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Rules of Procedure of the Board of Directors
of
Fuyao Glass Industry Group Co., Ltd. （First amendments in 2024）
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CHAPTER 1 GENERAL PROVISIONS
Article 1 These Rules are formulated in accordance with the Company Law of the
People’s Republic of China (hereinafter referred to as the “Company Law”), Securities Law
of the People’s Republic of China (hereinafter referred to as the “Securities Law”), Code of
Corporate Governance for Listed Companies, the Guidelines on Articles of Association of
Listed Companies, the Measures for Administration of Independent Directors of Listed
Companies and the Interim Measures for the Administration of Overseas Issuance and Listing
of Securities by Domestic Enterprises issued by the China Securities Regulatory Commission
(hereinafter referred to as “CSRC”), the Rules Governing the Listing of Stocks on the
Shanghai Stock Exchange, the Guidelines of the Shanghai Stock Exchange for Self-discipline
Supervision of Listed Companies No. 1 – Standard Operation, the Guidelines of the Shanghai
Stock Exchange for Selfdiscipline Supervision of Listed Companies No. 5 – Transactions and
Connected Transactions issued by the Shanghai Stock Exchange, and the Rules Governing
the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred
to as “Hong Kong Listing Rules”) and other relevant requirements of laws, regulations, rules,
regulatory documents and the Articles of Association based on actual needs of the Company,
to regulate the internal organizations and operation procedures of the board of directors, and
give full play to the role of the board of directors as the operating decision-making body, with
an aim to clarify the responsibilities and authorities of the board of directors of Fuyao Glass
Industry Group Co., Ltd. (hereinafter referred to as the “Company”).

CHAPTER 2 NATURE AND FUNCTIONS AND POWERS OF
THE BOARD OF DIRECTORS
Article 2 The Board of Directors shall be established by the Company in compliance
with the laws. The Board is accountable to the Shareholders, responsible for the operation
and management of the Company’s legal property, and is the decision-making body for the
Company’s business.
Article 3 The Board of Directors shall exercise the following powers:
(1) Convening general meetings and presenting reports thereto;

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(2) Implementing the resolutions made at the general meetings;
(3) Determining the Company’s business and investment plans;
(4) Working out the Company’s annual financial budget plans and final account plans;
(5) Working out the Company’s profit distribution plans and loss recovery plans;
(6) Working out the Company’s plans on the increase or reduction of registered
capital, as well as on the issuance of bonds or other securities and listing plans;
(7) Formulating proposals for material acquisitions, purchase of shares of the
Company, merger, split-up, spin-off, dissolution and change of the Company form;
(8) Deciding on external investment, acquisition and disposal of assets, asset
mortgage, external guarantee, consigned financial management, connected transactions and
external donation, etc. of the Company within the scope authorized by the general meeting;
(9) Making decisions on the establishment of the Company’s internal management
departments;
(10) Appointing or dismissing the Company’s general manager and the secretary of
the Board of Directors and other senior executives, and determine their remunerations,
rewards and punishments, and appointing or dismissing the Company’s deputy general
manager, chief financial officer and other senior executives and determine their
remunerations, rewards and punishments;
(11) Working out the Company’s basic management system;
(12) Formulating the proposals for any amendment to the Articles;
(13) Managing the information disclosure of the Company;
(14) Proposing the engagement or replacement of the accounting firm which audits
the Company’s accounts to the general meeting;

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(15) Hearing the work report of the general manager of the Company and examining
the general manager’s work;
(16) Purchasing its own shares by the Company under any of the circumstances as
mentioned in Items (3), (5) and (6) under Article 30 of the Articles of Association, unless
such purchase is subject to the approval of the shareholders’ meeting as provided by laws,
administrative regulations, departmental rules, the listing rules of the stock exchanges on
which the securities of the Company are listed;
(17) Exercising other powers conferred by the laws, administrative regulations,
departmental rules or provisions of the Articles of Association and Shareholders’ General
Meetings.
The Board of Directors may resolve on the issues specified in the preceding
paragraphs by approval of more than half of the directors save for the issues specified in
Items (6), (7), (12) and by laws, administrative regulations and the Articles of Association, in
which approval of more than two thirds of the directors is required. Issues beyond the scope
authorized by the general meeting shall be submitted to the general meeting for consideration.
Article 4 In the event that the certified public accountants provide an auditor’s report
with their explanatory notes, qualified opinion, disclaimer of opinion or adverse opinion, the
Board shall elaborate to the general meeting(s) the issues leading to the above opinions and
the impact on the financial position and the operating condition of the Company. If these
issues have direct impact on the profit for the current period, the Board shall decide on the
lower of the profit distribution proposal or the transfer from the common reserve fund to
share capital.

