

**Rules of Procedure of the Board of Directors**  
**of**  
**Fuyao Glass Industry Group Co., Ltd.**  
**( First amendments in 2025 )**

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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"), the Securities Law of the People's Republic of China (hereinafter referred to as the "Securities Law"), the Guidelines for the Articles of Association of Listed Companies, the Measures for the Administration of Independent Directors of Listed Companies, the Code of Corporate Governance for 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 No. 1 of the Shanghai Stock Exchange for Self-regulation of Listed Companies – Standard Operation, the Guidelines No. 5 of the Shanghai Stock Exchange for Self-regulation of Listed Companies – 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 laws, regulations, rules, normative 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 shareholders' meetings and presenting reports thereto;

- (2) implementing the resolutions made at the shareholders' meetings;
- (3) determining the Company's business and investment plans;
- (4) working out the Company's profit distribution plans and loss recovery plans;
- (5) working out the Company's plans on the increase or reduction of registered capital, as well as on the issuance of corporate bonds or other securities and listing plans;
- (6) formulating proposals for material acquisitions, purchase of shares of the Company, merger, division, dissolution and change of the Company form;
- (7) deciding on external investment, acquisition and disposal of assets, asset mortgage, external guarantee, entrusted financial management, connected transactions and external donation, etc. of the Company within the scope authorized by the shareholders' meeting;
- (8) making decisions on the establishment of the Company's internal management departments;
- (9) deciding on appointing or dismissing the Company's general manager and the secretary to the Board of Directors and other senior executives, and determine their remunerations, rewards and punishments, and deciding on appointing or dismissing the Company's deputy general manager, chief financial officer and other senior executives according to the nomination of general manager and determine their remunerations, rewards and punishments;
- (10) working out the Company's basic management system;
- (11) formulating the proposals for any amendment to the Articles of Association;
- (12) managing the information disclosure of the Company;
- (13) proposing the employment or replacement of the accounting firm which audits the Company's accounts to the general meeting;

(14) hearing the work report of the general manager of the Company and examining the general manager's work;

(15) considering and approving to purchase its own shares by the Company under any of the circumstances as mentioned in items (3), (5) and (6) of the first paragraph 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;

(16) exercising other powers conferred by the laws, administrative regulations, departmental rules or provisions of the Articles of Association and shareholders' meetings.

The Board of Directors may resolve on the issues specified in the preceding paragraphs by approval of a majority of the directors save for the issues specified by laws, administrative regulations, departmental rules, business rules of the stock exchange on which the Company's shares are listed 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 shareholders' meeting shall be submitted to the shareholders' 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.

**Article 5** The right of the Board of Directors to approve matters involving use of the Company's assets at a single time, such as asset disposal (including but not limited to purchase, sale, replacement and retirement of assets), external investment, entrusted financial management, entrusted loans, lease of assets, and provision of guarantee for the Company's debts by mortgaging or pledging the Company's asset, securities investment, futures and derivatives transactions, shall be limited to not more than 20% of the latest audited net assets of the Company, 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 shareholders' 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 shareholders' 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 shareholders' meeting.

Where the Company intends to engage in futures and derivatives transactions, it shall submit the same to the Board of Directors for consideration and timely perform information disclosure obligations. Futures and derivatives transactions under one of the following circumstances shall be submitted to the shareholders' meeting for consideration upon approval by the Board of Directors: (1) the upper limit of the transaction margin and royalties expected to be used (including the value of the collateral provided for the transaction, the expected credit limit of the financial institution, the margin reserved for emergency measures, etc., the same below) accounts for more than 50% of the latest audited net profits of the Company, and the absolute amount exceeds RMB5 million; (2) the highest contract value held on any trading day is projected to account for more than 50% of the latest audited net

assets of the Company, and the absolute amount shall exceed RMB50 million; (3) the Company engages in futures and derivatives transactions that are not conducted for hedging purposes. The Company could make a reasonable forecast about the scope, quota and duration of futures and derivatives transactions within the next 12 months to the extent that it is difficult to perform the consideration procedure and disclosure obligation for each futures and 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 shareholders' 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 the transaction using the proceeds of the aforesaid transaction) shall not exceed the above quota for futures and derivative investment approved by the Board of Directors or at the shareholders' 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 shareholders' meeting and passed by more than two thirds of voting rights held by 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 shareholders' 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 (or other organization) 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 or the chairman of the Board of Directors of the Company.

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 after the consent of a majority of all the independent directors. Any connected transaction between the Company and the connected legal person (or other organization) 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 after the consent of a majority of all the independent directors.

