

## ARTICLES OF ASSOCIATION OF ZHONGAN ONLINE P & C INSURANCE CO., LTD.

The Articles of Association have been passed by vote at the inaugural meeting on July 19, 2013 upon approval of the CIRC and shall take effect from the date of the listing of H shares publicly issued by the Company on the Stock Exchange of Hong Kong Limited.

### Records of Amendments to the Articles of Association

Version	Name of meeting of the resolution for amendments to the articles of association	Date of the resolution for amendments to the articles of association	Regulatory authorities approval document no.
First amendment	Second extraordinary general meeting of 2014	March 12, 2014	Bao Jian Xu Ke [2014] No.304
Second amendment	Fourth (extraordinary) general meeting of 2014	December 4, 2014	Bao Jian Xu Ke [2015] No.171
Third amendment	Second general meeting of 2015	June 10, 2015	Bao Jian Xu Ke [2015] No.620
Fourth amendment	First extraordinary general meeting of 2016 and annual general meeting of 2016	April 25, 2016 and June 28, 2016	Bao Jian Xu Ke [2016] No.825
Fifth amendment	Second extraordinary general meeting of 2016	November 14, 2016	Bao Jian Xu Ke [2017] No.310
Sixth amendment	Second extraordinary general meeting of 2016	November 14, 2016	Bao Jian Xu Ke [2017] No.601
Seventh amendment	First extraordinary general meeting of 2018 and second extraordinary general meeting of 2018	January 16, 2018 and March 26, 2018	Yin Bao Jian Xu Ke [2018] No.123
Eighth amendment	Annual general meeting of 2019	May 11, 2020	Yin Bao Jian Fu [2020] No. 368
Ninth amendment	Annual general meeting of 2020	April 30, 2021	Yin Bao Jian Fu [2021] No. 471
Tenth amendment	First extraordinary general meeting of 2021	December 28, 2021	Yin Bao Jian Fu [2022] No. 94
Eleventh amendment	Annual general meeting of 2021	June 22, 2022	Yin Bao Jian Fu [2022] No. 527
Twelfth amendment	Annual general meeting of 2022	June 15, 2023	Jin Fu [2024] No. 84

*This is an English translation of the Articles of Association of ZhongAn Online P & C Insurance Co., Ltd.. The Chinese version shall always prevail in case of any ambiguity or inconsistency between the English translation and the Chinese version.*

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## Chapter 1 General Provisions

**Article 1** The Articles of Association are formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), Insurance Law of the People’s Republic of China (the “Insurance Law”), Special Provisions of the State Council on the Overseas Offering and Listing of Shares by the Joint Stock Limited Companies (the “Special Provisions”), Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (the “Mandatory Provisions”), the Letter of Opinions on Supplements and Amendments to the Articles of Association of Companies Listed in Hong Kong from the Overseas Listing Division of the CSRC and the Production Systems Division of the State Commission for Restructuring the Economic Systems (the “Overseas Letter from CSRC”), the Guidelines for Articles of Association of Insurance Companies (the “Guidelines for Articles of Associations”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”), the Corporate Governance Guidelines for Banking and Insurance Institutions and other relevant provisions, to safeguard the legitimate rights and interests of ZhongAn Online P & C Insurance Co., Ltd. (the “Company”), its shareholders and creditors, and to regulate the organization and activities of the Company.

**Article 2** The Company is a joint stock limited company established in accordance with the Company Law, the Insurance Law, the Special Provisions and other relevant laws and administrative regulations of the state.

The Promoters of the Company are Zhejiang Alibaba E-commerce Co., Ltd. (now renamed as Ant Group Co., Ltd. ), Shenzhen Tencent Computer Systems Company Limited, Ping An Insurance (Group) Co. of China, Ltd., Unifront Holding Limited, Shenzhen Jia De Xin Investment Company Limited, Beijing Ctrip International Travel Agency Limited, Cnhooray Internet Technology Co. Ltd., Shanghai Yuanqiang Investment Company Limited and Shenzhen Rixun Internet Company Limited. The Company was established on September 29, 2013 by way of promotion with approval of the National Administration of Financial Regulation (the “NAFR”, originally “China Banking and Insurance Regulatory Commission”, originally “China Insurance Regulatory Commission”) under Bao Jian Xu Ke [2013] No.307, registered with the Shanghai Administration for Industry & Commerce on October 9, 2013 and obtained the business license on October 9, 2013 with the unified social credit code of 91310000080013687R.

**Article 3** Registered name of the Company: 眾安在綫財產保險股份有限公司

English full name: ZhongAn Online P & C Insurance Co., Ltd.

**Article 4** Address of the Company: 4-5/F, Associate Mission Building, 169 Yuanmingyuan Road, Huangpu District, Shanghai

Postal code: 200002

Telephone number: 400-999-9595

Fax number: 021-60278660

Website: www.zhongan.com

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

**Article 6** The Company is subject to the jurisdiction and protection of laws, rules and regulations of the People's Republic of China, and is monitored and administrated by the NAFR.

**Article 7** The chairman of the board of directors shall be the legal representative of the Company.

**Article 8** Total assets of the Company are divided into shares with same par value per share. Shareholders shall assume their liabilities to the extent of their respective subscribed shares in the Company, and the Company shall be liable to the extent of its total assets for its debts.

**Article 9** The original articles of association have been effective since the date of registration of the Company.

The Articles of Association shall take effect after being considered and passed at the shareholders' general meeting, upon approval of the NAFR and the listing of H shares publicly issued by the Company on the Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"). After the Articles of Association come into effect, the original articles of association shall be superseded by the Articles of Association. After the Company's Articles of Association becomes effective, it shall act as a legally binding document for standardizing the Company's structure and behaviors, and the rights and obligations between the Company and its shareholders and also among the shareholders. The Articles of Association may be amended in accordance with provisions of laws and regulations and the Articles of Association. The Articles of Association will be binding upon the Company, its shareholders, directors, supervisors, general manager and other members of senior management. The aforesaid personnel shall all have the right to propose claims concerning the affairs of the Company in accordance with the Articles of Association.

Pursuant to the Articles of Association, shareholders may prosecute the Company; the Company may prosecute its shareholders; a shareholder may prosecute other shareholders. Shareholders may prosecute the directors, supervisors, general manager and other members of senior management of the Company pursuant to the Company Law, other relevant provisions and the Articles of Association.

For the purpose of the foregoing paragraph, “prosecute” includes the initiation of proceedings in a court or the application for arbitration to an arbitration institution.

If any inconsistency arises between the contents of the Promoters’ Agreement, Shareholders’ Capital Contribution Agreement or other shareholders’ agreements of the Company and these Articles of Association, these Articles of Association shall prevail.

**Article 10** The Company may invest in other limited liability companies or joint stock limited companies. The Company’s liabilities to an investee company shall be limited to the amount of its capital contribution to such investee company. The Company shall not be a capital contributor who is jointly liable for the debt of any enterprise in which the Company invests.

## **Chapter 2 Business Objectives and Scopes**

**Article 11** The Company must comply with laws and regulations, implement the uniform directives and policies of the State on finance and insurance, and must be subject to the supervision and administration of the NAFR.

**Article 12** The Company’s business objectives is to conduct innovative management and standardized operation and create the best economic benefits and corporate value in an efficient, practical and prudent way to create satisfactory investment returns for all shareholders under the supervision and guidance of relevant supervisory and administrative authority of the state in accordance with the modern enterprise system and according to the requirements of national laws, regulations and the relevant administrative rules. Meanwhile, through fair competition and provision of quality services, the Company will offer long-term, comprehensive, professional and reliable financial safety and security plan for all consumers to serve the development of China’s property insurance industry and the social harmony and stability.

**Article 13** As approved by the company registration authority, the Company’s business scope includes:

Enterprise/individual property insurance directly related to internet transactions, cargo insurance, liability insurance, credit guarantee insurance, short-term health/accident insurance, auto insurance, including mandatory vehicle accident insurance and vehicle commercial insurance, ceded reinsurance business and assumed reinsurance business (only for facultative assumed reinsurance) related to the above business, business allowed by national laws and regulations to utilize insurance funds, insurance information service business and other business allowed by NAFR. The business scope of the Company shall be subject to approval of the CIRC and the company registration authority.

The business scope of the Company shall be subject to approval of the NAFR and the company registration authority.

## **Chapter 3 Shares**

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

**Article 14** The Company shall, at all times, have ordinary shares. The ordinary shares issued by the Company include domestic shares and foreign shares. The Company may, upon the approval by the departments in charge of company examination and approval as authorized by the State Council, have other classes of shares if necessary.

**Article 15** The Company shall issue shares under the principles of openness, fairness and equality and shares of the same class shall carry same rights.

The issue conditions and price per share of the same class in the same issue shall be the same; the same price shall be paid for each share subscribed for by any entities or individuals.

**Article 16** All the shares issued by the Company shall bear a par value and have a par value denominated in RMB which shall be RMB1 for each share.

**Article 17** The Company may, with approval from the NAFR and the securities regulatory authorities under the State Council, issue shares to domestic and overseas investors.

For the purpose of the foregoing paragraph, the term “overseas investors” shall refer to investors from foreign countries or the Hong Kong Special Administrative Region, the Macao Special Administrative Region or Taiwan that subscribe for shares issued by the Company. The term “domestic investors” shall refer to investors inside the People’s Republic of China, excluding the above-mentioned regions, that subscribe for shares issued by the Company.

**Article 18** The shares issued by the Company to domestic investors for subscription in RMB shall be referred to as domestic shares. The shares issued by the Company to overseas investors for subscription in foreign currencies shall be referred to as foreign shares. The shares listed and traded on overseas stock exchanges with approvals from the authorities delegated by the State Council and overseas securities regulatory authorities shall be referred to as overseas-listed shares. The foreign shares that are listed neither domestically nor abroad shall be referred to as unlisted foreign shares.

For the purpose of the foregoing paragraph, the term “foreign currencies” shall refer to the legal currencies of countries or districts outside the PRC which are recognized by the foreign exchange authority of the State and which can be used for payment of shares to the Company.

Upon the completion of overseas offering and listing of the Company’s shares, the Company’s shareholders may transfer to overseas investor or convert into overseas listed foreign shares, the whole or part of their unlisted shares (as defined below) for overseas listing and trading, upon approvals of the State Council or its securities regulatory authorities, which shall not be deemed as the Company intention to change or cancel the rights of class shareholders. Listing and trading of such shares on overseas stock exchange(s) shall also comply with the regulatory procedures, provisions and requirements of overseas securities market(s). No shareholder’s general meeting or shareholder’s class meeting for voting is required in respect of the aforementioned shares to be listed and traded on overseas stock exchanges or the domestic shares to be converted into foreign shares and listed and traded on overseas stock exchanges under the aforementioned circumstance. Domestic shares and unlisted foreign shares (hereinafter collectively as “unlisted shares”) held by the Company’s shareholders will be converted to overseas-listed shares after obtaining the approval for overseas listing and trading, and are within the same class of shares together with the original overseas-listed shares.

**Article 19** With the approval by the departments in charge of company examination and approval as authorized by the State Council, the Company is authorized to issue up to a total of 1,439,918,900 ordinary shares. The total number of ordinary shares approved for issue upon the Company’s establishment was 1,000,000,000 shares, all of which will be subscribed by promoters.

**Article 20** Upon the Company's establishment, all promoters have contributed in the form of money, the registered capital is RMB1,000,000. The name of each promoter, number of shares subscribed, amount of shares subscribed, shareholding percentage and date of capital contribution are shown in the promoter table below:

No.	Name of promoters	Capital contribution amount (RMB100 million)	Number of shares subscribed 100 million shares)	Shareholding percentage	Form of capital contribution	Date of capital contribution
1	Zhejiang Alibaba E-commerce Co., Ltd. (now renamed as Ant Group Co., Ltd.)	1.99	1.99	19.9%	Cash	August 1, 2013
2	Shenzhen Tencent Computer Systems Company Limited	1.50	1.50	15.0%	Cash	August 1, 2013
3	Ping An Insurance (Group) Co. of China, Ltd.	1.50	1.50	15.0%	Cash	August 1, 2013
4	Unifront Holding Limited	1.50	1.50	15.0%	Cash	August 1, 2013
5	Shenzhen Jia De Xin Investment Company Limited	1.40	1.40	14.0%	Cash	August 1, 2013
6	Cnhooray Internet Technology Co. Ltd.	0.81	0.81	8.1%	Cash	August 1, 2013
7	Beijing Ctrip International Travel Agency Limited	0.50	0.50	5.0%	Cash	August 1, 2013
8	Shanghai Yuanqiang Investment Company Limited	0.50	0.50	5.0%	Cash	August 1, 2013
9	Shenzhen Rixun Internet Company Limited	0.30	0.30	3.0%	Cash	August 1, 2013
	Total	10.00	10.00	100%		

As approved by the relevant companies authority delegated by the State Council, after its initial public offering of the overseas listed shares for listing on the Hong Kong Stock Exchange on September 28, 2017, as of December 31, 2017, the Company's share capital structure is: 1,469,812,900 ordinary shares in total, among which 1,000,000,000 are domestic shares, representing 68.04% of the Company's total ordinary shares then in issue; and 469,812,900 are overseas listed shares, representing 31.96% of the Company's total ordinary shares then in issue.