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Article 5 The right of the Board of Directors to approve matters involving use of the
Company’s assets, such as asset disposal (including but not limited to purchase, sale,
replacement and retirement of assets), external investment, consigned financial management,
consigned loans, lease of assets, and provision of guarantee, securities investment and
derivatives transactions for the Company’s debts by mortgaging or pledging the Company’s
assets, shall be limited to not more than 20% of the latest audited net assets of the Company
at a single time, and subject to a strict examination and decision making procedure; and if the
aforesaid matters involve more than 20% of the latest audited net assets of the Company, the
Board of Directors shall organize relevant experts and professionals to make assessments and
submit them to the general meeting for approval.
Where the Company intends to engage in securities investment, it could make a
reasonable forecast about the scope, quota and duration of securities transactions within the
next 12 months to the extent that it is difficult to perform the consideration procedure and
disclosure obligation for each securities transaction due to the dealing frequency and
timeliness of the transaction, etc, provided that transactions within the quota up to 20% of the
latest audited net assets of the Company shall be subject to consideration and approval by the
Board of Directors , and those beyond the scope of the authority of the Board of Directors
shall also be submitted to the general meeting for consideration. The validity period of the
relevant quota shall not exceed 12 months and the transaction amount at any time within the
period (including the relevant amount resulted from reinvestment of the aforesaid investment
income) shall not exceed the above quota for securities transaction approved by the Board of
Directors or at the general meeting.
Where the Company intends to engage in derivatives transactions, it shall submit the
same to the Board of Directors for consideration and timely perform information disclosure
obligations. The Company could make a reasonable forecast about the scope, quota and
duration of derivatives transactions within the next 12 months to the extent that it is difficult
to perform the consideration procedure and disclosure obligation for each derivatives
transaction due to the dealing frequency and timeliness of the transaction, etc, provided that
transactions within the quota up to 20% of the latest audited net assets of the Company shall
be subject to consideration and approval by the Board of Directors of the Company, and those
beyond the scope of the authority of the Board of Directors shall also be submitted to the

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12 months and the transaction amount at any time within the period (including the relevant
amount resulted from reinvestment of the aforesaid investment income) shall not exceed the
above quota for derivative investment approved by the Board of Directors or at the general
meeting.
Where the amount of material assets purchased, sold or the external guarantee amount
by the Company within one year exceeds 30% of the Company’s audited total assets for the
latest period, it shall be resolved at the general meeting of shareholders and passed by more
than two-thirds of voting rights held of shareholders attending the meeting.
A single donation or sponsorship involving over RMB30 million but not more than
RMB60 million, and involving a cumulative amount of not more than RMB70 million in a
fiscal year shall be subject to consideration and approval by the Board of Directors. A single
donation or sponsorship involving over RMB60 million or involving a cumulative amount of
more than RMB70 million in a fiscal year shall be subject to consideration and approval at
the general meeting of the Company. Any connected transaction between the Company and
the connected natural person involving an amount less than RMB300,000 and any connected
transaction between the Company and the connected legal person involving an amount less
than RMB3 million or less than 0.5% of the absolute value of the latest audited net assets of
the Company shall be subject to consideration and approval by the general manager of the
Company. The Company shall not provide borrowings for directors, supervisors and senior
executives directly or through subsidiaries.
Any connected transaction between the Company and the connected natural person
involving over RMB300,000 (inclusive) but less than RMB30 million or involving an amount
less than 5% of the absolute value of the latest audited net assets of the Company shall be
subject to consideration and approval by the Board of Directors of the Company. Any
connected transaction between the Company and the connected legal person involving over
RMB3 million (inclusive) and accounting for over 0.5% (inclusive) of the absolute value of
the latest audited net assets of the Company but involving less than RMB30 million or
involving an amount less than 5% of the absolute value of the latest audited net assets of the
Company shall be subject to consideration and approval by the Board of Directors of the
Company.

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In the event that the amount of a connected transaction entered into between the
Company and the connected natural person or the connected legal person (excluding the
receipt of cash assets and provision of guarantee by the Company) exceeds RMB30 million
(inclusive) and represents over 5% (inclusive) of the absolute value of the latest audited net
assets of the Company, the Company shall disclose the audit report or appraisal report in
accordance with the rules of relevant business of the stock exchange on which the shares of
the Company are listed, and submit the transaction to the general meeting of the Company for
consideration and approval. For underlying transaction involving a connected transaction
concerning the daily operations, no audit or appraisal is required.
Guarantees to be provided by the Company to connected parties, regardless of the
amount, shall be considered and passed at the Board meeting before being submitting to the
shareholders’ meeting for consideration.
In the event that the Company provides guarantee to a shareholder holding less than
5% of the shares of the Company, the preceding paragraph of this Article shall be complied
with and the connected shareholder shall abstain from voting during the general meeting of
the Company.
If the connected transactions of the Company involve matters such as provision of
financial support and guarantee by the Company and delegation of wealth management, the
amounts concerned shall be used as the calculation standard and shall be calculated in
aggregate for the consecutive 12 months based on the types of transaction. Transactions for
which the approval procedures have been fulfilled in accordance with the above rules shall no
longer be included in the accumulative scope.
Any external guarantees (including but not limited to pledges, liens or guarantees of
assets) provided by the Company in any one of the circumstances as stipulated in Article 69
of the articles and association shall be approved by the general meeting. Any provisions of
external guarantees not falling within Article 69 shall be approved by the Board of Directors.
The guarantees in the approval scope of the Board of Directors shall be approved with the
consent of more than two-thirds of all directors present in the meeting, apart from the passing