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 (or other organization) (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 exchanges on which the shares of the Company are listed, and submit the transaction to the shareholders' 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.

Provision of guarantees by the Company for connected parties shall, regardless of the amount, be considered and passed at the Board meeting before being submitted 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 shareholders' meeting of the Company.

If the connected transactions involve matters such as provision of financial support, provision of guarantee and entrusted financial management, the amounts concerned shall be

used as the calculation standard and calculated in aggregate for the consecutive 12 months based on the types of transaction. Where approval procedures at the shareholders' meeting have been executed in accordance with the aforesaid provision, the transaction shall not be included in calculating the relevant scope of aggregation.

The transactions between the Company and the connected person below may be waived from review and disclosure as required for the connected transaction: (1) transactions in which the Company unilaterally obtains benefits without payment of consideration and without any obligation attached, including receipt of donated cash assets, obtaining of debt relief, and accepting of guarantee and financial assistance without compensation; (2) where the connected person provides capital to the Company, the interest rate is not higher than the quoted lending rate in the market and the Company is not obliged to provide guarantee; (3) a party subscribes in cash for any shares, convertible bonds, or other derivatives available for issue, and corporate bonds (including corporate bonds) available for public issue by the other party to unspecified parties; (4) a party acts as a member of an underwriting syndicate to underwrite any shares, convertible bonds, or other derivatives available for issue, and corporate bonds (including corporate bonds) available for public issue by the other party to unspecified parties; (5) a party receives dividend, bonus or remuneration resolved by other party at its shareholders' meeting; (6) a party participates in the public bidding, auction, or other similar activities of the other party, except where such bidding, auction, or other activities cannot reasonably determine a fair price; (7) provision of products and services by the Company to connected natural persons as stipulated in items (ii) to (iv) of the third paragraph of Article 6.3.3 of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange on the basis of the same terms and conditions as non-connected persons; (8) the pricing of connected transactions is regulated by the State; (9) other transactions approved by the stock exchange of the place where the Company's shares are listed.

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 64 of the Articles of Association shall be approved by the shareholders' meeting. Any provisions of external guarantees not falling within Article 64 of the Articles of Association shall be approved by the Board of Directors of the Company. 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 approval of more than half of all directors.

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** The statutory powers and functions of the Board of Directors shall be exercised collectively by the Board of Directors and shall not be authorized to be exercised by any other person, and shall not be altered or taken away by means of the Articles of Association or a resolution of the shareholders' meeting.

Other powers and functions of the Board of Directors as stipulated in the Articles of Association shall be decided collectively where significant matters are involved, and shall not be delegated to other entities such as the chairman of the Board of Directors or the general manager.

**Article 7** The Board of Directors shall exercise the following corporate governance functions in accordance with 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
- (e) to review the Company's compliance with the Corporate Governance Code as set out in Appendix C1 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 ensure the adequacy of resources, qualifications and experience of staff of the Company's accounting, internal audit and financial reporting functions and in relation to the Company's environmental, social and governance performance and reporting, 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 (including environmental, social and governance 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 (including environmental, social and governance risks) and of the system of internal control, and where applicable, the work of its internal audit function and other providers of assurance;
  - (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 eleven members, among which four are independent directors and one is the Company's employee representative director (the "Employee Director").

**Article 10** The directors (except for the Company's employees representative director) shall be elected or replaced at the shareholders' meeting and shall be elected by shareholders (including proxies) attending the shareholders' meeting holding over half of voting rights.

When voting on the election of directors, the shareholders' meeting may implement accumulative voting system according to the Articles of Association or the resolution of the shareholder's meeting. The election on more than two non-independent directors and independent directors in the shareholder's meeting shall exercise the accumulative voting system.

Accumulative voting system referred to in the preceding paragraph means a system whereby each share, on voting to elect directors at a shareholders' meeting, carries the number of voting rights equivalent to the number of the directors to be elected, and a shareholder may concentrate his or her voting rights.

Non-independent directors and independent directors of the Company shall be elected separately through separate voting.

Employee representatives on the Board of Directors shall be democratically elected by the Company's employees through the employee representatives' meetings, employees' meetings or in other forms, and do not need to be submitted to the shareholders' meeting for consideration.

**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.

The shareholders' meeting may, by an ordinary resolution, remove any director before the expiry of his term of office on the condition that all the relevant laws and administrative regulations are fully complied with, with the removal taking effect on the date of the resolution. In the event that a Director is removed before the expiry of his/her term of office without reasonable cause, the director may demand compensation from the Company.

