- (iv) acquisition or disposal of material assets or provision of guarantees to others by the Company within 1 year which involves an amount exceeding 30% of the Company's latest audited total assets;
- (v) share incentive plans;
- (vi) such other matters as may be required by laws, administrative regulations, departmental rules or the Articles of Association or which, pursuant to ordinary resolutions passed at general meetings, are considered to have material effects on the Company and require approval by special resolutions.

## **Chapter 8 Adjournment and Conclusion of the General Meeting**

**Article 60** The chairman of the meeting has the right to announce the temporary adjournment of general meetings in accordance with the arrangement and the proceedings of such meetings. The chairman of the meeting also has the right to announce the adjournment of the meeting as necessary.

**Article 61** Following the approval of resolutions at general meetings without objection from shareholders and their proxies, the chairman of the meeting shall announce the conclusion of the meeting.

## **Chapter 9 Resolutions and Minutes of the General Meeting**

**Article 62** The general meeting shall pass resolutions on the proposals included in the agenda of such meeting.

The convener shall ensure that the general meeting be conducted continuously until final resolutions are made. If the general meeting is suspended or resolutions cannot be made because of force majeure or other special circumstances, the convener shall take necessary measures to resume the general meeting or directly terminate that general meeting immediately followed by a timely public announcement. At the same time, the convener shall report to the CSRC branch and the stock exchange of the place where Company is located.

**Article 63** Upon the approval of a proposal on the election of directors at a general meeting, the newly elected directors shall assume office in accordance with the provisions of the Articles of Association.

**Article 64** Upon the approval of a proposal on dividend distribution, bonus share issuance, or capitalisation of capital reserve into share capital at a general meeting, the Company shall implement the relevant scheme within two months following the conclusion of the general meeting.

**Article 65** A resolution of the Company's general meeting shall be void if the content contravenes the law or administrative regulations.

The controlling shareholders and the de facto controllers of the Company shall not restrict or obstruct minority investors from exercising their voting rights in accordance with the law, nor shall they infringe upon the lawful rights and interests of the Company and its minority shareholders. In the event the procedures for convening the general meeting and the voting methods thereof violate the law, administrative regulations or the Articles of Association, or the content resolved being contrary to the Articles of Association, the shareholder shall have the right to submit to the People's Court to rescind the resolution within 60 days after the resolution is made. However, this shall be excluded where there are only minor defects in the procedures for convening the general meet-

ing or the voting methods thereof without materially affecting the resolution.

Where the board of directors, shareholders or other relevant parties have disputes over matters such as the convener's qualifications, the convening procedures, the legality of the content of proposals, and the validity of resolutions of the general meeting, they shall promptly file a lawsuit with the People's Court. Before the People's Court renders a judgment or ruling to revoke a resolution or otherwise, the relevant parties shall implement the resolutions of the general meeting. The Company, its directors and senior management shall effectively perform their duties and promptly implement the general meeting's resolutions to ensure the Company's normal operation.

Where the People's Court makes a judgment or ruling on relevant matters, the listed company shall fulfil its information disclosure obligations in accordance with the provisions of laws, administrative regulations, the CSRC and the stock exchange, fully explain the impact, and actively cooperate with the implementation after the judgment or ruling takes effect. Where corrections to prior matters are involved, they shall be handled promptly and the corresponding information disclosure obligations shall be fulfilled.

**Article 66** Minutes of general meetings shall be kept. The Secretary to the Board shall be responsible for the minutes of general meetings, and the minutes of such meeting shall include the following matters:

- (1) the date, venue and agenda of the meeting, and the name of the convener;
- (2) the name of the chairman of the meeting, and the names of directors and senior management present at the meeting;
- (3) the number of holders of the domestic-invested shares, holders of overseas-listed foreign-invested shares, holders of ordinary shares (including holders of preference shares with restored voting rights), holders of class shares and their respective proxies attending the meeting, the number of shares with voting rights held or represented by them and the percentage thereof in relation to the total number of shares in the Company;

(4) the consideration carried out, major comments made, and voting results in respect of each resolution; and voting on each resolution by holders of the domestic-invested shares, holders of overseas-listed foreign-invested shares, holders of ordinary shares (including holders of preference shares with restored voting rights) and holders of class shares;

(5) the inquiries or suggestions of the shareholders, and the corresponding answers or explanations;

(6) the names of lawyers, vote counting officers and scrutineer;

(7) such other matters which shall be recorded in the minutes of the meeting as required by the Articles of Association.