\* Please refer to Schedule 1 for the information on the previous share transfer.

**Article 21** The registered capital of the Company is RMB1,469,812,900.

**Article 22** The Company's share capital structure is: 1,469,812,900 ordinary shares in total, among which 50,000,000 are unlisted shares, representing 3.4018% of the total ordinary shares issued by the Company; and 1,419,812,900 are overseas listed shares, representing 96.5982% of the total ordinary shares issued by the Company. The Company's shareholding structure is set out as below:

<b>Full name of shareholder</b>	<b>Number of shares held (share)</b>	<b>Shareholding percentage</b>
<b>Domestic shares:</b>		
Shanghai Yuanqiang Investment Company Limited	50,000,000	3.4018%
<b>Total domestic shares</b>	<b>50,000,000</b>	<b>3.4018%</b>
<b>Total overseas listed foreign share</b>	<b>1,419,812,900</b>	<b>96.5982%</b>
<b>Total share capital</b>	<b>1,469,812,900</b>	<b>100.0000%</b>

Unlisted shares issued by the Company are under centralized depositary of China Securities Depository and Clearing Corporation Limited; whereas the overseas listed shares issued by the Company are under centralized depositary of Hong Kong Securities Clearing Company Limited or share registrar.

**Article 23** Subject to the approval of the Company's plans for issuing overseas listed shares and domestic shares by the securities regulatory authorities of the State Council, the board of directors of the Company may arrange for implementation of such plan by separate issues.

The Company may separately implement its plan for issuing overseas-listed shares and domestic shares pursuant to the preceding paragraph within fifteen (15) months from the date of approval of the securities regulatory authorities of the State Council.

**Article 24** Where the Company issues overseas-listed shares and domestic shares respectively within the total number of shares specified in the issuance plan, the respective shares shall be fully subscribed for in one go. Where it is impossible for respective shares to be fully subscribed for in one go under exceptional circumstances, the shares may be issued in several tranches subject to the approval of the securities regulatory authorities of the State Council.

## **Section 2 Increase/Deduction and Buyback of Shares**

**Article 25** The Company may, based on its business and development needs and in accordance with laws, regulations, regulatory documents and the Articles of Association, increase its capital in the following manners subject to resolutions being adopted by the shareholders' general meetings and approvals from NAFR and other relevant regulatory authorities:

- (I) Public offering of shares;
- (II) Non-public offering of shares;
- (III) Placing shares to its existing shareholders;
- (IV) Issuing bonus shares to its existing shareholders;
- (V) Capitalizing its capital common reserve;
- (VI) Any other means permitted by laws and administrative regulations and the relevant regulatory authorities.

The Company's increase of capital by issuing new shares shall, after being approved in accordance with the provisions of the Articles of Association, complete a change in registration in accordance with the procedures stipulated in the relevant laws and administrative regulations of the PRC.

**Article 26** Pursuant to laws, regulations, regulatory documents and the Articles of Association, upon the resolution of the shareholders' general meeting and the approval from NAFR and other relevant regulatory authorities, the Company may reduce its registered capital in accordance with the procedures stipulated by the Company Law, the Insurance Law, other relevant regulations and the Articles of Association.

The Company shall prepare a balance sheet and a list of assets before the shareholders' general meeting passes its resolution.

The Company shall notify its creditors within ten (10) days after the date of resolution on reducing the registered capital and announce it on a newspaper at least three times within thirty (30) days. Creditors have the right to request the Company to repay its debts or to provide relevant debt-settling guarantee within thirty (30) days after receiving the notice or within forty-five (45) days after the date of the first announcement if no such notice has been received.

The Company's registered capital after capital reduction shall not be less than the statutory minimum amount.

For a reduction in the registered capital by the Company, a change in registration shall be completed in accordance with relevant provisions of the Company Law, the NAFR and other regulatory authorities and the procedures stipulated by the Articles of Association.

**Article 27** The Company may repurchase its shares under the following circumstances in accordance with the procedures set out in the Articles of Association and subject to the approval from the relevant competent authority of the PRC:

- (I) Reducing its registered capital;
- (II) Merging with other companies which hold shares of the Company;
- (III) Using its shares in the employee stock ownership plan or as share incentive;

- (IV) Acquiring shares held by shareholders who vote against any resolution proposed in any shareholders' general meeting on the merger or division of the Company upon their request;
- (V) Using the shares to satisfy the conversion of corporate bonds convertible into shares and issued by the Company;
- (VI) Safeguarding corporate value and shareholders' equity as the Company deems necessary.

The Company's purchase of its own shares pursuant to items (I) and (II) of paragraph 1 of this Article shall be subject to resolution of the shareholders' general meeting. The Company's purchase of its own shares pursuant to items (III), (V) and (VI) of this Article shall be subject to resolution of the Board meeting where over two-thirds (2/3) of the directors are present.

After the purchase of its own shares, the Company shall duly perform its duties in information disclosure in accordance with the Securities Law.

**Article 28** The Company can repurchase its shares in one of the following ways with approval from the relevant competent authority of the PRC:

- (I) Making a general offer to repurchase shares from all shareholders in proportion to their shareholdings;
- (II) Repurchase through open transaction in stock exchanges;
- (III) Repurchase through an off-market agreement;
- (IV) Other ways permitted by the PRC laws, administrative regulations and regulatory requirements or by relevant securities regulatory authorities or stock exchange of the place where the Company's shares are listed.

**Article 29** Where the Company buy-backs its shares through an off-market agreement, it shall seek prior approval of the shareholders' general meeting in accordance with the Articles of Association. The Company may rescind or revise a contract entered into in the aforementioned manner or waive any of its rights thereunder with prior approval of the shareholders' general meeting obtained in the same manner.

The contract for the share buy-back referred to in the preceding paragraph of this Article includes but not limited to agreements assuming obligations of share buy-back and acquiring the rights of the shares bought back.

The Company shall not assign a contract for repurchasing its own shares or any of its rights thereunder.

Where the Company has the right to purchase redeemable shares, the repurchase price shall be limited to a maximum price if the purchases are not made through a stock exchange or by tender. If purchases are made by tender, tenders shall be made available to all shareholders on the same terms.

**Article 30** After the shares are bought back by the Company pursuant to the laws, the Company shall cancel such shares with approval from NAFR within the period prescribed by laws and administrative regulations, and shall apply to the original relevant company registration authority for registration of the change in its registered capital.

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

**Article 31** Unless the Company is in the course of liquidation, it shall comply with the following provisions in respect of the buy-back of its outstanding issued shares:

- (I) Where the Company buys back its shares at par value, payment shall be made out of the book balance of the distributable profits of the Company and/or out of proceeds of a new issue of shares made for the buy-back of shares;
- (II) Where the Company buys back shares at a price higher than their par value, the portion corresponding to their par value shall be deducted from the book balance of distributable profits and/or from the proceeds of a new shares issuance made to buy back the old shares; and the portion in excess of the par value shall be handled according to the following methods:
  - 1. If the shares bought back were issued at par value, payment shall be made out of the book balance of the distributable profits of the Company;

2. If the shares bought back were issued at a price higher than their par value, payment shall be made out of the book balance of the distributable profits of the Company and/or out of the proceeds of a new issue of shares made for the buy-back of shares, provided that the amount paid out of the proceeds of the new issuance of shares shall not be more than the aggregate of premiums received by the Company at the time of the issuance of the shares bought back nor shall it be more than the amount of the Company's premium account (or capital common reserve account) at the time of such buy-back (including the premiums on the new issue of shares).

(III) Payment by the Company for the following purposes shall be paid out of the Company's distributable profits:

1. Acquisition of rights to buy-back shares of the Company;
2. Variation of any contract for repurchasing shares of the Company;
3. Release of any of the Company's obligations under any contract for repurchasing its shares.

(IV) After the par value of the cancelled shares has been deducted from the registered capital of the Company in accordance with the relevant regulations, the amount deducted from the distributable profits for payment for repurchasing shares at their par value shall be accounted for in the Company's premium account (or capital common reserve account).

Where the laws, administrative regulations, departmental rules, regulatory documents and relevant requirements of the securities regulatory authorities in the place where the Company's shares are listed have any other provisions in respect of the financial arrangement related to the aforementioned share buy-back, such provisions shall prevail.

### **Section 3 Financial Assistance for Acquisition of the Company's Shares**

**Article 32** The Company or its subsidiaries shall not, by any means at any time, provide any financial assistance to a person who is acquiring or is proposing to acquire shares of the Company, including the directors, supervisors and senior management members of the Company. The said acquirer of shares of the Company shall include a person who directly or indirectly assumes any obligations for the purpose of acquiring shares of the Company.

The Company or its subsidiaries shall not, by any means and at any time, provide financial assistance to the said obligor for the purpose of reducing or discharging the obligations.

The provisions in this Article shall not apply to the circumstances stated in Article 34 of this section.

**Article 33** For the purpose of this section, “financial assistance” includes but not limited to the following means:

- (I) Gift;
- (II) Guarantee (including the undertaking of liability or provisions of property by the guarantor to secure the performance of the obligation by the obligor), or indemnity (other than indemnity arising from the Company's own fault) and release or waiver of rights;
- (III) Provision of a loan or conclusion of a contract under which the obligations of the Company are to be fulfilled prior to the obligations of the other party to the contract, and a change in the parties to, and the assignment of rights arising under, such loan or contract;
- (IV) Any other form of financial assistance given by the Company when the Company is insolvent or has no net assets or when such assistance would lead to significant reduction in the Company's net assets.

For the purpose of this section, “assuming an obligation” includes the assumption of obligations by way of contract or the entering into of an arrangement (whether enforceable or not, and whether entered into on its own account or with any other persons), or by the changing of the obligor's financial position by any other means.

**Article 34** The following activities shall not be deemed to be activities prohibited under Article 32 of this section, except for those prohibited by relevant laws, regulations and regulatory documents:

- (I) The financial assistance by the Company is given in good faith and in the interest of the Company, and the principal purpose of the financial assistance is not for the acquisition of shares of the Company, or the financial assistance is an ancillary part of a master plan of the Company;
- (II) The lawful distribution of the Company's assets by way of dividends;
- (III) The allotment of shares as dividends;
- (IV) A reduction of registered capital, a repurchase of shares or a reorganization of the capital structure of the Company in accordance with the Articles of Association;
- (V) The provision of a loan by the Company within its scope of business and in the ordinary course of its business (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are reduced, the financial assistance is paid out of the distributable profits of the Company);
- (VI) The provision of money by the Company for an employee stock ownership plan (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance is paid out of the distributable profits of the Company).

#### **Section 4 Transfer and Pledge of Shares**

**Article 35** Unless otherwise provided in laws, administrative regulations and the requirements of the securities regulatory authority or, stock exchange of the place where the shares of the Company are listed and/or NAFR, shares of the Company are transferrable free of lien.

Transfer of shares of the Company requires registration with the share registrar appointed by the Company. Transfer of overseas-listed shares listed in Hong Kong requires registration with the share registrar in Hong Kong appointed by the Company. Transfer of shares of the Company shall be reported to the Company in writing within fifteen (15) business days from the date of signing the share transfer agreement. The laws, regulations and trading rules of the place of listing are applicable to transfer of overseas listed shares.

**Article 36** All overseas-listed shares listed in Hong Kong which have been fully paid in are freely transferable according to the Articles of Association, shareholders of the Company are not entitled to the right to priority in purchase; provided that, unless such transfer complies with the following requirements, the board of directors may refuse to acknowledge any instrument of transfer and will not need to provide any reason therefor:

- (I) Instrument of transfer and other documents relating to or affecting the title to any shares shall be registered with the share registrar appointed by the Company, and the expense for registration shall be paid to the Company in an amount as stipulated in the Hong Kong Listing Rules provided that such expense shall not exceed the maximum amount prescribed by the Hong Kong Listing Rules;
- (II) The transfer instrument involves only the overseas-listed shares listed on Hong Kong Stock Exchange;
- (III) The stamp duty payable under the laws of Hong Kong on the instrument of transfer has been paid;
- (IV) The relevant share certificates and evidence reasonably required by the board of directors showing that the transferor has the rights to transfer such shares shall be provided;
- (V) If the shares are proposed to be transferred to joint holders, the number of such joint shareholders shall not be more than four (4);
- (VI) The relevant shares are free of any lien.

If the board of directors refuses to register the transfer of shares, the Company shall serve a notice of refusal of such transfer of shares to the transferor and the transferee within two (2) months from the date when the formal application of such transfer is submitted.

**Article 37** All overseas-listed shares listed in Hong Kong shall be transferred by a written instrument of transfer in any usual or common form or any other form which the board of directors accepts. The written instrument of transfer may be executed by hand or (if the transferor or the transferee is a company) affixed with the Company's effective seal. If the transferor or the transferee is a recognised clearing house (hereinafter referred to as the "Recognised Clearing House") as defined by the relevant regulations of the laws of Hong Kong in effect from time to time or the agent thereof, the written instrument of transfer may be executed by hand or by machine imprinted signatures.