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For requirements above otherwise provided by laws, regulations, regulatory
documents and relevant provisions of the securities regulatory authorities of the location
where the Company’s shares are listed and the stock exchange, those requirements shall
prevail.
Article 6 In cases where the expected value of fixed assets proposed for disposal by
the Board, when aggregated with value of fixed assets disposed within four months before the
proposed disposal, exceeds 33% of the fixed assets value set out in the latest balance sheet
reviewed by the general meetings, the Board shall not dispose or consent to dispose such
fixed assets without prior approval by the general meeting.
The term fixed assets disposal referred to in this Article represents (among other
things) transferring certain interests in assets, but not including provision of guarantees by
way of fixed assets.
The validity of transactions regarding fixed assets disposed by the Company shall not
be affected due to a breach of the first paragraph of this Article. For requirements above
otherwise provided by laws, regulations, regulatory documents and relevant provisions of the
securities regulatory authorities of the location where the Company’s shares are listed and the
stock exchange, those requirements shall prevail.
Article 7 The Board of Directors of the Company shall be responsible for performing
the following corporate governance duties under the Hong Kong Listing Rules:
(a) to develop and review the Company’ s policies and practices on
corporate governance and make recommendations;
(b) to review and monitor the training and continuous professional
development of directors and senior management;
(c) to review and monitor the Company’s policies and practices on
compliance with legal and regulatory requirements;
(d) to develop, review and monitor the code of conduct and compliance
manual (if any) applicable to employees and directors; and

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(e) to review the Company’s compliance with the Corporate Governance
Code as set out in Appendix 14 of the Hong Kong Listing Rules and
disclosure in the Corporate Governance Report.
Article 8 The Board of Directors is responsible for reviewing and determining the
nature and extent of risk which the Company is willing to accept when the Company achieves
the strategy goals and making sure that the Company shall establish and maintain the
appropriate and effective risk management and internal control system. The Board of
Directors shall supervise the design, implementation and monitoring by the management
upon the risk management and internal control system while the management shall provide to
the Board of Directors the confirmation whether the relevant system is valid or not:
1 The Board of Directors shall continue supervising the risk management and
internal control system of the Company and shall at least annually conduct a
review of the effectiveness of the risk management and internal control system of
the Company and its subsidiaries and report to shareholders that they have done so
in their Corporate Governance Report. The Review shall cover all material
controls, including financial, operational and compliance controls.
2 The Board’s annual review shall, in particular, consider the adequacy of resources,
qualifications and experience of staff of the Company’s accounting, internal audit
and financial reporting functions, and their training programs and budget.
3 The Board’s annual review shall, in particular, consider:
(1) the changes since the last annual review in the nature and extent of
significant risks, and the Company’s ability to respond to changes in its
business and the external environment;
(2) the scope and quality of management’s ongoing monitoring of risks and
of the system of internal control, and where applicable, the work of its
internal audit function and other providers of assurance;

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(3) the extent and frequency of the communication of the monitoring results
to the board (or board committee(s)) which enables it to review the state
of control in the Company and the effectiveness with which risk is being
managed;
(4) the incidence of significant control failings or weakness that has been
identified during the period and the extent to which they have resulted in
unforeseen outcomes or contingencies that have had, could have had, or
may in the future have, a material impact on the Company’s financial
performance or condition; and
(5) the effectiveness of the Company’s processes relating to financial
reporting and Hong Kong Listing Rules compliance.
CHAPTER 3 GENERATION OF THE BOARD OF DIRECTORS
AND QUALIFICATION OF DIRECTORS
Article 9 The Board of Directors shall consist of nine members, among which three
are independent directors.
Article 10 The directors shall be elected or replaced at the shareholders’ general
meeting and shall be elected by shareholders (Including proxies) attending the general
meeting holding over half of voting rights.
When voting on the election of directors and supervisors, the general meeting may
implement accumulative voting system according to these Articles of Association or the
resolution of the shareholder's general meeting. The election on more than two non-independent directors and independent directors in the shareholder's general meeting shall
exercise the accumulative voting system.
Accumulative voting system referred to hereby means a system whereby each share,
on voting to elect directors at a general meeting, carries the number of voting rights
equivalent to the number of the directors or supervisors to be elected, and a shareholder may
concentrate his or her voting rights