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 senior management, provided that the number of directors acted by the 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;

(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, 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, and he has been declared to have a probationary sentence, where less than two years from the date of the expiry of the probationary period;

(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 or the order of closure;

(5) a person who has been listed as a dishonest person subject to enforcement by the people's court for having a relatively large amount of debts due and outstanding;

(6) he/she is under a penalty of prohibited access to the securities market imposed by the CSRC, which penalty is still effective;

(7) he/she has been publicly identified by the stock exchange on which the shares of the Company are listed or by another stock exchange within the PRC as not suitable to serve as a director or senior management 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 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, the meetings of its special committees and the special meetings of the independent directors, 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 provisions of the Articles of Association, fulfill their fiduciary duties to the Company, and take measures to avoid any conflict of interest with the Company and not utilize their positions to seek improper benefits.

The directors shall assume the following fiduciary obligations:

(1) not misappropriating the Company's assets or embezzling the Company's fund;

(2) not opening an account in their own name and depositing the funds of the Company;;

(3) not using their powers to accept bribes or other unlawful income;

(4) not directly or indirectly entering into a contract or a transaction with the Company before reporting to the Board of Directors or the shareholders' meeting and passing the a resolution at the Board meeting or the shareholders' meeting in accordance with the provisions of the Articles of Association;

(5) not abusing its power to seek business opportunity for themselves or others that attributed to the Company, unless reported to the Board of Directors or the shareholders' meeting and approved by a resolution of the shareholders' meeting, or the Company is not able to take advantage of the business opportunities in accordance with laws, administrative regulations, or the provisions of the Articles of Association;

(6) not operating independently or jointly with others the same kind of business as that of the Company, without reporting to the Board of Directors or the shareholders' meeting and passing a resolution at the shareholders' meeting;

(7) not accepting for their own benefits commission derived from others in any deals with the Company;

(8) Not disclosing the confidential information of the Company without permission;

(9) Not abusing its connected relations to impair the interest of the Company;

(10) Other faithful duties prescribed in laws, administrative rules, regulations and the Articles of Association.

Where the income of the director arises from his/her acts against the aforesaid provision, it shall be possessed by the Company; where the director causes damage to the Company, he/she shall liable for compensation.

The provisions in item (4) of second paragraph of this Article shall apply to contracts or transactions entered into with the Company by close relatives of directors or senior management, enterprises directly or indirectly controlled by the directors or senior management or their close relatives, as well as associates with whom the directors or senior management have other connected relationships.

**Article 18** The director shall abide by the laws, administrative rules and the provision of the Articles of Association, owe the diligent duties to the Company, and perform their duties with the reasonable care normally expected of a manager in the best interests of the Company.

Directors shall owe the following diligent duties to the Company:

(1) In line with national laws, administrative rules as well as the various requirements of the national economic policies, exercise meticulously, gravely and assiduously the rights authorized by the Company so as to ensure the Company's business act within the scope prescribed in the business license;

(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 audit committee of the Board of Directors (the “Audit Committee”), and not impede the Audit Committee 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.

## **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 shareholders' 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);

(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/or the shareholders' 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 unable or fails to perform his duties, the duties shall be performed by the vice chairman. In the event that the vice chairman is unable or fails to perform his duties, a director jointly elected by a majority of directors shall perform his duties.

## **Chapter 6 Organizations of the Board of Directors**

**Article 25** The Board of Directors shall have one secretary to the Board of Directors. The secretary to the Board of Directors is a senior management of the Company and is accountable to the Board of Directors, and shall be appointed or dismissed by the Board of Directors. The secretary to the Board of Directors shall be responsible for preparing the Company's shareholders' meetings and Board meetings, managing document retention and shareholders' information of the Company, and handling matters relating to information disclosure, among other duties.

**Article 26** In accordance with the relevant resolutions in shareholders' meeting, the Board of Directors set up special committees including strategy and 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 the remuneration and assessment 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. Employee representatives on the Board of Directors may become members of the Audit Committee.

**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 maintained 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 may also convene relevant departments 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 within the authorization limit of the shareholders' meeting before submitting to general manager for implementation.

(2) Procedure of personnel appointment and removal of senior management of the Company: according to the personnel appointment and removal nomination proposed by the Board of Directors and the general manager within respective scope of authority, the nomination committee of the Board of Directors shall consider and approve the nominations and submit them to the Board of Directors for consideration, and the Board of Directors shall make resolutions before such appointment and removal become effective.