All transfer instruments shall be kept at the legal address of the Company or any address specified by the board of directors from time to time.

If the board of directors refuses to register the transfer of shares, the Company shall serve a notice of refusal of such transfer of shares to the transferor and the transferee within two (2) months from the date when the formal application of such transfer is submitted.

**Article 38** The Company shall not accept its shares being held by the Company's shareholders as security under a pledge.

**Article 39** Shares issued by the Company before the share offering shall not be transferred within one year from the date on which the shares of the Company are listed on a stock exchange.

During their tenure, directors, supervisors and senior management members of the Company shall periodically report their shareholdings in the Company and the respective changes. During their tenure, no shares exceeding 25% of his/her total shareholding in the Company shall be transferred within one year; and no transfer of shares held by him/her shall be allowed within one year since the date when the shares in the Company are listed. The aforesaid personnel shall not transfer the shares held by him/her within half a year after leaving office.

If the securities regulatory authorities of the place where the shares in the Company are listed impose other requirements on the transfer restrictions of overseas-listed shares, such requirements shall be followed.

**Article 40** Where the shareholders transfer shares in the Company, they shall submit written reports on the day when such transfer takes place.

## **Chapter 4 Share Certificates and Register of Shareholders**

**Article 41** The share certificates of the Company shall be in registered form. In addition to the matters specified by the Company Law, the share certificates of the Company shall contain those required to be contained therein by the stock exchange(s) on which the shares of the Company are listed (including the Hong Kong Listing Rules).

**Article 42** The share certificates shall be signed by the chairman of the board of directors. Where the signatures of senior management members of the Company are required by the securities regulatory authorities or stock exchange of the place(s) in which the Company's shares are listed, the share certificates shall also be signed by such senior management members. The signature of chairman of the board of directors or senior management members on the share certificates may also be in printed form. The share certificates shall become effective after the Company's seal is affixed thereto or printed thereon. The share certificates shall only be affixed with the Company's seal under the authorization of the board of directors.

In case of scriptless issue and trading of the shares of the Company, the applicable provisions provided by the securities regulatory authorities where the shares of the Company are listed shall prevail.

**Article 43** The Company shall maintain a register of shareholders, which shall contain the following particulars:

- (I) The name, address (domicile), occupation or nature of each shareholder;
- (II) The class and number of shares held by each shareholder;
- (III) The amount paid or payable in respect of the shares held by each shareholder;
- (IV) The serial numbers of the shares held by each shareholder;
- (V) The date on which each shareholder is registered as a shareholder;
- (VI) The date on which each shareholder ceases to be a shareholder.

The register of members shall be sufficient evidence of the holding of the Company's shares by a shareholder, unless there is evidence to the contrary. Subject to compliance with the Articles of Association and all other applicable requirements and upon transfer of the Company's shares, the transferees of the shares will become the holders of such shares with their names being entered in the register of shareholders.

**Article 44** In relation to the warrants held by bearer, no new warrant shall be issued to replace one that has been lost unless the Company is satisfied beyond reasonable doubt that the original warrant thereof has been destroyed.

**Article 45** The Company may, pursuant to the understanding and agreements made between the securities regulatory authorities of State Council and overseas securities regulatory authorities, keep the register of shareholders of overseas-listed shares outside the PRC and appoint overseas agent(s) for management.

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

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

The original register of holders of overseas-listed shares listed in Hong Kong shall be kept in Hong Kong.

**Article 46** The Company shall keep a complete register of shareholders, which shall include the followings:

- (I) The register of shareholders kept at the Company's address other than those parts specified in items (II) and (III) of this Article;
- (II) The registers of shareholders of overseas-listed shares of the Company kept in the places of the stock exchange(s) outside the PRC on which the shares are listed;
- (III) The registers of shareholders kept in other places as the board of directors may decide necessary for the listing of the Company's shares.

**Article 47** Different parts of the register of shareholders shall not overlap. No transfer of the shares registered in any part of the register shall be registered in any other part of the register of shareholders at the same time.

Alteration or rectification of each part of the register of shareholders shall be made in accordance with the laws of the place where each part of the register of shareholders is kept.

**Article 48** Where the laws and regulations in the PRC and the Listing Rules of the Stock Exchange stipulate the period of closure of the register of members of the Company prior to the convening of shareholder's general meeting or prior to the record date for determination of dividend distributions by the Company, such provisions shall prevail.

**Article 49** When the Company intends to convene a shareholders' general meeting, distribute dividends, liquidate and engage in other activities that involve the determination of shareholdings, the Board shall decide the date for the determination of shareholdings. Shareholders whose names appear in the register of members at the end of such date for the determination of shareholdings are deemed to be shareholders of the Company.

**Article 50** Any person who disputes the register of shareholders and requests to have his name entered in or removed from the register of shareholders may apply to a competent court for rectification of the register.

**Article 51** Any shareholder who is registered in, or any person who requests to have his name entered in, the register of shareholders may apply to the Company for issue of a replacement share certificate in respect of such shares (the "Relevant Shares") if his share certificate (the "Original Certificate") is lost.

If a shareholder who has lost his share certificate of unlisted shares applies for a replacement share certificate, it shall be dealt with in accordance with the relevant provisions of the Company Law.

If a shareholder who has lost his share certificate of overseas-listed shares applies for a replacement share certificate, it shall be dealt with in accordance with the laws, rules of the stock exchange(s) or other relevant provisions of the place where the original register of holders of overseas-listed shares is kept.

If holders of overseas-listed shares of a company to be listed in Hong Kong who have lost their share certificates and apply for replacement of share certificates, such replacement shall comply with the following requirements:

- (I) The applicant shall submit an application to the Company in prescribed form accompanied by a notarial certificate or statutory declaration containing the reason for the application and the circumstances and evidence of the lost share certificates as well as a declaration that no other person shall be entitled to request for registration as the shareholder in respect of the Relevant Shares.

- (II) No statement has been received by the Company from a person other than the applicant who request to have his name registered as a holder of the Relevant Shares before the Company decides to issue the replacement share certificate.
- (III) The Company shall, if it decides to issue a replacement share certificate to the applicant, publish an announcement of its intention to issue the replacement share certificate in such newspapers designated by the board of directors. The announcement shall be published repeatedly at least once every thirty (30) days within the period of the announcement of ninety (90) days.
- (IV) The Company shall have, prior to the publication of its announcement of intention to issue a replacement share certificate, delivered a copy of the announcement to be published to the stock exchange on which its shares are listed. The Company may publish the announcement upon receiving a confirmation from such stock exchange that the announcement has been exhibited at the premises of the stock exchange. The announcement shall be exhibited at the premises of the stock exchange for a period of ninety (90) days.

In case an application to issue a replacement share certificate has been made without the consent of the registered holder of the Relevant Shares, the Company shall send by post to such registered shareholder a photo copy of the announcement to be published.

- (V) If, upon expiration of the 90-day period referred to in items (III) and (IV) of this Article, the Company has not received from any person any objection to such issue of a replacement share certificate, the Company may issue a replacement share certificate to the applicant according to his application.
- (VI) Where the Company issues a replacement share certificate under this Article, it shall immediately cancel the Original Certificate and record such cancellation and issue in the register of shareholders accordingly.
- (VII) All expenses relating to the cancellation of an Original Certificate and the issue of a replacement share certificate by the Company shall be borne by the applicant. The Company shall be entitled to refuse to take any action until a reasonable guarantee is provided by the applicant for such expenses.

**Article 52** Where the Company issues a replacement share certificate pursuant to the Articles of Association, the name of a bona fide purchaser who obtains the aforementioned replacement share certificate or a shareholder who thereafter registers as the owner of such shares (provided that he is a bona fide purchaser) shall not be removed from the register of shareholders.

**Article 53** The Company shall not be liable for any damages sustained by any person due to the cancellation of the Original Certificate or the issue of the replacement share certificate, unless the claimant can prove fraud on the part of the Company.

## **Chapter 5 Shareholders and Shareholders' General Meeting**

### **Section 1 Shareholders**

**Article 54** A shareholder of the Company is a person who lawfully holds shares of the Company and whose name is registered in the register of shareholders. Shareholders shall enjoy rights and have obligations in accordance with the class of shares held by them. Shareholders holding the same class of shares shall be entitled to equal rights and have equal obligations.

Holders of unlisted foreign shares and domestic shares are in the same class of shareholders, namely the holders of unlisted shares, despite other provisions of the Articles of Association, especially for the holders of unlisted foreign shares who shall be entitled to participate in and vote at the same class of general meetings with holders of domestic shares and receive the notice convening the same class of general meetings. The quorum for a certain class meeting (other than an adjourned meeting) to consider a variation of the rights of any class of shares shall be the holders of at least one-third of the issued shares of that class.

Two or more persons registered as joint holders of any shares shall be deemed as joint owners of relevant shares, but shall be subject to the following conditions:

- (I) The Company shall register for no more than four (4) persons as the joint shareholders of any shares;
- (II) All the joint shareholders of any shares shall be jointly and severally liable for all amounts payable for the relevant shares;

(III) If one of the joint shareholders is deceased, only the other surviving joint shareholders shall be deemed as the persons who have the ownership of the relevant shares. But the board of directors has the power to require them to provide a death certificate of the relevant shareholder as necessary for the purpose of revising the relevant register of shareholders; and

(IV) In respect of the joint shareholder of any shares, any of the joint shareholders may attend a general meeting or exercise his voting right (in person or by proxy). If more than one of such joint shareholders are present at the meeting, either personally or by proxy, then the vote of the person, whose name stands first on the register of members in respect of such shares shall be accepted to the exclusion of the vote(s) of the other joint holder(s). Any notice which is delivered to such above shareholder shall be deemed to be delivered to all the joint shareholders of the relevant shares.

**Article 55** Shareholders of ordinary shares of the Company shall enjoy the following rights:

- (I) The rights to receive dividends and other forms of distribution in proportion to the number of shares held by them;
- (II) The rights to request, convene, host, attend or appoint proxy to attend shareholders' general meetings and exercise corresponding voting rights in accordance with the law;
- (III) Shareholders individually or collectively holding 3% or more of the Company's shares are entitled to nominate candidates of directors or supervisors;
- (IV) The rights to supervise the operation of the Company and to put forward proposals and raise inquiries;
- (V) The rights to transfer, donate, or pledge shares held by them in accordance with laws, regulations, regulatory provisions and the Articles of Association;
- (VI) The rights to obtain relevant information in accordance with laws, regulations, regulatory provisions and the Articles of Association, including:
  - 1. to obtain a copy of the Articles of Association upon payment of the cost of such copy;

2. to inspect and photocopy upon payment of a reasonable charge, of:
  - (1) all parts of the register of shareholders;
  - (2) personal particulars of each of the directors, supervisors, managers and other senior management of the Company, including:
    - (a) current and previous names and aliases;
    - (b) main address (domicile);
    - (c) nationality;
    - (d) full-time and all other part-time occupations and duties;
    - (e) identification documents and their numbers.
  - (3) the status of the Company's share capital;
  - (4) reports of the aggregate par value, number of shares, highest and lowest prices paid by the Company in respect of each class of shares bought back by the Company since the end of the last financial year and all the expenses paid by the Company therefor;
  - (5) stubs of corporate bonds;
  - (6) minutes of shareholders' general meetings, minutes of meetings of the board of directors, and minutes of meetings of the supervisory committee of the Company;
  - (7) resolutions of shareholders' general meeting, resolutions of meetings of the board of directors, and resolutions of meetings of the supervisory committee of the Company;
  - (8) directors' reports, board of the supervisors' reports and auditor's reports;
  - (9) copies of the latest annual return filed with the administrative bureau for industry and commerce or other competent authorities;

(10) documents mentioned in items (1) to (9) excluding item (2) above and other applicable documents shall be made available by the Company at the Company's place of business in Hong Kong in accordance with the Hong Kong Listing Rules, for inspection by the public and holders of overseas listed shares with no charge;

(11) financial accounting reports;

(12) the Company may refuse any request of inspection or duplication if trade secrets and inside information of the Company or the personal privacy of persons concerned are involved.

(VII) In the event of the termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company in accordance with the number of shares held;

(VIII) To request the Company to repurchase shares from the shareholders who cast votes against the proposal for merger or division at shareholders' meeting;

(IX) To know and participate in the Company's significant events as specified in laws, regulations, regulatory provisions and the Articles of Association;

(X) To request the recording and change of the register of members;

(XI) Other rights as specified by laws, administrative regulations, departmental rules or the Articles of Association.

If any person holding direct or indirect interest in shares exercises his rights on the shares of the Company without revealing such interest to the Company, the Company shall not compromise such person's rights on the shares of the Company by freezing such rights or otherwise.

**Article 56** Where shareholders request for inspection of the relevant information or demand for materials as mentioned in the preceding Article, they shall make requests in writing to the Company and provide evidence that they hold shares of the Company. Upon verification of the shareholder's identity, the Company shall provide information requested by such shareholder.