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Non-independent Directors and independent Directors of the Company shall be
elected separately through separate voting.
Article 11 The term of a Director shall be three years and is eligible for re-election,
provided that the consecutive term of an independent Director shall not exceed six years.
Before the expiration of the term of office of a Director, a Director may be removed by the
shareholders’ general meeting before his term of office expires.
The general meeting may, by an ordinary resolution, dismiss any Director before the
expiry of his term of office (but without prejudice to such Director’s right to claim damages
based on any contract) on the condition that all the relevant laws and administrative
regulations are fully complied with.
The tenure of a Director shall count from the date on which directors assume his
office until the expiration of the term of the incumbent Board. In the event that re-election of
Directors is not conducted on a timely manner upon expiration of the term of service of a
Director, the incumbent Directors shall continue to perform their duties of Directors in
accordance with laws, administrative regulations, department rules and requirements of these
Article of Associations until incoming director assumes his office.
Article 12 Directors can be concurrently acted by the general manager or the senior
management, provided that the number of Directors acted by the general manager, senior
management and employee representatives shall not exceed one-half of the total number of
Directors of the Company.
Article 13 The basic qualifications of proposed directors are as follows:
(1) to safeguard the interests of all shareholders and the security and growth in value
of the Company’s assets
(2) to have the horizons and experience commensurate with the position of directors.
Article 14 A person may not serve as a Director of the Company if he is:
(1) a person who does not have or who has limited capacity for civil acts;

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(2) a person who has been sentenced for corruption, bribery, infringement of property,
misappropriation of property or other crimes which destroy the social economic order, where
less than five years have elapsed since the sentence was served or a person who has been
deprived of his political rights for committing a crime, where less than five years have
elapsed since the sentence was served;
(3) a person who is a former director, factory manager or president of a company or
enterprise which has put into liquidation and who was personally liable for the insolvency of
such company or enterprise, where less than three years have elapsed since the completion of
the insolvent liquidation of the Company or enterprise;
(4) a person who is a former legal representative of a company or enterprise the
business license of which was revoked or ordered to close down due to a violation of law and
who was personally liable therefore, where less than three years have elapsed since the date
of the revocation of the business license;
(5) a person who has a relatively large amount of debts due and outstanding;
(6) He/she is under a penalty of prohibited access to the securities market that may not
serve as a director of a listed company imposed by the CSRC, which penalty is still effective;
(7) He/she has been publicly identified by the stock exchange as not suitable to serve
as a director of a listed company, the term of which has not expired;
(8) He/she is not a natural person；
(9) He/she is otherwise disqualified by the laws, administrative regulations,
departmental rules or rules of the stock exchange on which the shares of the Company are
listed.
Article 15 If the Company elects a director in violation of the provisions of Article
14 of these Rules, such election or appointment shall be null and void.
In the event that an incumbent director fall under the circumstances specified in items
(1) to (6) of Article 14 of these Rules, the relevant director shall immediately cease to

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perform his/her duties and the Company shall remove him/her from his/her position in
accordance with the relevant requirements; Where a director is prohibited from acting as a
director by other laws and regulations or provisions of the Shanghai Stock Exchange during
his/her term of office, the Company shall remove him/her within thirty days from the date of
the occurrence of such fact, except as otherwise provided by the Shanghai Stock Exchange.
If the relevant director, who should have ceased to perform his/her duties but has not
ceased to perform or should have been removed from his/her office but has not yet been
removed, attends and votes at the Board meeting, his/her vote will be invalid and will not be
counted towards the number of attendees.
Chapter 4 Rights and Obligations of the Board of Directors
Article 16 The directors shall be entitled to the following rights:
(1) to attend meetings of the Board of Directors and exercise their voting right;
(2) to perform related matters on behalf of the Company in accordance with the
Articles of Association or by authorisation of the Board of Directors;
(3) to deal with the business of the Company in accordance with the Articles of
Association or by authorisation of the Board of Directors;
(4) non-shareholder directors are entitled to obtain the remuneration or allowances of
the same level as shareholder directors;
(5) other rights and duties stipulated in laws, administrative regulations and the
Articles of Association or granted by general meeting of the Company.
Article 17 The directors shall abide by laws, administrative regulations and the
Articles of Association and assume the following faithful obligations:
(1) Not abusing power to accept bribery or other illegal income and to misappropriate
the Company’s assets;

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(2) Not embezzlin g the Company’s fund;

(3) Not opening an acco unt in his/h e r own name and depositing th e funds and a ssets

of the C ompany;

(4) Not a cting against t h e provisions her eof to bo rrow the Co mpany ’s fun d to others

or provid e gua rant ee to others by using the Com pany’s a sse ts without t he approval of th e

gene ral me eting or the B oard of Directors;

(5) Not acting against the provisio ns here of to ente r in to a cont ract a transaction with

the Company without th e approval of the g e ne ral m eeting;

(6) Wi thout the a pprov al of the general m e eti ng, not a busing it s power to seek

business opportunity for himself/herself tha t shall have be en attributed t o t he Company, or to

operate independ e ntly or jointly with others th e sa me kind of busine ss a s th at of t he Comp any;

(7) Not pecul ating th e co mmis sion receivable to the Co mpany;

(8) Not dis closin g the co nfident i al in formation of the Company without permission;