**Article 67** The directors attending or observing the meeting, the Secretary to the Board, the convener or his/her representative, and the chairman of the meeting shall sign the minutes of the meeting, and shall ensure the truthfulness, accuracy and completeness of the minutes of the meeting. The minutes of the meeting shall be kept permanently at the legal address of the Company, together with the registration record of attendant shareholders, authorization letters of proxies, valid record on internet voting and other means of voting.

**Article 68** The register of attendance, power of attorney, copies of identification cards, voting statistics, meeting minutes, resolutions of such general meetings and etc. shall be maintained by the Secretary to the Board.

## **Chapter 10 Information Disclosure**

**Article 69** The board of directors shall strictly implement the State's relevant laws, regulations and the provisions regarding information disclosure issued by the stock exchanges where the Company's shares are listed and traded, and disclose the issues discussed and/or resolutions passed at the general meeting in a timely, true, accurate and complete manner, and announce in a timely manner. The announcement shall set out the number of shareholders and proxies attending the meeting, the total number of shares held with voting rights and the percentage in the total number of shares of the Company with voting right, method

of voting, voting result of each proposal and the details of each resolution which has been passed. If any proposal has not been passed or modification has been made to a resolution of the preceding general meeting by the current general meeting, a special note should be contained in the announcement on resolutions of the general meeting.

## **Chapter 11   Supplementary Provisions**

- Article 70**     These Rules are an appendix to the Articles of Association. These Rules are prepared by the board of directors and will come into force, subject to the approval of the general meeting by way of special resolution. Any amendment thereto shall be proposed by the board of directors and come into effect upon approval of the general meeting by way of special resolution.
- Article 71**     The board of directors is authorized by the general meeting to interpret these Rules.
- Article 72**     In the event that matters not covered in these Rules are inconsistent with laws, administrative regulations, other regulatory documents and the Articles of Association, the laws, administrative regulations, other regulatory documents and the Articles of Association shall prevail.
- Article 73**     The term “or more” and “within” referred to in these Rules is inclusive, while such terms as “exceed”, “less than”, “more than” and “a majority” are exclusive.

*Important Note: The following is an English translation of the Chinese version of the Rules of Procedures for the Board of Directors of Huadian Power International Corporation Limited (华电国际电力股份有限公司董事会议事规则). In case of any discrepancies or inconsistencies, the Chinese version shall always prevail.*



**华电国际电力股份有限公司**

**HUADIAN POWER INTERNATIONAL  
CORPORATION LIMITED**

**RULES OF PROCEDURES FOR THE  
BOARD OF DIRECTORS**

**(Approved by way of special resolution at the third extraordinary general meeting convened on 18  
November 2025)**

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Note: In the marginal notes to the Rules of Procedures for the Board of Directors, the “**Company Law**” refers to the Company Law of the People’s Republic of China promulgated in 1993 and amended from time to time; the “**Guidelines on Articles of Association**” refers to the Guidelines on Articles of Association for Listed Companies promulgated by the CSRC and amended from time to time; the “**Governance Standards**” refers to the Standards for Governance of Listed Companies promulgated by the CSRC and amended from time to time; the “**Independent Directors Measures**” refers to the Measures for the Administration of Independent Directors of Listed Companies promulgated by the CSRC and amended from time to time.

## **Chapter 1 General Provisions**

- Article 1** These Rules are formulated in accordance with provisions of the Company Law of the People's Republic of China ("Company Law"), the Guidelines to Articles of Association of Listed Companies, the Standards for Corporate Governance of Listed Companies and the relevant PRC laws and regulations, the securities regulatory provisions of the place where the Shares of the Company are listed and Articles of Association ("Articles of Association") of Huadian Power International Corporation Limited (the "Company") to specify the work procedures of the board of directors ("the board of directors") of the Company, so as to ensure efficient work and rational decision-making of the board of directors.
- Article 2** As appointed by the general meeting, the board of directors is responsible for operating and managing the Company's corporate properties as a decision-making centre of the Company's business.