**Article 57** If a resolution passed at the shareholders' general meeting or meeting of the board of directors violates the laws or regulations, the shareholders shall have the rights to submit a petition to the People's Court to render the same invalid.

If the procedures for convening, or the method of voting at, a shareholders' general meeting or meeting of the board of directors violate the laws, regulations or the Articles of Association, or the contents of a resolution violate the Articles of Association, shareholders may have the rights to submit a petition to the People's Court to revoke such resolution within sixty (60) days from the date on which such resolution is adopted.

If the Company completes the formalities in respect of the change of registration pursuant to a shareholders' resolution or a board resolution, the Company shall apply to the company registration authority for cancelling the change of registration after the People's Court has declared that such resolution is invalid or has rescinded such resolution.

**Article 58** The list of candidates for directors and supervisors shall be submitted by way of proposal for the consideration at the shareholders' general meeting.

The shareholder(s) individually or jointly holding more than 3% of the Company's voting shares is/are entitled to propose in writing to the board of directors or the supervisory committee candidates for directors or supervisors within seven (7) days of the notice convening the shareholders' general meeting provided the number of candidates for directors or supervisors shall not exceed the vacancy of the board of directors and the supervisory committee.

The written notices for the intention to nominate a candidate for director or non-employee representative supervisor and the acceptance of nomination by such candidate and the written information of the nominated candidate shall be given to the Company no less than seven (7) days prior to the date of the shareholders' general meeting (such seven (7)- day period shall commence no earlier than the second day after the issue of the notice of the meeting at which the election shall be conducted and end no later than seven (7) days prior to the shareholders' general meeting).

The candidates for director and supervisor are required to make written undertakings before the shareholders' general meeting is convened that he/she agrees to accept the nomination and the information provided to the shareholders is true and complete and warrants that he/she will perform his/her duties as a director or supervisor upon election.

**Article 59** Where the Company incurs loss as a result of violation of the laws, regulations or the Articles of Association by directors and senior management in the course of performing their duties, shareholders individually or jointly holding 1% or more of the shares with voting rights of the Company for one hundred and eighty (180) consecutive days or more shall have the rights to request in writing to the supervisory committee to initiate legal proceedings in the People’s Court. Where the Company incurs loss as a result of violation of laws, administrative regulations or the Articles of Association by supervisors in the course of performing their duties, the shareholders shall have the rights to request in writing to the board of directors to initiate legal proceedings in the People’s Court.

If the supervisory committee or the board of directors refuses to initiate legal proceedings upon receipt of the written request of shareholders stated in the preceding paragraph, or fails to initiate such legal proceedings within thirty (30) days from the date on which such request is received, or in case of emergency where failure to initiate such proceedings immediately will result in irreparable damage to the Company’s interests, shareholders described in the preceding paragraph shall have the rights to initiate legal proceedings in the People’s Court directly in their own names in the interest of the Company.

If any person infringes the lawful rights and interests of the Company, thus causing any losses to the Company, the shareholders individually or jointly holding 1% or more of the shares with voting rights of the Company for one hundred and eighty (180) consecutive days or more may initiate legal proceedings in the People’s Court in accordance with the provisions of the two preceding paragraphs of this Article.

If any directors, supervisors or senior management members have violated the laws, regulations, regulatory requirements or provisions of the Articles of Association, thus causing harm to the Company or interest of shareholders, the shareholders shall have the rights to reflect the problems to the NAFR directly.

**Article 60** Shareholders of the Company shall have the following obligations:

- (I) To abide by laws, regulations, normative documents and the Articles of Association;
- (II) To pay for the shares based on the shares subscribed for and the manners in which they became shareholder, and shall contribute by legitimate source of self-owned funds but not by entrusted funds, debt funds and other non-self-owned funds, unless otherwise required by laws and regulations or regulatory systems;

- (III) To comply with the regulatory requirements on shareholding and the number of shareholding institutions and no authorization for, or acceptance of authorization from, any other person to hold shares of the Company;
- (IV) Unless otherwise specified in laws, regulations and regulatory requirements, the Company shall not return shares;
- (V) Shareholders and their controlling shareholders and de facto controllers shall not abuse their shareholders' rights or use related party relations to jeopardize the legal interests of the Company, other shareholders and stakeholders, and shall not interfere in the decision-making power and management power entitled to the Board and senior management pursuant to the Articles, nor direct interference beyond the Board and senior management in the operation and management of the Company; and not to abuse the status of the Company as an independent legal person and the limited liability of shareholders to jeopardize the interests of any creditors of the Company;

Where shareholders of the Company abuse their shareholders' rights, thus causing any losses to the Company or other shareholders, such shareholders shall be liable for compensation in accordance with laws;

Where shareholders of the Company abuse the Company's status as an independent legal person and the limited liability of shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company;

- (VI) Where the solvency of the Company does not meet the regulatory requirements, it shall not distribute any profit to its shareholders. Shareholders shall support the Company to improve its solvency, and the substantial shareholders shall make a long-term commitment in writing to the Company to replenish its capital, if necessary, as part of the Company's capital plan, unless the substantial shareholders are state administrative authorities, government departments, National Council for Social Security Fund and parties as approved and exempted by the NAFR;

Where the Company is required to address its insolvency by way of additional capital contribution, the shareholders who are unable to make or has not made additional capital contribution shall consent to other shareholders or investors adopting reasonable measures to increase the Company's capital. Notwithstanding the foregoing, the respective liability of the shareholders to the Company shall be only limited to the shares held by them;

(VII) Particulars including their financial information, shareholding structure, sources of capital contribution, controlling shareholders or de facto controllers, related parties, persons acting in concert, ultimate beneficiaries, investment in other financial institutions etc. shall be reported to the Company truthfully according to the laws, regulations and regulatory provisions, and any change in their controlling shareholders or de facto controllers, related parties, persons acting in concert and ultimate beneficiaries shall be notified in writing to the Company within five (5) business days after the occurrence of such changes, and the procedures pursuant to regulatory requirement shall be performed. Save otherwise provided in the laws, regulations and listing rules of the place of listing in the case of overseas listed shares;

(VIII) If the shares of the Company held by a shareholder are involved in a litigation, arbitration, subject to legal enforcement by judicial authorities or subject to pledge, or discharged from pledge, the relevant shareholder shall inform the Company in the form of a written letter on the date on which he/she is aware of the formal launch of the litigation or arbitration produces (litigation produce is based on the date on which the relevant shareholder receives a notice of filing issued by the court, and arbitration produce is based on the date on which the relevant shareholder receives a notice of arbitration), or within fifteen (15) days from the date on which he/she is aware that legal enforcement measures are adopted for the shares, or within three (3) days from the date on which he/she is aware that the shares are subject to pledge or discharged from pledge, to facilitate the Company to inform other shareholders of relevant information in a timely manner. Save otherwise provided in the laws, regulations and listing rules of the applicable stock exchange in the case of overseas-listed shares;

- (IX) If any shareholder is involved in a merger, spin-off, being subject to measures including suspension of operation for rectification, designated custody, takeover or cancellation, or enters into dissolution, liquidation, bankruptcy, proceedings, or change in equity interest is not completed within three months from the date on which the same is approved by the NAFR, or any change occurs in his/her/its legal representative, company name, operating premises, scope of operation and other material events, he/she/it shall inform the Company in writing within fifteen (15) business days after the actual occurrence of the aforesaid changes. Save otherwise provided in the laws, regulations and listing rules of the applicable stock exchange in the case of overseas-listed shares;
- (X) To observe and implement the relevant resolutions of the shareholders' general meeting;
- (XI) When risk events or material breaches occur in the Company, it shall cooperate with the regulatory authority to conduct investigation and to dispose of the risks;
- (XII) If a shareholder transfers or pledges his/her/its equity interest in the insurance company, or conducts related transactions with the Company, he/she/it shall comply with the laws, regulations and regulatory provisions, the interest of other shareholders and the Company shall not be adversely affected, no agreement shall be made for the pledgee or other related parties to exercise the voting rights, and it is not allowed, in the form of pledge of equity interest, to hold the equity interest of the Company on behalf, to hold shares illegally through a related party, or to transfer equity interest in a disguised manner;
- (XIII) Shareholders shall not engage in improper related-party transactions with the Company, and shall not obtain improper benefits by taking advantage of their influence on the Company's operation or management;
- (XIV) The shares held by a single shareholder of the Company shall not exceed one third (1/3) of the registered capital of the Company; the shares held by a single domestic limited partnership enterprise shall not be accounted for more than 5% of the registered capital of the Company, and the shares held by multiple domestic limited partnerships shall not exceed 15% of the registered capital of the Company; single asset management schemes or trust products may hold the shares of the Company

by purchasing publicly issued shares, which shall not account for more than 5% of the total share capital of the Company. Unless otherwise provided by laws and regulations.

- (XV) Other obligations imposed by laws, regulations, normative documents and the Articles of Association.

According to the laws and regulations and regulatory provisions, the Company shall establish corresponding loss absorption and risk prevention mechanism in case of major risks by formulating recovery and disposal plans.

**Article 61** After the listing of the shares of the Company and the purchase of shares by investors, if the shares held by any investor of the Company exceeds 5%, 15% and one-third (1/3) of the Company's aggregate shares, this fact must be reported to the Company in writing on the day of its occurrence, so that the Company can report to the NAFR for approval within 5 days thereof. If a shareholder holds more than 5%, 15% and one-third (1/3) of the total outstanding shares ("Excess Shares") issued by ZhongAn Online without the prior approval of NAFR, such shareholder shall, before obtaining the approval from the NAFR, be subject to necessary restrictions when exercising the shareholders' rights set out in Article 55 of the Articles of Association based on its shareholding of the Excess Shares, which include:

- (I) The Excess Shares will not carry any voting rights at shareholders' general meetings (including during voting by shareholders of certain class);
- (II) The Excess Shares will not carry a right to nominate candidates of directors or supervisors as provided in the Articles of Association; and
- (III) The Excess Shares will not carry any right of receiving dividends.

If any shareholder who holds more than 5% of voting shares of the Company pledges the shares it holds, it shall report to the Company in writing on the day such pledge occurs.

If there is a related party relationship between shareholders holding 5% or more of shares of the Company, such shareholders shall report to the board of directors in writing.

A shareholder of the Excess Shares, if having obtained an approval from the NAFR, shall hold such Excess Shares in accordance with the approval of the NAFR. Where the approval is not granted by the NAFR for holding of the Excess Shares, the shareholder shall transfer the

Excess Shares so held within the time limit required by the NAFR. In case of trading halt, the shares should be transferred within 10 trading days from the date of restoration of trading.

For the definition of the related party relationship mentioned above, please refer to Article 325 of the Articles of Association.

**Article 62** In addition to obligations imposed by laws, administrative regulations or required by the listing rules of the stock exchange(s) on which the Company's shares are listed, controlling shareholders, in exercising their powers as shareholders, shall not exercise their voting rights in respect of the following matters in a manner prejudicial to the interests of all or some of the shareholders:

- (I) To relieve a director or supervisor of his/her duty to act honestly in the best interests of the Company;
- (II) To approve the expropriation by a director or supervisor (for his/her own benefit or for the benefit of another person), in any guise, of the Company's property, including (but not limited to) opportunities beneficial to the Company;
- (III) To approve the expropriation by a director or supervisor (for his/her own benefit or for the benefit of another person) of the individual rights or interests of other shareholders, including (but not limited to) rights to distributions and voting rights save pursuant to a restructuring submitted to the shareholders' general meeting for approval in accordance with the Articles of Association.

The controlling shareholders and de facto controller of the Company shall fulfill their fiduciary duties to the Company and other shareholders. The controlling shareholder shall strictly exercise its rights as a contributor according to law and shall not take advantage of profit distribution, asset restructuring, external investment, capital appropriation, loan guarantee, utilization of insurance funds or related party transaction to the detriment of the interests of the Company and shareholders; nor shall it take the advantage of its controlling position to the detriment of the Company and other shareholders.

The controlling shareholder shall effectively manage the personnel who hold concurrent positions in the controlling shareholder and the Company to prevent conflict of interest. A staff member of the controlling shareholder, except chairman of the board of directors of the controlling shareholder, shall not concurrently serve as executive director or senior management of the Company.

**Article 63** The term “controlling shareholder” referred to in the preceding Article means a person who satisfies any one of the following conditions:

- (I) He alone, or acting in concert with others, has the power to elect more than half of the board of directors;
- (II) He alone, or acting in concert with others, has the power to exercise or to control the exercise of 30% or more of the voting rights in the Company;
- (III) He alone, or acting in concert with others, holds 30% or more of the issued and outstanding shares of the Company;
- (IV) He alone, or acting in concert with others, in any other manner has de facto control of the Company.

**Article 64** If shareholders fall into any of the following circumstances, such shareholders shall not exercise the rights of shareholders such as voting right, dividend distribution right and the right to make proposal, and shall undertake to submit themselves to the regulatory measures imposed on them such as restriction on shareholders’ rights and order to transfer their equity interest from the NAFR:

- (I) The change of shareholders has not been approved by or filed with the NAFR;
- (II) The change of the de facto controller of the shareholders has not been filed with the NAFR;
- (III) The shareholders hold shares of the insurance company by entrusting or being entrusted by other persons;
- (IV) The shareholders control equity interest in a disguised manner such as being entrusted with voting rights and transfer of income rights;
- (V) The shareholders made self-injection or false increase of share capital directly or indirectly by using insurance funds;
- (VI) Other behaviours of investment and shareholding which are not in compliance with regulatory requirements and relevant behaviours which breach shareholders’ commitments.