(9) Not abusing it s conne ct ed rela tide wi 耀 s� i �Ԑnng i茠㄀䬀ɐ o@Ԡmpae@��䰀n ie ٖ C

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(2) Give fair treatment to all the shareholders;
(3) Investigate the performance of the Company;
(4) Report regularly to the Company and signing confirmation opinion in written form
to ensure the sincerity, preciseness and integrity of the information disclosed by the Company;
(5) Provide genuinely the relevant information and material to the board of
supervisors, and not impede the board of supervisors or supervisors to exercise their functions
and powers;
(6) Other obligations prescribed in relevant laws, administrative rules, department
regulations and the Articles of Association.
Article 19 The directors shall take the following responsibilities:
(1) The directors shall be liable for losses on assets sustained by the Company;
(2) The directors shall be liable for losses sustained by the Company due to an error of
the Board of Directors in major investment decisions;
(3) The directors shall be liable for legal liabilities pursuant to the Company Law and
other relevant laws, administrative rules, department regulations and the Articles of
Association.
Article 20 The directors shall be liable for the resolutions of the Board of Directors.
If a resolution of the Board of Directors violates the laws, administrative regulations, the
Articles of Association or resolutions of the general meeting, resulting in serious losses to the
Company, the directors involved in approving the resolution are liable to compensate the
Company. However, if it can be proven that a director expressly objected to the resolution
during voting, and that such objection is recorded in the minutes of the meeting, such director
may be released from such liability.

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Chapter 5 Generation and Functions and Powers
of the Chairman
Article 21 The Board of Directors shall appoint a chairman and one vice chairman.
The chairman and the vice chairman shall be elected and removed with the approval of more
than half of all the directors.
Article 22 The chairman is the legal representative of the Company.
Article 23 The chairman of the Board of Directors shall exercise the following duties:
(1) to preside over general meetings and to convene and preside over meetings of the
Board of Directors;
(2) to supervise and check on the implementation of resolutions passed at the meeting
of the Board of Directors;
(3) to sign on the securities issued by the Company;
(4) to sign important documents of the Board of Directors and other documents that
shall be signed by the legal representative of the Company;
(5) to exercise the authorities of legal representatives;
(6) to approve matters involving use of the Company’s assets, such as asset disposal
(including but not limited to purchase, sale, replacement and retirement of assets), external
investment, consigned financial management, consigned loans, lease of assets, and provision
of guarantee and securities investment for the Company’s debts by mortgaging or pledging
the Company’s assets, which shall be limited to not more than 5% of the latest audited net
assets of the Company at a single time (calculated on equity attributed to the shareholders of
the parent company in consolidated financial statement);

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(7) to make decisions on donation and sponsored events of a single amount less than
RMB30,000,000 or accumulated amount within one accounting year of less than
RMB50,000,000 in total;
(8) in case of emergency circumstances of force majeure events such as extraordinary
natural disasters, to exercise special disposal powers in compliance with legal requirements
and in the interests of the Company with regard to affairs of the Company and provide post-event reports to the Board of Directors and the general meeting of the Company;
(9) other functions and powers delegated by the Board of Directors. If the laws,
regulations, regulatory documents and relevant provisions of the securities regulatory
authorities of the location where the Company’s shares are listed and the stock exchange have
other provisions on the matters specified in item (6) and (7) of this article, such provisions
shall prevail.
Article 24 The vice chairman shall assist in the work of the chairman. In the event
that the chairman is incapable of performing or not performing his duties, the duties shall be
performed by the vice-chairman. In the event that the vice chairman is incapable of
performing or not performing his duties, a director jointly nominated by the majority of
directors shall perform his duties.
Chapter 6 Organizations of the Board of Directors
Article 25 The Board of Directors of the Company establishes certain special
committees such as the Strategic Development Committee, t h e Audit Committee, t h e
Nomination Committee and the Remuneration and Appraisal Committee pursuant to the
relevant resolutions of general meeting.
Article 26 In accordance with the relevant resolutions in general meeting, the Board
of Directors set up special committees including strategic development committee, audit
committee, nomination committee, and remuneration and assessment committee.
Special committees shall only comprise of directors. In particular, independent
directors shall be more than half of the Nomination Committee and t h e Remuneration and

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Appraisal Committee and serve as the convener (head/chairman). The Audit Committee shall
comprise of three directors who do not hold senior management positions in the Company,
and independent directors shall be more than half thereof, among which at least one
independent director shall be an accounting professional, and the convener (head/chairman)
shall be an accounting professional among the independent directors.
Article 27 Each of the special committees shall report to the Board of Directors and
submit its proposals to the Board of Directors for consideration and approval. The special
committees may engage intermediaries for professional advice. The expenses incurred
therefrom shall be borne by the Company.
Article 28 The general office of the Board of Directors of the Company handles the
daily affairs of the Board of Directors. The secretary of the Board of Directors is concurrently
in charge of the general office of the Board of Directors. The seals of the Board of Directors
and the general office of the Board of Directors (if any) shall be maintain by the secretary of
the board of directors or the other person designated by him/her.
Chapter 7 Working Procedure of the Board of Directors
Article 29 The decision-making procedure of the Board of Directors is as follows:
(1) Investment decision-making process: the Board of Directors entrusts the general
manager to organize relevant departments to prepare the medium to long term development
plan, annual investment plan and investment program for significant projects and submit
them to the Board of Directors; the Board of Directors also convene relevant department and
experts for consideration and make the consideration report for the information of the Board
of Directors; the Board of Directors shall make resolutions related to issues including asset
disposal and external investment in the authorization limit of the general meeting before
submitting to general manager for implementation.
(2) Procedure of personnel appointment and removal: according to the personnel
appointment and removal nomination proposed by the Board of Directors and the general
manager within respective scope of authority, the Board of Directors of the Company shall