## **Chapter 2 Composition of and Organisations under the Board**

- Article 3** In accordance with the Articles of Association, the board of directors is structured with proper percentages of independent directors, employee representative directors and external directors.
- Article 4** Non-employee representative directors shall be elected or changed by the general meeting, for a term of three (3) years, and may be removed from their office by the general meeting prior to the maturity of their term. Upon maturity of the term of office of three (3) years, a director shall be eligible for re-election and reappointment, provided that independent directors shall not serve more than six (6) consecutive years.
- Employee representative directors shall be democratically elected by the Company's employees through the employees' representative congress, employees' meeting, or other forms, which is not subject to consideration by the general meeting and their term of office shall be consistent with that of the non-employee representative directors of the same session of the board of di-



rectors. An employee representative director may be removed by the general meeting.

The term of office of a director shall commence from the date on which he/she takes office to the expiration of the term of the current session of the board of directors. Where re-election is not carried out timely after a director's term of office expires, the existing director shall continue to perform the director's duties subject to the laws, administrative regulations, departmental rules and the Articles of Association before a new director is elected to take office.

If a director resigns before the expiry of his/her term of office, he/she shall submit a written resignation report to the Company and shall perform his/her duties in accordance with the provisions of laws, administrative regulations, departmental rules and the Articles of Association of the Company.

Each newly appointed director shall, at his/her first inauguration, be provided with a full and formal instruction specific to his/her office, as well as necessary introduction and professional development thereafter to ensure a proper understanding of the Company's operation and business, and the full awareness of his/her duties under regulations, common laws, legal provisions applicable to the securities regulatory provisions of the place where the Shares of the Company are listed and other regulatory provisions as well as the Company's business and corporate governance policies.

Senior management may also serve as directors. The total number of directors also serving as senior management or employees' representatives shall not be more than a majority of the total number of the directors of the Company.

**Article 5** The board of directors shall have one (1) Chairman of the Board and two (2) vice Chairmen which shall be elected and dismissed by a majority of all members of the board of directors.

The Chairman of the Board is entitled to exerting the following powers:

(1) to preside over general meetings and to convene and preside over Board meetings;

(2) to inspect or examine the implementation of resolutions of board of directors;

(3) to exercise other powers vested by the board of directors and the securities regulatory provisions of the place where the Shares of the Company are listed.

The vice Chairman shall assist the Chairman of the Board in performing his/her duties. If the Chairman of the Board is unable or fails to perform his/her duties, such duties shall be performed by the vice Chairman (and if the Company has two or more vice Chairmen, such duties shall be performed by the vice Chairman jointly elected by a majority of the directors). In the event that the vice Chairmen is unable or fails to perform his/her duties, a director shall be elected jointly by a majority of the directors to perform such duties.

The board of directors has one (1) Secretary to the Board, who is nominated by the Chairman of the Board and whose appointment or removal shall be decided by the board of directors. The Secretary to the Board reports to the board of directors. Responsibilities of the Secretary to the Board mainly include:

(1) to address and coordinate information disclosure of the Company, organize and formulate information disclosure management system of the Company, and urge the Company and relevant information disclosure obligors to observe relevant provisions concerning information disclosure;

(2) to be responsible for the investor relations management, and coordinate communication and liaison between the Company and securities regulatory authorities, investors and actual controllers, intermediaries and the media;

(3) to organize and prepare Board meetings and general meetings, attend general meetings, Board meetings, and meetings related to senior management, and maintain and sign the minutes of Board meetings;

(4) to be responsible for the confidentiality of information disclosure of the Company and promptly report to SEHK when significant undisclosed information was disclosed;

(5) to follow media coverage and seek for confirmation, and urge relevant enti-

ties including companies to make prompt replies to SEHK;

(6) to organize the trainings on relevant laws, regulations and relevant provisions of SEHK for directors and senior management of the Company, and provide assistance for aforesaid personnel in understanding their duties in the information disclosure;

(7) to urge and supervise directors and senior management to abide by laws, regulations, relevant provisions of SEHK and the Articles of Association, and faithfully fulfill their commitments; remind the Company, directors and senior management of their existing or possible resolutions in violation of relevant provisions, and forthwith report to securities regulatory authorities in a faithful manner;

(8) to manage the change of the Company's shares and their derived varieties;

(9) to perform other duties as provided in the laws, administrative regulations, the Articles of Association and the securities regulatory provisions of the place where the shares of the Company are listed.

**Article 6** The board of directors of the Company shall establish an audit committee, which shall exercise the functions and powers of the supervisory committee as stipulated by the Company Law.