**Article 65** The shareholders of the Company shall not damage the interests of the Company by means of its related party relationship. In case of violations causing losses to the Company, the shareholders shall bear the responsibility of compensation.

## **Section 2 General Provisions for the Shareholders' General Meeting**

**Article 66** The shareholders' general meeting is the organ of authority of the Company and shall exercise the following functions and powers in accordance with law:

- (I) To decide on the Company's business policies and investment plans;
- (II) To elect and replace directors and to decide on matters relating to the remuneration of directors;
- (III) To elect and replace those supervisors who are not employee representatives, and to decide on matters relating to the remuneration of supervisors;
- (IV) To consider and approve reports of the board of directors;
- (V) To consider and approve reports of the supervisory committee;
- (VI) To consider and approve the Company's annual financial budget and final accounts;
- (VII) To consider and approve the Company's profit distribution proposal and proposal for making up losses;
- (VIII) To pass resolutions on the increase or reduction in registered capital of the Company and repurchase of the Company's shares under the laws and regulations;
- (IX) To pass resolutions on the issuance of bonds or other securities and the listing of the Company;
- (X) To pass resolutions on the appointment, removal or non-renewal of accounting firms that conduct regular statutory audit on the financial reports of the Company;
- (XI) To pass resolutions on matters such as merger, division, dissolution, liquidation or change of the form of the Company;
- (XII) To consider resolutions on amendments to the Articles of Association, rules of procedures of the general meetings, board of director and supervisory committee; administrative rules on related party transactions, as well as relevant governance system such as asset management authorization system;
- (XIII) To consider any motion proposed by shareholders representing 3% or more of the shares of the Company carrying the right to vote;

- (XIV) To consider the share incentive plan;
- (XV) To consider approving the establishment of a legal entity (such legal entity refers to a domestic or overseas entity established and controlled by the Company for direct investment purpose);
- (XVI) To consider and approve the change in the use of proceeds;
- (XVII) To consider the Company's acquisition or disposal of material assets with a value exceeding 30% of the latest audited total assets of the Company within one year;
- (XVIII) To consider and approve the disposal and write-off of material assets in the value of 30% or more of the Company's latest audited total assets;
- (XIX) To consider the provision of material asset pledge with a single or cumulative amount of more than 30% of the latest audited total assets of the Company within one year;
- (XX) To consider the major external investment matters where the single project transaction amount exceeds 30% of the latest audited total assets of the Company, and to formulate the management systems for the use of the Company's funds and investment authority within the terms of reference;
- (XXI) To consider other matters required to be determined by the shareholders' general meeting under the laws, administrative regulations, departmental rules or the Articles of Association.

**Article 67** The aforesaid matters within the competence of the shareholders' general meeting shall be considered and determined by the shareholders' general meeting, but in necessary, reasonable and legal cases, the shareholders' general meeting may authorize the board of directors to make such determination. Such authorization shall be clear and specific. The shareholders' general meeting shall not delegate any of its statutory functions and powers to the board of directors or any other institutions or individuals.

For the authorization to the board of directors by the shareholders' general meeting, if the authorization relates to matters required by the Articles of Association to be passed by ordinary resolutions at general meeting, it shall be passed by the shareholders (including proxy of shareholders) representing more than half of the voting rights present in the shareholders'

general meeting; if the authorization relates to matters required by the Articles of Association to be passed by special resolutions of general meeting, it shall be passed by shareholders (including proxy of shareholders) representing two thirds (2/3) or more of the voting rights present in the shareholders' general meeting.

**Article 68** The Company shall not, without the prior approval at shareholders' general meeting, enter into any contract with any person other than a director, a supervisor and member of the senior management whereby the management of the whole or any substantial part of the business of the Company is to be handed over to such person.

**Article 69** Shareholders' general meetings are divided into annual general meetings and extraordinary general meetings. Shareholders' general meetings shall be convened by the board of directors. Annual general meetings shall be held once every year within six (6) months after the end of each financial year.

**Article 70** An extraordinary general meeting shall be convened within two (2) months from the occurrence of any of the following events:

- (I) The number of directors is lower than that specified in the Company Law or less than two thirds (2/3) of the total number of directors specified in the Articles of Association;
- (II) The Company's uncovered losses amount to one third (1/3) of the Company's total share capital;
- (III) Shareholder(s) holding 10% or more of the Company's issued shares carrying voting rights, on a one vote per share basis, request(s) in writing the convening of an extraordinary general meeting;
- (IV) The board of directors considers it necessary;
- (V) The supervisory committee proposes that such a meeting shall be convened;
- (VI) such a meeting is requested by no less than half of and at least two independent directors to the board of directors;
- (VII) Other circumstances as provided by laws, administrative regulations, departmental rules or the Articles of Association.

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

**Article 71** A shareholders' general meeting shall be convened by the board of directors and presided over by the chairman of the board of directors. If the chairman of the board of directors is unable to perform his/her duties due to some reason, an executive director elected by more than one half of all directors shall act as the chairman and preside over the meeting; if the executive director is unable to perform his/her duties due to some reason, a director elected by more than one half of all directors shall act as the chairman and preside over the meeting; if no chairman of the meeting is elected by the board of directors, a shareholder elected by the shareholders present at the meeting shall act as the chairman and preside over the meeting; if no chairman of the meeting is elected by shareholders for any reason, the shareholder present at the meeting (including his proxy) holding the largest number of voting shares shall be the chairman of such meeting.

More than half and not less than two independent directors shall have the right to request the Board to convene an extraordinary general meeting. In response to any request from independent directors for convening an extraordinary general meeting, the Board shall convene an extraordinary general meeting within two months upon receipt of the request in accordance with the requirements of laws, regulations and regulatory provisions and provisions of the Articles of Association.

**Article 72** In the event that the board of directors is unable or fails to perform the duties of convening shareholders' general meetings, the supervisory committee shall promptly convene and preside over the meetings. If the supervisory committee fails to convene and preside over a shareholders' general meeting, shareholders severally or jointly holding 10% or more of the Company's shares carrying voting rights, on a one vote per share basis, for more than ninety (90) consecutive days shall have the right to convene and preside over the meeting.

**Article 73** An extraordinary general meeting or class shareholders' meeting required by shareholders shall be convened in accordance with the following procedures:

- (I) Two or more shareholders who jointly hold 10% or more of the shares carrying voting rights, on a one vote per share basis, at the proposed meeting may request the board of directors to convene an extraordinary general meeting or class shareholders' meeting by signing a written requisition or several copies with the same format and content, and to illustrate the subject of the meetings. The board of directors shall

convene an extraordinary general meeting or class shareholders' meeting as soon as possible upon receipt of the foresaid written requisition. The aforesaid number of shareholdings is calculated as at the date of the submission of the written requisition by the shareholders.

- (II) If the board of directors fails to issue a notice of convening such a meeting within thirty (30) days from the date of receipt of the aforesaid written requisition, the shareholders who raise the requisition may themselves convene the meeting within four (4) months from the date of receipt of the requisition by the board of directors. The procedures of convening the meeting shall be the similar as those of convening a shareholders' general meeting by the board of directors as far as possible.

All reasonable expenses incurred for such meeting convened by the shareholders as a result of the failure of the board of directors to convene a meeting as required by the above request(s) shall be borne by the Company and be set off against sums owed by the Company to the defaulting directors.

#### **Section 4 Notices and Proposals of Shareholders' General Meeting**

**Article 74** A written notice of annual general meeting shall be given twenty working days before the date of meeting when the Company convenes an annual general meeting, and a written notice of extraordinary shareholders' general meeting shall be given ten working days or fifteen days (whichever is longer) before the date of meeting when the Company convenes an extraordinary shareholders' general meeting, to notify the shareholders whose names appear in the share register of the matters to be considered at, and the date and place of, the meeting.

**Article 75** Ten (10) days before the date scheduled to convene a general meeting, the Company shall send a copy of the notice of meeting in writing and by e-mail to the NAFR.

**Article 76** After the notice of the general meeting is dispatched, the Board can change the time of the general meeting but must issue a new notice in accordance with Articles 74 and 75 of the Articles of Association.

**Article 77** The notice of a shareholders' general meeting shall meet the following requirements:

- (I) it shall be made in writing;

- (II) it shall specify the place, date and time of the meeting;
- (III) it shall describe the matters to be discussed at the meeting;
- (IV) it shall provide necessary information and explanations to the shareholders so as to make sensible decision for the matters to be discussed. This principle shall include (but not limited to) the circumstances where the Company proposes a merger, repurchase of shares, reorganization of share capital or other restructuring, the Company shall provide the specific conditions and contracts (if any) of the proposed transaction and shall earnestly explain the cause and consequence of such transaction;
- (V) proposed changes to any resolution passed at previous shareholders' general meeting shall be disclosed in full rather than disclosing the changes only;
- (VI) it shall disclose the nature and extent of the conflict of interest, if any, of any director, supervisor or any senior management in any matter to be discussed; and provide an explanation for the differences between the way in which the matter to be discussed would affect such director, supervisor or any senior management in his capacity as shareholders and the way in which such matter would affect other shareholders of the same class;
- (VII) it shall contain the full text of any special resolutions proposed to be adopted at the meeting;
- (VIII) it shall contain a conspicuous statement that shareholders who have the right to attend and vote thereat shall have the right to appoint one or more than one proxy to attend and vote on their behalf and that such proxy need not be a shareholder;
- (IX) it shall state the time and place for serving the power of attorney in respect of voting at the meeting;
- (X) it shall contain the name and phone number of the permanent contact person for the meeting.

**Article 78** A notice of a shareholders' general meeting shall be served on each shareholder (regardless of whether such shareholder is entitled to vote at the meeting), by hand or prepaid mail to the address of the shareholder as shown in the register of shareholders. For holders of the unlisted shares, the notice of a general meeting may also be given by public announcement.

The public announcement referred to in the preceding article shall be published in one or more newspapers or periodicals designated by the competent securities department under the State Council during the period between forty-five (45) and fifty (50) days before the meeting is held. Once the announcement is made, all holders of the unlisted shares shall be deemed to have received the notice of the relevant shareholder's meeting.

For holders of overseas listed shares, subject to the laws, regulations, regulatory documents and the relevant requirements of the securities regulatory authorities of the place where the shares of the Company are listed, the notice of a general meeting may be published on the websites of the Company and Hong Kong Stock Exchange in lieu of delivery by hand or prepaid mail. Once the announcement is made, all holders of the overseas listed shares shall be deemed to have received the notice of the relevant shareholder's meeting.

**Article 79** An accidental omission to give notice of a meeting to, or the failure to receive the notice of a meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions adopted thereat.

**Article 80** Any shareholder entitled to attend and vote at a meeting of the Company shall be entitled to attend the meeting in person or appoint one or more persons (whether a shareholder or not) as his/her/its proxy to attend and vote on his/her/its behalf. According to the appointment of the shareholder, a proxy so appointed shall:

- (I) have the right to speak at the meeting same as the shareholder;
- (II) have the right to demand a poll on his/her own or together with other persons; and
- (III) exercise his or her voting rights, but when more than one proxy has been appointed, the proxies only have the right to vote by poll.

Where a shareholder is a recognized clearing house or an agent of clearing house, it may authorize one or more persons that it deems suitable to attend on its behalf any shareholders' general meeting or any class meeting of shareholders. However, if more than one person is authorized, the power of attorney shall specify the number and class of shares involved in the appointment of each such person. The person(s) so authorised can represent the recognised clearing house (or its agent) to attend the meeting and exercise its right as if the persons are individual shareholders of the Company.

**Article 81** A shareholder shall appoint a proxy by an instrument in writing. The instrument of proxy shall be signed by the appointer or a representative authorized in writing by such appointer. Where the appointer is a legal person, the instrument of proxy shall bear the official stamp or the signatures of its directors, or representatives duly authorized. Legal representative who attends the meeting should produce his/her own identity card, valid certificates and valid documents evidencing his/her capacity as a legal representative. While appointing a proxy to attend the meeting, the proxy should produce his/her identity card and a written proxy form legally issued by the shareholder.

**Article 82** The proxy form issued by a shareholder who appoints another person to attend the shareholders' general meeting shall contain the following:

- (i) Name of the proxy;
- (ii) Whether he/she has the right to vote;
- (iii) The individual instruction of casting approval, opposition or abstention votes on each resolution to be considered in the agenda of the shareholders' general meeting;
- (iv) The date of signing and validity of the proxy form;
- (v) Number of shares of the appointer as represented by the proxy.