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make resolutions by discussion before appointment or removal document signed by the
Chairman.
(3) Procedure of financial budget and final settlement: the Board of Directors entrusts
the general manager to organize personnel to prepare the annual financial budget, final
settlement, profits distribution and loss recovery of the Company ect., and submit to the
Board of Directors; the Board of Directors formulates the plan before organize relevant
personnel for consideration, and after passed through deliberation of the general meeting, the
general manager will organize and implement.
Other financial schemes at the sole discretion of the Board of Directors in accordance
with the Articles of Association shall be submitted to the Board of Directors for consideration
and decision after being prepared by relevant departments and personnel organized by the
Board of Directors, and then shall be performed by the General Manager.
(4) Working procedure of significant matters: prior to deciding significant matters by
the Board of Directors, the Board of Directors shall study relevant matters and judge the
feasibility, and where necessary, special committee shall be convened for consideration so as
to eliminate errors in work.
(5) Decision-making procedure of external guarantees: external guarantees are subject
to consideration and approval by the Board of Directors which should abide by the rules of
management principles of the Company on external guarantee.
Article 30 The meetings of the Board of Directors are divided into regular meetings
and provisional meetings. The Board of Directors shall hold at least four regular meetings
every year, which shall be convened by the chairman, with the notice of meeting sent in
writing to all the directors and supervisors 14 days in advance. Before giving the notice on
convening a regular meeting, the office of the Board of Directors shall fully consult all
directors to form the initial proposal and then submit it to the chairman for approval. The
chairman, if necessary, shall consult the general manager or other senior executives before
finalizing the proposal.

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Article 31 The Board of Directors shall convene a provisional meeting in any of the
following cases:
(1) When the shareholders representing one-tenth or more of the voting rights propose
a meeting;
(2) When one-third or more of the directors jointly propose a meeting;
(3) When the supervisory committee proposes a meeting;
(4) When the chairman deems necessary;
(5) When half or more of independent directors propose a meeting;
(6) When the general manager propose a meeting;
(7) When the securities regulatory authorities request a meeting;
(8) In other situations specified in the Articles of Association.
Article 32 Where a provisional meeting is proposed as preceding article stipulates, a
written proposal shall be presented to the chairman signed (sealed) by the proposer directly or
through the office of the Board of Directors. The written proposal shall contain the following
items:
(1) Name(s) of the proposer(s);
(2) Reason for the proposal or objective proposal-based facts;
(3) Time or duration, venue and convening mode of the proposed meeting;
(4) Clear and specific proposal;
(5) Contact way of the proposer(s), date of the proposal, etc. The content of the
proposal shall be relevant to the matters within the functions and powers of the Board of

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Directors specified in the Articles of Association. The materials relevant to the proposal shall
be submitted together. Upon receiving the above written proposal and relevant materials, the
office of the Board of Directors shall present them to the chairman on the same day.
If the chairman believes the proposal is not clear or specific, or the related materials
are inadequate, the proposer may be requested to make modification or supplementation.
The chairman shall convene and preside over the meeting within ten days after
receiving the proposal or the request of the securities regulatory authorities.
Article 33 The meeting of the Board of Directors shall be convened and presided

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The Board of Directors shall provide adequate materials, including background
introduction of the subject matters, any information as well as data which can facilitate the
directors to understand the business development of the Company.
When two or more independent directors consider that the the materials for the
meeting are incomplete, the argument is insufficient or such materials are not provided in a
timely manner, they may propose in writing to the Board of Directors to adjourn the board
meeting or adjourn the deliberation of the matter, and the Board of Directors shall adopt such
proposal.
Article 36 After the written notice of the regular meeting of the Board of Directors is
issued, if the meeting date, venue or any other item needs to be changed, or the meeting
proposal needs to be supplemented, modified or cancelled, a change notice shall be given in
writing two days prior to the originally scheduled meeting date to specify the reasons and
contents of the new proposal as well as the relevant materials. If the change notice is given
within two days prior to the originally scheduled meeting date, the meeting shall be
postponed accordingly or convened on new schedule upon the approval of all directors who
will attend the meeting. After the notice of the provisional meeting of the Board of Directors
is issued, if the meeting date, venue or any other item needs to be changed, or the meeting
proposal needs to be supplemented, modified or cancelled, a prior approval from all directors
who will attend the meeting shall be obtained and the corresponding records shall be made.
Article 37 The meeting of the Board of Directors cannot be convened unless more
than half of the supervisors are present. Where the requirement of the minimum number of
participants fails to be met due to some relevant director’s refusal or failure to attend the
meeting, the chairman and the secretary of the Board of Directors shall report it to the
securities regulatory authorities timely.
The supervisors, the general manager and the secretary of the Board of Directors
without a concurrent post of director shall attend the meeting of the Board of Directors. The
meeting moderator, if he/she considers necessary, can inform other relevant personnel to
attend the meeting.