The board of directors of the Company may establish special committees including Strategic, Nomination, Remuneration and Appraisal committees, which shall perform their duties in accordance with Articles of Association of the Company and the authorization of the board of directors. Proposals of the special committees shall be submitted to the board of directors for consideration and decision. The working procedures of the special committees shall be formulated by the board of directors.

### **Chapter 3 Powers of the Board**

**Article 7** The board of directors shall exercise the following powers in accordance with the provisions of the Company Law and the Articles of Association:

- (1) to convene general meetings and report its work to general meetings;
- (2) to implement the resolutions passed at general meetings;
- (3) to decide the Company's business plans and investment schemes;
- (4) to decide the Company's annual budget scheme and budget implementation proposal;
- (5) to formulate the Company's profit distribution plan and loss recovery plan;
- (6) to formulate proposals for increases or reductions of the Company's registered capital, the issue of corporate debentures or other securities and listing;
- (7) to draw up plans for material acquisition and acquisition of the Company's shares or the proposal for merger, division, dissolution and changing the form of the Company;
- (8) to determine the external investment, purchase and sale of assets, assets mortgage, entrusted asset management, connected transactions, external donations and issuance of bonds of the Company and the external guarantees other than those requiring approval of the general meeting in accordance with relevant laws, administrative regulations or the Articles of Association within the authorization of the general meeting;
- (9) to determine the establishment of the Company's internal management structure;
- (10) to decide to appoint or dismiss the Company's general manager, the Secretary to the Board and other senior management, and to determine their remuneration, bonus and punishment; and pursuant to the general manager's nominations, to decide on the appointment or dismissal of the senior management including the deputy general managers, financial controller, chief engineer, chief economist and chief legal counsel of the Company and to determine their remuneration, bonus and punishment;
- (11) to formulate the Company's basic management system and to promote legal construction;

- (12) to formulate the proposed amendments to the Articles of Association;
- (13) to manage the information disclosure of the Company;
- (14) to propose at general meetings for the appointment or change of accounting firms providing audit service for the Company;
- (15) to hear the work report and inspect the work of the general manager;
- (16) to exercise any other powers specified in relevant laws, administrative regulations, departmental rules or the Articles of Association and conferred by general meetings.

**Article 8** With authorisation of the board of directors, the Chairman of the Board is entitled to exercise certain powers of the board of directors during the intermission of Board meetings. The content of the authorisation of the board of directors shall be clear and specific.

## **Chapter 4 Rules for Board Meetings**

**Article 9** The Board meetings comprise regular meetings and extraordinary meetings. Regular meetings comprise annual board meeting, interim board meeting, first quarterly board meeting and third quarterly board meeting.

(1) regular meetings

(i) annual board meeting

An annual meeting shall be held within four (4) months following the end of the financial year of the Company, primarily to consider resolutions to be considered at the annual general meeting. The holding time of the annual board meeting shall allow the convening of the annual general meeting within six (6) months following the end of financial year.

(ii) interim board meeting

An interim board meeting shall be held within two (2) months following the end of the first six months in the financial year, primarily to consider the interim report of the Company and deal with other relevant matters.

(iii) first quarterly board meeting and third quarterly board meeting

The said meetings are held respectively in the first month of the second and fourth quarters of a calendar year, primarily to consider the quarterly report of the Company for the previous quarter.

(2) extraordinary meeting

The Chairman of the board shall convene an extraordinary board meeting, not being subject to time limit of notice to Board meetings (provided that reasonable notices shall be served on all directors), within ten (10) business days in case of any of the following circumstances:

(i) when proposed by shareholders representing 10% or more of voting rights;

(ii) when deemed as necessary by the Chairman of the Board;

(iii) when proposed by one-third or more of the directors;

(iv) when proposed by a majority of the independent directors;

(v) when proposed by the audit committee.

**Article 10** The Board meeting can be held by way of on-site meeting, teleconference meeting, written proposal meeting, etc.

The Board meeting can be held by way of teleconference meeting or by virtue of similar telecommunication devices. So long as the participating director can hear and communicate with each other, all participating directors are deemed to have participated in such meeting in person. An oral poll may be adopted for any proposed resolution unable to be signed at the meeting by directors, provided that the directors shall complete the execution thereto as soon as practicable. Oral poll by directors has the same effect as that of execution in writing, however subsequent execution in writing shall be consistent with oral poll at such meetings.