**Article 83** The instrument appointing a voting proxy shall be placed at the Company's domicile or such other place as specified in the notice of the meeting at least 24 hours prior to the time of the meeting. Where such instrument is signed by another person authorized by the appointer, the power of attorney or other instruments authorizing the signature shall be notarized. The notarized power of attorney or other authorizing document shall be placed together with the instrument appointing the voting proxy at the domicile of the Company or at such other place as specified in the notice of the meeting.

Where the appointer is a legal person, its legal representative or the person authorized by resolution of its board of directors or other decision-making body shall be entitled to attend the Company's shareholders' meetings as the representative of such legal person.

**Article 84** Any form issued by the board of directors of the Company to the shareholders for use in the appointment of proxies shall allow the shareholders to elect freely to instruct their proxies in the casting of votes, in favor or against, and give instructions in

respect of each matter to be transacted at the meeting. The instrument of appointment shall specify that in the absence of instructions from the shareholder, the proxy may vote according to his own will.

**Article 85** A vote given by a proxy according to the instrument of proxy shall be valid notwithstanding the death or incapability of the appointing shareholder, revocation of the proxy or of the authority under which the proxy was executed or the transfer of the relevant shares in respect of which the proxy is given, provided that no notice in writing of such matters as aforesaid shall have been received by the Company before the commencement of the meeting in connection therewith.

**Article 86** The board of directors, the supervisory committee, and shareholder(s) individually or jointly holding more than 3% of the Company's shares shall have the right to submit proposed resolutions in writing to the Company for a shareholders' general meeting of the Company and the Company shall include any proposed resolutions which are within the powers of a shareholders' general meeting in the agenda.

**Article 87** The shareholder(s) individually or jointly holding more than 3% of the Company's shares may submit extra proposed resolutions in writing to the board of directors in writing ten (10) days prior to the shareholders' general meeting. The board of directors shall issue a notice to other shareholders and submit the proposed resolutions to the shareholders' general meeting for consideration and approval within two (2) days after receipt thereof.

**Article 88** The contents of a proposal shall be within the scope of the duties and responsibilities of the shareholders' general meeting, having definite topics and specific matters for resolution, as well as being compliance with the laws, administrative regulations and the Articles of Association.

**Article 89** A matter not specified in the notice shall not be resolved at the shareholders' general meeting.

### **Section 5 Convening of Shareholders' General Meeting**

**Article 90** All shareholders are entitled to attend the shareholders' general meeting and have the right to speak and vote thereat, except where a shareholder is required to abstain from voting to approve the matter under the relevant laws, regulations and the Articles of Association.

**Article 91** The shareholders may attend the shareholders' general meeting and exercise voting rights either in person or by proxy.

**Article 92** The attendance book of the shareholders' general meeting shall be prepared by the Company. The attendance book shall specify the company names and domiciles of shareholders, and the name, identity card number, number of voting shares represented and name of the appointing shareholder of each attendee.

**Article 93** The Company shall set up a venue to hold general meetings in the form of on-site meetings. In the view to guarantee the legality and effectiveness of the general meeting, modern information technologies such as a safe, economical, and convenient internet-based voting platform can be used to facilitate the participation of shareholders in the general meeting. Shareholders who attend the general meeting through the abovementioned methods are deemed to be present. The resolution that should be passed on the general meeting through a special resolution shall not be approved on such a meeting by means of voting through communication.

The convener and a qualified third-party institution retained by the Company shall jointly verify the qualification of shareholders according to the register of shareholders, and shall register the name of the shareholders and the number of their voting shares. Such registration shall be concluded prior to the announcement by the chairman of the shareholders' general meeting of the number of shareholders and their proxies attending the meeting and the total number of their voting shares.

**Article 94** The directors, supervisors and the secretary to the board of directors shall attend the shareholders' general meeting. Senior management members shall also be present at the meeting.

**Article 95** The Company shall formulate the rules of procedures of the shareholders' general meeting (see Appendix I to the Articles of Association) to specify in details the convention and voting procedures of the meeting, including notice, registration, deliberation of proposals, votes, vote counting, announcement of voting results, form of resolutions, minutes and the signatures thereon. The rules of proceedings of the shareholders' general meeting shall be drafted by the board of directors and approved at the shareholders' general meeting.

**Article 96** At the annual general meeting, the board of directors and the supervisory committee shall report their respective work of the previous year to the shareholders' general meeting. Each Independent Director shall also make his duty report.

**Article 97** The directors, supervisors and senior management members shall make response to and give explanation of the inquiries and suggestions made by shareholders.

**Article 98** The secretary to the board of directors shall be responsible for preparing the minutes of the shareholders' general meeting, which shall contain:

- (i) the time, venue, agenda of the meeting, and the name of the convener;
- (ii) the name of the chairman of the meeting, the directors, supervisors and senior management members attending or present at the meeting;
- (iii) the number of shareholders and proxies attending the meeting, the total number of their voting shares and their respective proportions to the total number of shares of the Company;
- (iv) the process of examining each motion, main points of speech and the outcome of voting;
- (v) the inquiries or suggestions of the shareholders and the corresponding replies or explanations;
- (vi) the name of the lawyer, vote counter and scrutineer;
- (vii) other contents which shall be contained in the minutes of the meeting as prescribed by laws, regulations, regulatory documents and the Articles of Association.

**Article 99** Photocopies of the minutes of the meeting shall be available for inspection during business hours of the Company by any shareholder without charge. If a shareholder demands from the Company a photocopy of such minutes, the Company shall send a photocopy to him/her within ten (10) days upon receipt of reasonable charges.

**Article 100** The convener shall ensure the truth, accuracy and completeness of the minutes of the meeting. The directors, the supervisors, the secretary to the board of directors, the convener or the representative, and the chairman of the meeting shall sign on the minutes of the meeting. The minutes of meeting shall be kept together with the attendance register of the attending shareholders and the power of attorney of the proxies, and the effective information on the voting shall be kept permanently.

## **Section 6 Voting and Resolutions of Shareholders' General Meeting**

**Article 101** Resolutions of a shareholders' general meeting can be ordinary resolutions or special resolutions.

**Article 102** An ordinary resolution of a shareholders' general meeting shall be passed by a simple majority of the voting rights in the shares held by the shareholders who are present at the meeting (including proxies).

**Article 103** A special resolution of a shareholders' general meeting shall be passed by an affirmative vote of more than two-thirds (2/3) of the Company's total voting shares being held by the shareholders who are present at the meeting (including proxies).

**Article 104** A shareholder (including proxy), when voting at a shareholders' general meeting, may exercise voting rights in accordance with the number of shares carrying the right to vote. Each share shall have one vote.

**Article 105** Any vote of shareholders at a shareholders' general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

**Article 106** A poll demanded on such matters as the election of chairman or the adjournment of the meeting shall be taken forthwith. A poll demanded on any other matters shall be taken at such time as the chairman of the meeting may decide, and the meeting may proceed to discuss other matters, while the results of the poll shall still be deemed to be a resolution of that meeting.

**Article 107** On a poll taken at a meeting, a shareholder (including proxy) entitled to two or more votes need not cast all his/her votes in the same way.

**Article 108** The following matters shall be passed by ordinary resolutions of a shareholders' general meeting:

- (I) the business objectives, development strategies and investment plans of the Company;
- (II) to elect and replace directors and those supervisors who are not employee representatives, and to decide on their remuneration and payment method;

- (III) the work reports of the board of directors and the supervisory committee;
- (IV) the Company's annual financial budgets and final accounts, balance sheets, income statements and other financial statement;
- (V) the plans formulated by the board of directors for profit distribution and making up losses;
- (VI) to engage or dismiss accounting firms that provide regular statutory audit on financial reports of the Company;
- (VII) other matters other than those required by laws, administrative regulations or the Articles of Association to be approved by special resolutions.

**Article 109** The following matters shall be approved by special resolutions of a shareholders' general meeting:

- (I) the increase or reduction of the Company registered capital;
- (II) the issue of corporate bonds, the issue of any class of shares, warrants and other similar securities as well as the listing;
- (III) the acquisition of its own shares by the Company under the circumstances as stipulated in laws;
- (IV) the merger, spin-off, dissolution, liquidation or change to the form of the Company;
- (V) the amendments to the Articles of Association;
- (VI) external investment, purchase or sale of major assets, disposal and write-off of major assets or material asset pledge with a single or cumulative amount of more than 30% of the latest audited total assets of the Company within one year;
- (VII) to consider approving the establishment of a legal entity (such legal entity refers to a domestic or overseas entity established and controlled by the Company for direct investment purpose);
- (VIII) dismissal of an independent director;
- (IX) review and approval of the equity incentive plan;

(X) such other matters which, pursuant to ordinary resolutions passed at the shareholders' general meeting, are considered to have material effect on the Company and require approval by special resolutions.

**Article 110** In considering matters concerning related-party transactions by the shareholders' general meeting, the related shareholders shall not participate in voting, and the voting rights of the number of shares represented by such related shareholders will not be counted in total valid votes.

**Article 111** Accumulative voting system must be adopted for the election of directors and supervisors. The said cumulative voting system means that, when more than two directors or supervisors are elected at the shareholders' general meeting, each share held by shareholders shall have the same number of voting rights as the number of directors and supervisor to be elected, and shareholders may vote by using all their voting rights attached to the shares they hold. Whether a director or supervisor is elected is determined according to the number of votes, while the total number of votes obtained by an elected director or supervisor shall exceed one-half of the total number of votes (before cumulating) held by all shareholders attending the shareholders' general meeting.

**Article 112** Shares in the Company which are held by the Company do not carry any voting rights, and shall not be counted in the total number of voting shares represented by the shareholders who are present at a shareholders' general meeting.

**Article 113** Where any shareholder cannot exercise his/her voting rights or is restricted to vote only for or only against any particular resolution pursuant to the applicable laws and regulations and the listing rules of the place where the Company's shares are listed, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted in the results of voting.

**Article 114** Any voting of any resolution shall be counted by at least two representatives of shareholders and one supervisor. The results of voting shall be announced by the vote counters. Any shareholder with interests in the matter under consideration and proxies of such shareholder shall not participate in the vote counting.

Meanwhile, before the voting on a resolution is made at the shareholders' general meeting, the auditor of the Company, the share registrar of overseas listed shares listed in Hong Kong or the external auditor who is qualified as an auditor of the Company shall be elected to participate in the vote counting and scrutinizing and announce the results of voting. The results of voting shall be recorded in the minutes of the meeting.

Shareholders of the Company or their proxies who cast their votes by online voting or by other means shall have the right to check the voting results in the way in which they have cast their votes.

**Article 115** The chairman of the meeting shall determine, based on the results of voting, whether the resolutions of the shareholders' general meeting are approved. The chairman's decision is the final decision, and the results of voting shall be announced in the meeting. The results of voting on resolutions shall be recorded in the minutes of the meeting.

**Article 116** In the event that the chairman of the meeting has any doubt as to the results of voting on the resolutions put forward to be voted, he/she may have the votes counted. In the event that the chairman of the meeting fails to have the votes counted, any shareholder present in person or by proxy objects to the result announced by the chairman of the meeting may demand that the votes be counted immediately after the declaration of the results of voting, the chairman of the meeting shall have the votes counted immediately.

**Article 117** In the event that the votes are counted at the shareholders' general meeting, the counting results shall be recorded in the minutes of the meeting.

The minutes of the meeting together with the attendance book for shareholders' signing and the proxy forms for proxies attending the meeting shall be kept at the domicile of the Company.

**Article 118** When considering a proposed resolution at a shareholders' general meeting, no amendments shall be made thereto. Otherwise, any change made thereto shall be considered as a new proposed resolution, of which the voting shall not proceed in that meeting.

**Article 119** At any shareholders' general meeting, voting shall be with registered voter.

**Article 120** Resolutions of the shareholders' general meeting shall be announced as soon as possible after the meeting is concluded. The announcement shall specify the number of attending shareholders and their proxies, the total number of voting shares held by them and the proportion of these shares to the total number of the voting shares of the Company, the total number of shares, if any, required to abstain from voting for and/or abstain from voting on a particular resolution as required by the securities regulatory authorities of the place where the Company's shares are listed, the voting method, the results of voting for every resolution, details of each of the resolutions passed as well as capacity of the vote counter and scrutinizer.

The Company shall report the resolutions to the NAFR within thirty (30) days after the resolutions have been passed by the shareholders' general meeting.

**Article 121** Each resolution shall be voted individually at the shareholders' general meeting. Should there be different resolution on the same matter, voting should be made in the order of the resolutions proposed. Except for special reasons such as force majeure causing the shareholders' general meeting to be suspended or unable to reach a resolution, the shareholders' general meeting shall not set aside any resolution or have any resolution not voted.

**Article 122** Shareholders attending the shareholders' general meeting shall vote for, vote against or abstain from voting on the resolutions proposed.

**Article 123** Blank, wrong, illegible or uncast votes shall be deemed as the voters' waiver of their voting rights, and the voting results representing the shares held by such voters shall be counted as "abstentions".

## **Chapter 6 Special Procedures for Voting by Class Shareholders**

**Article 124** Shareholders holding different classes of shares shall be class shareholders.

Class shareholders shall enjoy rights and assume obligations pursuant to the provisions of laws, administrative regulations and the Articles of Association.