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Article 38 The directors shall attend the meeting of the Board of Directors in person.
Where a director is unable to attend a meeting for any reason, he/she may appoint another
director by a written power of attorney to attend the meeting on his/her behalf. The power of
attorney shall set out the name of the proxy, subject matters of representation, scope of the
authorization and valid period, with the signature or seal of the appointer. The representatives
of the directors attending the meeting shall exercise their authorities within the scope
authorized. Any director absent from the meeting of the Board of Directors who fails to
appoint a representative shall be deemed to have waived their voting rights at such meeting.
Article 39 When a director authorizes other director or is authorized to attend the
Board meeting, the following principles shall be followed:
(1) When the connected transactions will be discussed in the meeting, the
unconnected directors shall not authorize the connected directors to attend the meeting, while
the connected directors shall not accept the authorization of the unconnected directors, either;
(2) The independent directors shall not authorize the non-independent directors to
attend the meeting, while the non-independent directors shall not accept the authorization of
the independent directors, either;
(3) The directors shall not fully authorize other directors to attend the meeting without
giving their personal opinions and voting intentions on the proposal, while the relevant
directors shall not accept the full authorization or grant the unclearly defined authorization.
(4) One director shall not accept the authorizations of more than two directors or
authorize the director who has been authorized by other two directors to attend the meeting.
Article 40 The Board meeting shall be convened on site in principle. If necessary, the
meeting, on the condition that the directors can fully express their opinions, can be held
through video, telephone, fax, email voting, etc. upon the consent of the convener
(moderator). In addition, the on-site mode and other modes can be concurrently adopted for
the convocation of the Board meeting.

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If the meeting is convened in an off-site way, the number of the participating directors
shall be counted based on the directors present in the video and expressing opinions on the
phone as well as the valid votes delivered via fax, email or other means within the prescribed
period or the written confirmation letters submitted by the directors afterwards to confirm
their attendance of the meeting.
Article 41 The presiding officer of the meeting shall ask the directors attending the
Board meeting to express their clear opinions on each proposal.
For proposals that require the approval of a majority of all independent directors
before they can be submitted to the Board of Directors for consideration in accordance with
the regulations, the presiding officer shall designate an independent director to read out the
written opinion reached by the independent directors before discussing the relevant proposal
If a director obstructs the normal progress of the meeting or affects the speech of
other directors, the presiding officer shall stop him/her in time.
Except with the unanimous consent of all directors present, a Board meeting shall not
vote on a proposal not included in the notice of meeting. If a director accepts acting as a
proxy of another director to attend a Board meeting on his/ her behalf, he/she shall not vote
on behalf of the other directors on a proposal not included in the notice of meeting.
Article 42 The directors shall independently and prudently give their options upon
carefully reading the relevant meeting materials and fully understanding the situations.
The directors are allowed to learn the information necessary for the decision-making
from the Office of the Board, the meeting convener, the general manager and other senior
management staff, various special committees, accounting firms and law firms and other
relevant personnel and organizations before the meeting, or to suggest the moderator to invite
the above-mentioned persons and the representatives of the above-mentioned organizations to
attend the meeting to explain the situations.
Article 43 When any proposal is fully discussed, the moderator shall ask the
participating directors to vote in time.

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The resolutions of the Board of Directors shall be voted by a show of hand or open
ballot. Where any director requires the voting to be held by ballot, it shall be voted by open
ballot.
Article 44 In respect of the resolutions of the Board of Directors, each attendant shall
cast one vote. In the event that the number of dissenting votes equal to that of affirmative
votes, the Chairman shall have the right to cast one more vote.
Article 45 Three options in form of the affirmative vote, negative vote and abstention
are available for the directors to show their voting intentions. The participating directors shall
choose one of them. Where any participating director fails to choose or chooses two or more
options at the same time, the moderator of the meeting shall ask the relevant director to make
second round of choosing. The directors who refuse to choose or fail to return after leaving
the meeting without any choosing shall be deemed to have abstained from voting.
Article 46 For voting by show of hands, when the attending directors vote, the
secretary of the board shall count the votes in time. For voting by open ballot, after the voting
of attending directors, the clerks from the board office shall collect ballots cast by the
directors in time, and the ballots shall be counted by the secretary of the board under the
supervision of a director. If the secretary of the board is unable to attend the board meeting
due to some reason, the presider shall appoint other person to count the voting results.
If the meeting is held on site, the presider of the meeting shall announce the voting
results forthwith. In other cases, the president of the meeting shall require the Secretary of the
Board to notify the Directors of the voting results before the next business day after the close
of the specified voting time.
If the Directors vote after announcement of the voting results by the presider of the
meeting or after close of the specified voting time, their votes shall be disregarded.
Article 47 Except for matters provided in Article 48 herein, a resolution on a
proposal considered and passed at the Board meeting shall be voted for by more than half of
all the Directors. Where any provision in any laws, administrative regulations, normative