The resolution shall be dispatched to each director, either by electronic communication, hand, mail, telegram or facsimile, in case that a written resolution may be adopted by the board of directors instead of convening the board meet-

ing. Unless otherwise stipulated by applicable laws, regulations and securities regulatory provisions of the place where the shares of the Company are listed, a resolution shall come into effect without otherwise convening a board meeting upon that the number of directors signing consent meets the quorum for resolution as required by laws, administrative regulations and the Articles of Association in connection therewith, and the signed resolution is returned to the Secretary to the Board by the aforesaid means.

**Article 11** The board meetings shall be convened and presided over by the Chairman of the Board. In the event that the Chairman of the Board is unable or fails to convene and preside over the meetings, the vice Chairman shall convene and preside over the meetings (if there are two or more vice Chairmen, the one who is jointly elected by a majority of directors shall convene and preside over the meetings); if the vice Chairman of the Board is unable or fails to convene and preside over the meetings, a director shall be jointly elected by more than a half of directors to convene and preside over the meetings.

**Article 12** The Board meetings may not be held unless not less than half of the Directors are present (including attendance in person and by other directors through written power of attorney under due provisions).

**Article 13** A director shall attend the Board meeting in person, or appoint in writing another director to attend the meeting on his/her behalf due to his/her absence. The name of the proxy, the matters for entrustment, the authorisation scope and the validity period shall be specified in the power of attorney which shall be signed or sealed by the entrusting director. Independent directors shall not appoint non-independent directors to vote on their behalf.

**Article 14** Any of the other director's failing to attend, either in person or by other director on his/her behalf, two consecutive board meetings shall be deemed as default of his/her duties, and shall be removed from his/her office as proposed by the board of directors to the general meeting.

The independent directors shall attend the board meetings in person. If the independent director is unable to attend the meeting in person for any reason,

he/she shall review the meeting materials in advance, form a clear opinion and entrust other independent directors in writing to attend the meeting on his/her behalf. If an independent director fails to attend two consecutive board meetings in person and does not delegate another independent director to attend the meeting on his/her behalf, the board of directors shall, within thirty (30) days from the date of such fact, propose to convene a general meeting to remove such independent director from his/her position.

## **Chapter 5 Proposals of Board Meetings**

- Article 15** The resolutions of board meetings are put forward for the following:
- (1) matters proposed by the Chairman of the Board;
  - (2) matters proposed jointly by one-third or more of the directors;
  - (3) matters proposed by the special committees under the board of directors;
  - (4) matters proposed by the general manager;
  - (5) matters proposed jointly by a majority of independent directors;
  - (6) matters proposed by shareholders representing 10% or more of the voting rights in the Company;
  - (7) other circumstances as specified by relevant laws, regulations and the Articles of Association.
- Article 16** The secretary to the Board is responsible for collecting proposals for matters to be considered at Board meetings. The relevant proposals and explanatory information shall be filed with the secretary to the Board five days prior to dispatch of the notice of the Board meeting. Matters that involves related party transactions that shall be disclosed according to law, plans for the listed company and related parties to change or waive commitments, and decisions made and measures taken by the board of directors of the listed company to be acquired in relation to the acquisition, shall be submitted to the board of directors for consideration after being approved by a majority of all independent directors of the Company. After collecting relevant materials, the secretary to the



Board shall submit the time, venue and agenda of the Board meeting to the chairman or the convener.

**Article 17** The secretary to the Board is responsible for communication and liaisons with the directors during the period from dispatch of the notice of the Board meeting to the convening of the Board meeting, and shall supplement the information for decision- making by directors on the proposed matters on a timely basis. The Board and each director shall have independent access to the senior management members of the Company.

Should one quarter or more of the directors or two (2) or more external directors hold that the information is insufficient or the argumentation is imprecise, they can jointly propose in writing to postpone the board meeting or postpone the consideration of certain matters on the meeting agenda, and the board of directors shall accept the proposal. Save for proposed directly at the board meeting, the Secretary to the Board shall, upon receiving such proposal jointly proposed in writing by directors to postpone the board meeting or postpone the consideration of certain matters on the meeting agenda, dispatch a notice to directors and participants on a timely basis.