Save for holders of shares of other classes, the holders of domestic shares and holders of overseas-listed foreign shares are deemed to be different classes of shareholders. The holders of non-listed foreign shares and holders of domestic shares are of same class of shareholders.

Class shareholders of the Company shall enjoy equal rights in any dividends or other forms of distribution. A shareholder of Company who is a legal person shall appoint its legal representative or a proxy authorized by the legal representative to exercise its rights on its behalf.

Where the share capital of the Company includes shares which do not carry voting rights, the words "non-voting" must appear in the designation of such shares.

Where the share capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favorable voting rights, must include the words "restricted voting right" or "limited voting right."

**Article 125** Any variation or abrogation of the rights of any class of shareholders proposed by the Company shall be approved by a special resolution of a shareholders' general meeting and by the shareholders of the affected class at a separate class meeting convened in accordance with Article 127 to 131.

**Article 126** The following circumstances shall be deemed to be circumstances where the variation or abrogation of the rights of shareholders of a certain class is involved:

- (I) increasing or decreasing the number of shares of that class, or increasing or decreasing the number of shares of another class having the same or more rights of or to voting, distribution or other privileges when compared with shares of such class;
- (II) converting all or part of the shares of such class into shares of other classes, or converting all or part of the shares of other classes into shares of such class or granting rights to effect such conversion;
- (III) removing or reducing rights to accrued dividends or cumulative dividends attached to shares of such class;
- (IV) reducing or removing the right to receive priority dividends or, in the event of the liquidation of the Company, to receive priority distribution of property attached to shares of such class;
- (V) increasing, removing or reducing the right of conversion, options, voting rights, the right to transfer, priority in placement and the right to acquire securities of the Company attached to shares of such class;
- (VI) removing or reducing the right to receive sums payable by the Company in particular currencies attached to shares of such class;
- (VII) creating a new class of shares having the same or more rights of or to voting, distribution or other privileges when compared with the shares of such class;
- (VIII) imposing restrictions on the transfer of ownership of the shares of such class or increasing such restrictions;
- (IX) issuing subscription rights or share conversion rights in respect of shares of such class or another classes;

- (X) increasing the rights and privileges of shares of another class;
- (XI) proposing to restructure the Company where the proposed restructuring scheme shall result in different classes of shareholders having to assume disproportionate liabilities in such restructuring;
- (XII) varying or repealing the terms provided in this chapter.

**Article 127** Shareholders of the affected class, whether or not having the right to vote at shareholders' general meetings, shall have the right to vote at the relevant class meeting in relation to any of the matters under circumstances (ii) to (viii) and (xi) to (xii) of the preceding paragraph, but interested shareholders shall not be entitled to vote at the relevant class meeting.

Interested shareholders mentioned in the preceding paragraph shall have the following meanings:

- (I) in the case of an offer by the Company to repurchase its own shares to all shareholders on a pro rata basis or a repurchase by the Company of its own shares on a stock exchange in accordance with Article 28 of the Articles of Association, "interested shareholders" shall mean the controlling shareholder as defined in Article 63 of the Articles of Association;
- (II) in the case of a repurchase by the Company of its own shares by an off-market agreement in accordance with Article 28 of the Articles of Association, "interested shareholders" shall mean the shareholders connected with such agreement;
- (III) in the case of a proposed restructuring of the Company, "interested shareholder" shall mean a shareholder of a class assuming a smaller proportion of liabilities than the other shareholders of that class or who has interests different from those of the other shareholders of the same class.

The quorum for a separate class meeting to consider a variation of the rights of that class of shares shall be the holders of at least one-third (1/3) of the issued shares of that class.

**Article 128** A resolution of a class meeting shall be passed in accordance with the preceding paragraph by at least a two-thirds (2/3) majority calculated on the basis of the voting rights held by the shareholders who are present and entitled to vote at the class meeting.

**Article 129** For the convening of a class meeting of shareholders, the period for issuing a written notice shall be the same as that for issuing a written notice of the non-class meeting of shareholders to be convened together with such class meeting of shareholders. Such written notice shall be given to the shareholders whose names appear on the share register of the relevant class shareholder of the matters to be considered at, and the date and place of, the meeting.

**Article 130** Notice of a class meeting only needs to be given to shareholders entitled to vote thereat.

Unless otherwise provided for in the Articles of Association, the procedures for holding the class meeting shall be similar to those for holding the shareholders' general meeting as far as possible, and the provisions in the Articles of Association relating to the procedures for a shareholders' general meeting shall apply to the class meeting.

**Article 131** Save for holders of shares of other classes, the holders of domestic shares and holders of non-listed foreign shares are of same class of shareholders, being the holders of non-listed shares, who are of different classes of shareholders with the holders of overseas-listed shares.

The special procedures for voting by class shareholders shall not apply in the following circumstances:

- (I) where the Company issues, upon approval by a special resolution at a shareholders' general meeting, domestic shares and overseas-listed shares once every twelve (12) months, either separately or concurrently, and the respective numbers of domestic shares and overseas-listed shares proposed to be issued do not exceed 20% of the respective numbers of the issued domestic shares and overseas-listed shares;
- (II) where the Company's plan to issue domestic shares and overseas-listed shares at the time of incorporation is carried out within fifteen (15) months from the date of approval by the securities regulatory authorities of the State Council;
- (III) where upon the approval from the securities authority of the State Council, the holders of non-listed shares of the Company convert the non-listed shares of the Company held by them to be listed and traded on a foreign stock exchange.

## Chapter 7 Board of Directors

### Section 1 Directors

**Article 132** Directors shall be elected at the shareholders' general meeting with a term of office of three (3) years. Upon expiry of the term, a director shall be eligible to offer himself for re-election and reappointment.

The roles of the chairman and chief executive officer of the Company shall be separated.

**Article 133** Any person appointed by the board of directors to fill a casual vacancy or as an addition to the board of directors shall hold office until the Company's first annual general meeting after his/her appointment and that person shall then be eligible for re-election and reappointment.

**Article 134** The Company may remove any director (including managing director or other executive directors) whose term of office has not expired by an ordinary resolution by an ordinary resolution at the shareholders' general meeting, but such removal does not affect the rights of such director to make any claim for damages under any contract.

**Article 135** The minimum length of the period, during which notice to the Company of the intention to propose a person for election as a director and during which notice to the Company by such person of his willingness to be elected may be given, will be at least seven (7) days. The period for lodgment of the notices referred to above will commence no earlier than the day after the dispatch of the notice of the meeting appointed for such election and end no later than seven (7) days prior to the date of such meeting.

**Article 136** The list of candidates for directors shall be submitted by way of proposal for the consideration at the shareholders' general meeting. The board of directors, the supervisory committee, and shareholder(s) individually or jointly holding more than 3% of the Company's shares have the rights to make proposals regarding the candidates for director. When nominating a candidate for director, the nominating director shall make special statement on the candidate's qualification and professional experience at the shareholders' general meeting.

In principle, directors nominated by the same shareholder and its related parties shall not exceed one-third of the total number of Board members, unless otherwise stipulated by the state.

If a director resigns due to the expiration of his/her term of office, he/she shall submit a resignation report to the board of directors of the Company to state his/her performance of duties during his/her term of office and shall hand over his/her work assumed.

If a director resigns due to a reason other than the expiration of his/her term of office, in addition to complying with the requirements set out in the preceding paragraph, he/she shall also specifically state in the resignation report the reason for his/her resignation and file his/her resignation report with the supervisory commission of the Company.

Upon listing, necessary amendments will be made to the rules for election of directors and composition of the board of directors at the shareholders' general meeting under the relevant laws, regulations and the rules of the stock exchange in the place of listing.

**Article 137** The term of office of each session of directors shall be three (3) years, commencing from the date of approval of the qualifications by the NAFR up to the expiry of the term of the prevailing session of the board of directors. If a director proposed to be appointed fails to obtain the approval on qualifications, the shareholders' general meeting shall conduct re-election to fill the vacancy of the position based on the re-nomination of the shareholder who nominates such director.

A director's term of office starts from the date of his/her qualifications being approved by the NAFR and expires at the end of the term of the prevailing session of the board of directors. Prior to the expiration of a director's term of office, the shareholders' general meeting shall not dismiss him/her without any reason.

In circumstances provided by laws, regulations or the Articles of Association, the shareholders' general meeting may remove any director whose term of office has not expired by an ordinary resolution, but such removal does not affect the rights of such director to make any claim under any contract.

If the term of office of a director expires but re-election is not made forthwith, such director shall continue to perform his/her duties as a director pursuant to the relevant laws, administrative regulations, departmental rules and the Articles of Association until a new director is elected.

**Article 138** Directors shall comply with the laws, administrative regulations and the Articles of Association and shall faithfully perform their following obligations to the Company:

- (I) not to abuse their authority of office to obtain bribes or other illegal income and not to misappropriate the property of the Company;
- (II) not to misappropriate the Company's funds;
- (III) not to deposit assets or capital of the Company in any accounts which are opened in their own name or in the names of other persons;
- (IV) not to act in violation of the Articles of Association and lend the Company's capital to others or provide security to others by charging the Company's assets before obtaining consent at the shareholders' general meetings or the board of directors;
- (V) not to enter into contracts or transactions with the Company in violation of the Articles of Association or before obtaining consent at the shareholders' general meeting;
- (VI) not to use their position to obtain for themselves or others business opportunities which originally belong to the Company, or to run his own or others' business which is similar to the Company's business line, before obtaining consent at the shareholders' general meeting;
- (VII) not to accept commissions in relation to transactions with the Company;
- (VIII) not to disclose the secrets of the Company without consent;
- (IX) not to use their connections to harm the interests of the Company;
- (X) to be bound by other obligations stipulated by the laws, administrative regulations, departmental rules and the Articles of Association.

The Company shall be entitled to the income gained by the directors in violation of this Article; the directors shall be liable for compensation if any loss is caused to the Company.

**Article 139** The directors shall comply with the laws, administrative regulations and the Articles of Association and shall diligently perform their following obligations to the Company:

- (I) to exercise prudently, conscientiously and diligently the rights granted by the Company to ensure that the Company's commercial activities are in compliance with the laws, administrative regulations and the requirements of economic policies of China;
- (II) to be responsible to the Company and all shareholders in performing their duties and treat all shareholders equally and fairly;
- (III) to pay continuous attention to the operation and management of the Company on an ongoing basis;
- (IV) to participate in meetings of the Board of Directors on time, fully review the matters considered by the Board of Directors, express opinions in an independent, professional and objective manner, and vote independently on the basis of prudent judgments;
- (V) to take responsibility for the resolutions of the Board of Directors;
- (VI) to supervise the implementation of the resolutions of the Shareholders' general meeting and the Board of Directors by the senior management;
- (VII) to practice high standards of professional ethics and consider the legitimate rights and interests of stakeholders;
- (VIII) to undertake fiduciary duties with diligence in the Company, perform their duties conscientiously and prudently, and ensure sufficient time and commitment to perform their duties;
- (IX) to perform other obligations of diligence stipulated by the laws, administrative regulations, departmental rules and the Articles of Association.

**Article 140** A director who fails to attend two consecutive board meetings in person or by proxy shall be deemed as unable to perform his/her duties. The board of directors, the supervisory committee or shareholders shall propose to the shareholders' general meeting for removal of such director.

Where a director fails to attend the board meetings twice every year, the Company shall remind him/her in writing. Any independent director who is reminded twice during his/her term of office shall not be re-elected.

**Article 141** A director may resign before expiry of his/her term of service. When a director resigns, he shall submit a written resignation notice to the board of directors.

If the member of directors falls below the minimum statutory requirement or two thirds of the number specified in the Articles of Association due to a director's resignation, the former directors shall still perform their duties as directors in accordance with the requirements of laws, administrative regulations, departmental rules and the Articles of Association before the appointment of the re-elected directors. If the Company is in the process of dealing with of major risks, any directors shall not resign without the approval of the regulatory authority.

Save for the circumstances referred to in the preceding paragraph and otherwise provided by the laws, the director's resignation takes effect upon delivery of his/her resignation report to the board of directors.

The powers of the Board of Directors shall be exercised by the Shareholders' general meeting until the number of directors meets the requirements when the membership the Board is lower than the minimum number specified in the Company Law or the minimum number required for voting by the Board of Directors due to the dismissal by the Shareholders' general meeting or death of directors, resignation of independent directors due to the loss of independence, or other circumstances where they cannot perform their duties as directors.

**Article 142** When a director's resignation takes effect or his/her term of service expires, the director shall complete all transfer procedures with the board of directors. His/her fiduciary duties towards the Company and the shareholders do not necessarily cease after the end of his/her term of service, but shall still be valid within two years after his resignation takes effect or his/her term of service expires.

**Article 143** Unless legally authorized by the Articles of Association or the board of directors, no director shall act on behalf of the Company or the board of directors. When a director acts in his/her own name and a third party reasonably considers such director acts on behalf of the Company or the board of directors, such director shall declare in advance his/her position and capacity.

**Article 144** A director shall be personally liable for any loss suffered by the Company as a result of a violation by him of any laws, administrative regulations, departmental rules or the Articles of Association in the course of performing his/her duties.