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documents and the Articles of Association prescribes a higher proportion of affirmative votes
cast by Directors for the adoption of resolutions by the Board, such provision shall prevail.
When the Board forms a resolution on any security matter within its functions and
powers in accordance with the Articles of Association of the Company, the consents of more
than half of all directors of the Company and two-third or more participating directors are
necessary.

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Article 50 The Board shall act in strict accordance with the authorization of the
shareholders meeting and the Articles of Association, and shall not form a resolution by
means of exceeding given authority.
Article 51 Where any proposal is not adopted, the proposals with the same contents
shall not be deliberated in the Board meeting within a month provided that no significant
change is found in the relevant conditions and factors.
Article 52 When more than half of the participating directors or more than two
independent directors consider that they can not make a judgment on the relevant matters
because the proposal is not clear or specific, or because of other reasons such as inadequate
meeting materials, the meeting moderator shall ask for suspension of voting on the topic in
the meeting.
The directors who propose to suspend voting shall provide explicit prerequisite for the
proposal to be resubmitted for deliberation.
Article 53 If necessary, the whole process of the Board meeting convened on site or
through video, telephone or any other means can be recorded.
Article 54 The Secretary of the Board shall arrange the Office staff to keep the
minutes of the Board meeting. The meeting minutes shall include the following items:
(1) Session, date, venue and convening mode of the meeting;
(2) Issuance and receipt of the meeting notices;
(3) Meeting convener and moderator;
(4) Personal and authorized attendance conditions of the directors;
(5) Proposal considered at the meeting, key points in speeches and main opinions of
each directors with regard to the relevant matters and their voting intentions on the proposal;

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(6) Voting manner and results of each proposal (the voting result shall specify the
number of voting for, against or abstained);
(7) Other matters considered to be recorded by the participating directors.
Minutes shall be signed by the Board secretary and the person taking the minutes.
Draft and final versions of the minutes of the meetings shall be sent to all directors for their
comment and records within a reasonable time after the meeting.
Article 55 In addition to the meeting minutes, the Secretary of the Board may also
arrange the Office staff of the Board to work out a clear and concise meeting summary as
well as make a separate resolution record based on the voting result and the formed
resolutions.
Article 56 The participating directors shall sign the meeting minutes and resolution
record for confirmation on behalf of themselves and the directors who authorize them to
attend. Any director who has different views on the meeting minutes or the resolution record
can make a written explanation when signing the minutes; when necessary, he/she shall
report it to the regulatory authorities timely; he/she can also make a public statement.
Where any director fails to sign for confirmation as proceeding article stipulates and
make a written explanation on his/her different views, or fails to report it to the regulatory
authorities or make a public statement, he/she shall be deemed to have fully agreed with the
contents of the meeting minutes and the resolution record.
Article 57 Board meeting documents, including meeting notices and meeting
materials, meeting attendance signature book, the power of attorney of appointing directors,
meeting taping information, votes, meeting minutes signed and confirmed by attending
directors, meeting summaries, resolution records, resolution announcements, etc. shall be
filed by the secretary of the Board for a term of at least ten years.
Article 58 The announcement of the Board resolutions shall be handled by the
secretary of the Board in accordance with the relevant provisions of the stock exchange on
which the shares of the Company are listed.

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Prior to the disclosure of announcement of resolutions, the participating directors and
other members attending the meeting, including the recording and service personnel, shall
bear the duty of confidentiality on the contents of resolutions.
Article 59 The chairman shall urge the staff to implement the resolutions of the
Board, and notify the implementation of resolutions that have been adopted at the following
meetings of the Board.
Chapter 8 Supplementary Provisions
Article 60 Matters not covered by the Rules shall be executed in accordance with the
relevant laws, administrative regulations, regulatory documents, the rules of the stock
exchange on which the shares of the Company are listed and the provisions of the Articles of
Association of the Company.
Article 61 Both “above” and “below” referred to in the Rules include the given
figure; “over”, “lower than” and “higher than” shall exclude the given figure.
Article 62 These rules shall be drafted by the Board of Directors and shall act as the
appendix of this articles. These rules shall become effective and be implemented, and shall be
amended, upon consideration and approval by a general meeting of the Company. Upon the
effective day of these rules, the original Rules of Procedure for the Board of Directors will
lapse automatically.
Article 63 The Rules shall be construed and interpreted by the Board of the
Company.