Any director may seek independent professional advice as appropriate upon reasonable request, with relevant fees payable by the Company. When the Company faces complex business matters or significant decisions, the board of directors may separately provide independent profession advice to its member so as to assist them in performing their duties.

## **Chapter 6 Notices of Board Meetings**

**Article 18** A prior notice shall be served on all directors and other participants to the board meeting before its convening. The notice of such meeting shall be issued by the Secretary to the Board.

The notice of such meeting shall set out the following matters:

(1) the time and venue of the meeting;

- (2) the duration of the meeting;
- (3) agenda, subject, topic and other related information;
- (4) date on which the notice is dispatched.

**Article 19** The notice of the board meeting shall be served in accordance with the requirements or by means as follows:

- (1) the notice of a regular meeting shall be sent 14 days prior to the date of the meeting; for an extraordinary meeting, the aforesaid limitation on the notification period shall not apply but the reasonable notice should be sent to all directors. A notice of the time, venue and duration of the meeting, the reason for convening the meeting and agenda thereof, and the date of issuing the meeting notice shall be sent by the Secretary to the Board, either by facsimile, express mail, registered mail, by hand or e-mail according to the aforesaid time requirements. In urgent circumstances where an extraordinary meeting needs to be convened promptly, a meeting notice may be issued at any time by telephone or other oral means with the consent of a majority of the directors, but the convener shall provide an explanation in this regard at the meeting.
- (2) the notice shall be in Chinese and an English version may be attached as necessary.

**Article 20** A confirmation on participation in the meeting shall be made two (2) days prior to the convening with the secretary to the Board by the recipient of such notice.

In the case of participation in effect and without objection to not being served with the notice of Board meeting prior to or upon his/her participation, the director shall be deemed as if he/she has been served with the notice of meeting.

**Article 21** In case of delay or cancellation, a notice shall be served on participants one (1) day prior to the original date.

## **Chapter 7 Consideration of and Voting at Boarding Meetings**

**Article 22** The Chairman of the Board meeting shall announce the beginning of the Board meeting as scheduled.

- Article 23** The meeting shall be presided over by the chairman of the meeting. At the beginning, the proposer or relevant person shall make explanations to his/her proposal to the Board.
- Article 24** In the spirit of democracy for discussions, each director's opinion shall be respected at board meetings.
- Article 25** In order to get informed of key points and background, the Board may request the heads of relevant departments to attend Board meetings as non-voting participants, and answer relevant inquiries for the purpose of consideration of relevant proposals or matters. In case of any uncertainty or questionable feasibility for a certain matter during the course of consideration, the Board may determine to postpone the consideration of such matter.
- Article 26** Non-voting participants may speak at the meeting but have no voting rights. Before a proposal is resolved, the Board shall fully consider the opinions of non-voting participants.
- Article 27** For proposals under consideration by the Board, all directors present at the Board meeting shall give such opinions as "For", "Against" or "Abstain". A proposal shall be resolved by show of hands or a poll, as decided by the chairman of the Board meeting.
- The director attending such meeting on behalf of another entrusting director shall exercise relevant rights within the authorization scope.
- Article 28** Should a director neither attend a Board meeting nor appoint another director to attend on his/her behalf, the said director shall be deemed as having waived his/her voting rights at the meeting.
- Article 29** Unless otherwise provided by laws, regulations, securities regulatory provisions of the place where the shares of the Company are listed, or the Articles of Association, Board's resolutions shall be passed by a majority of all directors.
- In addition, any resolution on the Company's external guarantees and financial assistances shall be approved by a majority of all the directors and by two-thirds or more of the directors present at board meetings.

- Article 30** Each director shall have one vote for board resolutions.
- Article 31** If any director of the Company is connected with the enterprises or individuals that are associated with the matters to be resolved at a Board meeting, such director shall submit a written report to the board of directors in a timely manner. The connected director shall not exercise his/her voting rights on such matters, and shall not exercise any voting right on behalf of other directors. Such board meeting can be held when a majority of the non-connected directors are present; any resolution passed at such meeting shall be approved by a majority of the non-connected directors. Where the number of the non-connected directors present the board meeting is less than three, relevant matters shall be submitted to the general meeting for consideration.