(3) Procedure of periodic reports: the general manager, the financial controller and the secretary to the Board of Directors organize the relevant personnel of the Company to prepare documents such as periodic reports (including annual reports, interim reports and quarterly reports), and profits distribution and loss recovery plans (if any) of the Company, and submit them to the Board of Directors for consideration; such documents shall be disclosed in

accordance with regulations after being considered and approved by the Board of Directors; for the matters that need to be submitted to the shareholders' meeting for consideration, the general manager will organize and implement them after they are passed through deliberation of the shareholders' meeting.

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 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 senior executives before finalizing the proposal.

**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 Audit Committee proposes a meeting;
- (4) When the chairman deems necessary;
- (5) When a majority 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 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 over by the chairman, or the vice chairman where chairman is unable to or fails to perform his/her duties, or a director jointly elected by a majority of the directors where the vice chairman is unable to or fails to perform his/her duties.

**Article 34** The notice on convening a provisional Board meeting can be served by hand, post, facsimile or email and shall be sent at least two days prior to the convening of the meeting.

The above time limit of at least two days' notice may be waived if unanimously agreed by all directors. In addition, where a provisional Board meeting needs to be convened as soon as possible in emergency, the notice of meeting may be sent by telephone or by other oral means, not subject to the aforesaid period of notice of at least two days prior to the meeting, but the convener shall make explanations in this regard.

**Article 35** A written notice of Board meeting shall include:

(1) time and venue of the meeting;

(2) duration of the meeting;

(3) reasons for and agenda of the meeting;

(4) the date of issue of such notice. An oral notice of the meeting shall at least include (1) and (2) above and the explanation for the urgent convention of the provisional board meeting due to emergency.

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 general manager and the secretary to 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.

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.

**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 authorization without voting intention, the full authorization or grant the unclearly defined scope of authorization.

(4) One director shall not accept the authorizations of more than two directors at a Board meeting or authorize the director who has been authorized by other two directors at a Board meeting 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 all participating directors can fully communicate and express their opinions, can be held by means of communication (including but not limited to video, telephone, fax, email voting, etc). In addition, the on-site mode and other modes can be concurrently adopted for the convocation of the Board meeting.

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 may 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 opinions 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.

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.

**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 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.

In case of any discrepancy on the contents or meanings of different resolutions, the resolution formed later shall prevail.

**Article 48** The Directors shall abstain from voting on the relevant proposal in the following circumstances:

(1) Where the stock exchange where the shares of the Company are listed stipulates that the directors shall avoid voting;

(2) Where the Director is of the view that he/she shall avoid voting;

(3) any other circumstances under which the director shall abstain from voting as a result of his/her being related to the enterprise or individual involved in the proposal as prescribed in the Articles of Association.

Where any director abstains from voting, the Board meeting may be held when more than half of the non connected directors attend the meeting. The resolution of the Board meeting shall be passed by more than half of the non-connected directors. If the number of non connected attending directors is less than 3, the relevant proposal shall not be voted on but shall be submitted to the shareholders' meeting for deliberation.

**Article 49** If any director as individual or any other company for which he serves is directly or indirectly connected with any existing or scheduled contract, transaction or arrangement with the Company (excluding appointment contract), the director shall disclose to the Board the nature and extent of his connection as soon as practicable, whether or not such connected matters require approval from the Board under normal circumstances.

**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 submitted to the Board of Directors for consideration 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 cannot make a judgment on the relevant matters because the proposal is not clear or specific, or because of other reasons such as incomplete meeting materials or inadequate arguments, 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 to the Board shall arrange the Board 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) name of the directors present and the name of the directors (proxies) who have been appointed by others to attend the meeting;
- (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;
- (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.

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 these Rules shall be executed in accordance with the relevant laws, administrative regulations, normative documents, the rules of the stock exchange on which the shares of the Company are listed and the provisions of the Articles of Association.

In the event of any inconsistency between these Rules and any future laws or regulations issued or amended by the State, or any rules, normative documents, business rules, issued or amended by the securities regulatory authorities and stock exchanges in the place where the shares of the Company are listed, the Company shall comply with the provisions of the relevant laws, regulations, rules, normative documents, business rules, etc.

**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 to the Articles of Association. These Rules shall become effective and be implemented upon consideration and approval by a shareholders’ meeting of the Company. From the effective date of these Rules, the original Rules of Procedure for the Board of Directors (First Amendments in 2024) will lapse automatically.

**Article 63** The Rules shall be construed and interpreted by the Board of the Company.