## **Chapter 8 Resolutions and Minutes of Board Meetings**

- Article 32** In general, a matter proposed at the Board meeting for consideration shall be resolved as a resolution.
- Article 33** The Company shall establish a special meeting mechanism exclusively attended by the independent directors. Where the board of directors considers matters such as connected transactions, prior approval shall be obtained from the special meeting of independent directors. The Company shall hold special meetings of independent directors on a regular or irregular basis. Matters listed in items (1) to (3) of the first paragraph of Article 113, and Article 114 of the Articles of Association shall be considered at a special meeting of independent directors.
- Article 34** Any written resolution without execution by directors in accordance with legal procedures, even though voted on by each director by various means shall not have the legal effect of Board resolutions.
- Article 35** Detailed minutes shall be prepared for the matters discussed at board meetings, and set out the following information:
- (1) the date and venue of the meeting as well as names of convener;

(2) the names of attending directors and the names of the directors (proxies) entrusted by others to attend the board meeting;

(3) agenda of the meeting;

(4) key points of a director's speech (the written feedback of a director shall be taken as reference for a meeting convened by way of written resolutions);

(5) voting method and result of each resolution (the voting result shall state the number of consenting votes, dissenting votes, and abstention votes).

**Article 36** The minutes shall be circulated among all directors for review as soon as practicable. The directors who wish to make amendments or supplements to the minutes shall submit their opinions in written form to the Chairman of the Board within one week commencing from receipt of the minutes.

**Article 37** The directors and the recorder present at the meeting shall sign on the meeting minutes. A director has the right to request to make descriptive statements of his/her speech at the meeting minutes. The minutes of Board meetings shall be properly maintained at the domicile of the Company as important archives permanently.

**Article 38** Should a Board resolution constitute violation of laws or regulations or the Articles of Associations and resolutions of the general meeting, the directors who have voted for it therefore shall assume direct liabilities; whereas the director who is proven to have expressly objected to the resolution during voting with his/her dissenting vote recorded in the meeting minutes may be exempted from such liabilities. The director who abstains from voting at the meeting, or neither attends the meeting nor entrusts others to attend on his/her behalf shall not be exempted from such liabilities. The director who expressly disputes the resolution during discussion but fails to specifically cast a dissenting vote in the poll shall also not be exempted from such liabilities.

## **Chapter 9 Information Disclosure of Board Meetings**

**Article 39** The Board shall strictly observe relevant State laws, regulations and the infor-

mation disclosure requirements from the stock exchange where the Company's shares are listed, and disclose the proposed matters and/or resolutions of Board meetings on a timely, truthful, accurate and complete basis.

**Article 40** Each participant of a Board meeting shall by no means divulge the Board's resolutions or even thereby advance his/her own interests before any resolution is disclosed through legitimate sources.

## **Chapter 10 Implementation of and Feedback to Board Resolutions**

**Article 41** Implementation of matters that are required to be decided by the general meeting shall be subject to consideration and approval by the Board meeting and a further approval by the general meeting.

**Article 42** After a resolution is passed, the matters falling within the term of reference of the general manager or authorisation to the general manager by the Board shall be organised and carried out by the general manager, who shall then report the implementation result to the Board. Save for the aforesaid, the Board shall designate relevant departments to carry out all other matters and hear the relevant reports. The secretary to the Board is responsible for delivering the above-mentioned written reports to the directors.

**Article 43** The Chairman of the Board has the right to inspect, and supervise, either in person or by appointing the vice Chairman or other directors, the implementation of the resolutions passed at Board meetings.

**Article 44** Under the leadership of the Board and the Chairman, the secretary to the Board shall take initiative to get informed of implementation of Board resolutions, and report any important issue in implementation to the Board and the Chairman timely and provide his/her suggestions.

## **Chapter 11 Supplementary Provisions**

**Article 45** These Rules are an appendix to the Articles of Association. These Rules shall

be formulated by the board of directors and come into effect upon approval of the general meeting by way of special resolution. Any amendment thereto as proposed by the board of directors shall take effect only upon approval of the general meeting by way of special resolution.

**Article 46** The board of directors is authorized by the general meeting to interpret these Rules.

**Article 47** The laws, regulations, other relevant regulatory documents, the Articles of Associations and the Rules of Procedures for General Meetings shall prevail over these Rules for any uncovered matters herein or any inconsistency therewith.

**Article 48** The term “not less than” referred to in these Rules is inclusive, while such terms as “more than” and “more than one half” are exclusive.