**Article 145** The directors shall proactively attend the trainings organized by the Company and regulatory authorities ,understand the rights and obligations of directors, be familiar with relevant laws, regulations and regulatory provisions in order to perpetuate their professional competence and capability essential to perform their duties.

**Article 146** The Company shall set up the system on the assessment and evaluation of due diligence of directors. The board of directors shall make such assessment and evaluation on due diligence of directors and submit due diligence reports to the shareholders’ general meeting and the board of directors of supervisors each year, which shall be submitted to the NAFR after the approval of the shareholders’ general meeting.

## **Section 2 Board of Directors**

**Article 147** Directors of the Company shall have good conduct and reputation, professional knowledge and working experience commensurate with their duties and responsibilities and satisfy the conditions stipulated in laws and regulations, the listing rules of the stock exchange of the place where the shares of the Company are listed and requirements of the NAFR. Directors who are elected or appointed in violation of this Article, their appointments shall be void and invalid. During the term of office of the directors, if circumstances in breach of laws and regulations, listing rules of the stock exchange of the place where the shares of the Company are listed and regulatory requirements relating to the qualifications or requirement conditions of the directors arise, such persons shall be dismissed by the Company.

**Article 148** The Company shall have a board of directors accountable to the shareholders’ general meeting.

**Article 149** The board of directors shall consist of eleven (11) directors, including one (1) chairman, two (2) executive directors, five (5) non-executive directors (excluding independent directors) and four (4) independent non-executive directors. Out of the independent non-executive directors, at least one of independent non-executive directors shall have appropriate professional qualifications or accounting or related financial management expertise.

Executive directors shall be general managers or other senior management members, but the total number of directors who are concurrently serving as general manager or other senior management member and directors who are also employee representatives shall not be more than half (1/2) of the total number of Board members of the Company.

**Article 150** The chairman shall be elected and removed by more than one-half of all the directors. The term of office of the chairman, who shall be entitled to re-election and reappointment, shall be three (3) years.

The directors need not hold share(s) of the Company.

In case that the board of directors may not be re-elected upon the expiration of its term of office due to the failure of shareholder's qualification to satisfy the requirement, equity transaction disputes or force majeure and other reasons, the secretary of the board of directors shall make a report to the NAFR one month prior to the expiration of term of office of the board of directors, which shall contain term of office of the board of directors and its members, reasons of inability to initiate the re-election procedure, plan of re-election and other matters of necessity to be explained.

**Article 151** The board of directors shall perform the following duties:

- (I) to convene the shareholders' general meetings and to report on its work to the shareholders' general meetings;
- (II) to implement the resolutions of the shareholders' general meetings;
- (III) to decide on the Company's business plans and investment plans, to control and monitor the financial conditions and use of funds of the Company;
- (IV) to formulate the Company's development strategies and supervise over the implementation of the strategies;
- (V) to formulate the Company's annual financial budget and final accounts plan;
- (VI) to formulate the Company's profit distribution plan and loss recovery plan;
- (VII) to formulate proposals for the increase or decrease of the Company's registered capital and the issuance of corporate debentures or other securities of the Company and listing plans;

- (VIII) to formulate the plans for major acquisitions, acquisition of its own shares by the Company in accordance with law, or merger, division, dissolution and change of form of the Company;
- (IX) to decide on the establishment of the internal management structure of the Company;
- (X) to formulate the basic management system of the Company;
- (XI) to periodically evaluate and improve corporate governance and to review the corporate governance report of the Company;
- (XII) to decide to appoint or dismiss the general manager of the Company and his/her compensation, and in accordance with the nominations of the general manager, to decide to appoint or dismiss the deputy general manager, financial controller, chief actuary, compliance officer and other senior management of the Company and their compensation, rewards and punishments; supervise the performance of duties by senior management;
- (XIII) to assess and monitor the training and continuing professional development of directors and senior management;
- (XIV) to hear the work report of the general manager of the Company and examine his/her work;
- (XV) to establish board committees, including but not limited to the audit and consumer rights protection committee, nomination and remuneration management committee, strategy and investment decision committee and risk management and related transaction control committee based on the need of the Company or regulatory requirements;
- (XVI) to formulate proposals for amendments to the Articles of Association;
- (XVII) to develop procedural rules for shareholders' general meetings and procedural rules for Board meetings;
- (XVIII) to consider working rules for professional Board committees;

- (XIX) to propose to shareholders' general meeting of the engagement or change of an accounting firm that provide regular statutory audit on financial reports as the auditor of the Company, to review reports of the external auditors, periodically or occasionally, and to select and engage the external auditor for audit on the Company's directors and senior management;
- (XX) to formulate the equity incentive plan;
- (XXI) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (XXII) to formulate, review and monitor the code of conduct standards of employees and directors and the compliance handbook (if any);
- (XXIII) to establish a shareholders' communication policy and review it on a regular basis to ensure its effectiveness;
- (XXIV) to assess and review the Company's compliance with the Corporate Governance Code under the Hong Kong Listing Rules and disclosure in the Corporate Governance Report;
- (XXV) to consider the Company's acquisition or disposal of assets with a value exceeding 10% but not more than 30% (inclusive) of the latest audited total assets of the Company within one year;
- (XXVI) to consider disposal and write-off of assets with a single or cumulative amount not more than 30% (inclusive) of the latest audited total assets of the Company within one year;
- (XXVII) to consider asset pledge with a single or cumulative amount of not more than 30% (inclusive) of the latest audited total assets of the Company within one year;
- (XXVIII) to consider the external investment matters where the single project transaction amount exceeds 10% but not more than 30% (inclusive) of the latest audited total assets of the Company, and to formulate the management systems for the use of the Company's funds and investment authority within the terms of reference;
- (XXIX) to consider the major related transactions required by the NAFR, and to formulate the management system for related transactions within the terms of reference;

- (XXX) to formulate the capital plan of the Company and assume the ultimate responsibility for capital management;
- (XXXI) to consider and approve the Company's overall solvency risk management objectives, risk appetite, risk tolerance and risk management policies, as well as organizational structure and responsibilities for solvency risk management and other risk management matters; and assume ultimate responsibility for the completeness and effectiveness of the solvency risk management system;
- (XXXII) to continuously monitor the solvency risk exposure of the Company, supervise the management's effective management and control of solvency risk;
- (XXXIII) to consider and approve the solvency report of the Company;
- (XXXIV) to safeguard the legitimate rights and interests of financial consumers and other stakeholders;
- (XXXV) to establish the mechanisms for identifying, reviewing and managing conflicts of interest between the Company and its shareholders, especially substantial shareholders;
- (XXXVI) to assume management responsibility of shareholders' matters;
- (XXXVII) to take charge of information disclosure of the Company and assume the ultimate responsibility for the authenticity, accuracy, completeness and timeliness of accounting and financial reports;
- (XXXVIII) to review and approve data governance matters of the Company in accordance with laws, regulations, regulatory provisions and the Articles of Association;
- (XXXIX) other functions and powers as conferred by laws, regulations, normative documents or the Articles of Association and by shareholders' general meetings.

Other than paragraphs (VII), (VIII) and (XVI) and material matters involving major investments, asset disposals, capital replenishment plans, formulating the profit distribution plan and compensation plan of the Company, appointment and discharge of senior management, etc. which must be passed by the affirmative vote of more than two thirds (2/3) of all directors, the board of directors' resolutions in respect of all other matters above may be passed by the affirmative vote of a simple majority of all directors.

Powers and authority of the Board shall be exercised collectively by the Board. Statutory powers of the Board in principle shall not be delegated to be exercised by the Chairman, directors or other individuals and entities, if delegation of authority is necessary, it shall be delegated by way of Board resolution in compliance with the law. Authority shall be authorized each time for one matter, the powers and authority of the Board shall not be delegated generally or permanently to be exercised by other entities or individuals of the Company.

**Article 152** The Board shall provide an explanation at the shareholders' general meeting on any qualified audit opinions given by the certified public accountants in respect of the financial report of the Company.

**Article 153** The board of directors shall not, without the prior approval of shareholders at a shareholders' general meeting, dispose or agree to dispose of, the fixed assets where the estimated value of the consideration, for the proposed disposition, and the aggregate amount of the consideration for any such disposition of the fixed assets that has been completed in the period of four (4) months immediately preceding the proposed disposition, exceeds 33% of the value of the fixed assets as shown in the last balance sheet placed before the shareholders at a shareholders' general meeting.

The disposition of fixed assets referred to in this Article shall include, among other things, the act of transferring certain interests in assets, but exclude the act of providing guarantee by way of fixed assets.

The validity of a disposition by the Company of fixed assets shall not be affected by the breach of the aforesaid provision.

**Article 154** Statutory powers of the board of directors shall not be modified or affected by anything within the Articles of Association, resolutions of the shareholders' general meeting, or in any other manner.

**Article 155** The board of directors shall formulate the Rules of Procedure for The board meeting (refer to Annex II of the Articles of Association) to ensure the implementation by the board of directors of the resolutions of the shareholders' general meeting, to improve efficiency and to make decision in a scientific manner.

**Article 156** The chairman shall exercise the following powers:

- (I) to preside over shareholders' general meetings and to convene and preside over the board meeting;

- (II) to supervise and examine the implementation of resolutions passed by the board of directors;
- (III) to execute the shares, bonds and other marketable securities issued by the Company;
- (IV) to sign important documents of the board of directors and other documents that shall be signed by the legal representative of the Company;
- (V) to exercise the duties and powers of a legal representative;
- (VI) other duties and powers required by laws, regulations, normative documents and the securities regulatory authorities of the place where the shares of the Company are listed and conferred by the board of directors.

**Article 157** Where the chairman is incapable of performing or does not perform his/her duties, an executive director nominated by more than half of the directors shall perform the duties of the chairman. Where the executive director is incapable of performing or does not perform his/her duties, a director nominated by more than half of the directors shall perform the duties of the chairman.

**Article 158** The board meeting are classified as regular meetings and extraordinary meetings. Regular meetings are convened at least four times a year, about once per quarter. It is convened by the chairman and shall be notified to all directors and supervisors in writing fourteen (14) days prior to the meeting (excluding the date on which the meeting is convened).

**Article 159** In case of any of the following, the chairman shall convene and preside over the extraordinary board meetings within ten (10) days from receipt of the proposal:

- (I) when proposed by shareholders representing more than one tenth (1/10) of voting rights;
- (II) when proposed by more than one third (1/3) of directors;
- (III) when proposed by more than two independent directors;
- (IV) when proposed by the supervisory committee;
- (V) when the chairman considers necessary;

(VI) other circumstances as stipulated by laws, regulations, normative documents and the Articles of Association. The notice of the meeting shall be reported to the NAFR both in writing and by email.

**Article 160** When the board of directors convenes an extraordinary board meeting, it shall deliver the notice of the meeting to directors in writing (including but not limited to e-mail) five (5) days prior to the meeting and also notify the supervisors who attend the meeting. When the Company convenes an extraordinary board meeting, it shall report to the NAFR in the manner prescribed in the preceding items while issuing meeting notice to directors. If time is urgent, they can report by telephone.

**Article 161** The notice of the board meeting shall contain the following:

- (I) the time and venue of the meeting and the means by which the meeting will be held;
- (II) the convener of the meeting;
- (III) the proposals of the meeting;
- (IV) the name and contact of the contact person;
- (V) the date on which such notice is dispatched.

Where the materials for the meeting are delivered at the later time than the notice, the Company shall allow sufficient time for the directors to familiarize with such materials.

**Article 162** Except as provided in the Articles of Association, the board meeting shall only be held when more than half of the directors attend the meeting. Except as provided in the Articles of Association, resolutions made by the board of directors must be approved by more than half of the directors.

**Article 163** The voting on the resolutions of the board of directors shall comply with the principle of one person one vote.

**Article 164** In principle, the board meetings shall be held by the way of on-site meetings to facilitate adequate communication and discussion among directors. Video or telephone meetings shall be deemed as on-site meetings if it can be ensured that all directors participating in such meetings can communicate and discuss with one another on an instantaneous basis.

For any proposal which is to be considered and adopted by way of a board resolution but does not really need on-site communication and discussion among directors, relevant resolution can be made by way of written resolutions.

No meeting shall be convened by way of written resolutions in respect of considering any material matters any proposals in relation to the profit distribution plan, remuneration plan, major investment and assets disposal, appointment and discharge of senior management, capital replenishment plan, etc.

**Article 165** Directors shall attend the board meeting in person. Where a director is unable to attend a board meeting, he may authorize in writing another director to attend on his/her behalf. The power of attorney shall specify the names of the proxy, matters represented by the power of attorney, limit of authority and the term of validity and shall be signed or stamped by the appointing director. The proxy shall exercise the rights of a director within the scope of the authorization. A director failing to attend the board meeting in person or by proxy shall be deemed as having waived his voting rights at such meeting.

**Article 166** When the Board considers any material related-party transaction, the related director shall not exercise his/her/its voting right, nor exercise the voting right on behalf of any other directors. The Board meeting may be convened with the presence of more than half of the unrelated directors as quorum. Resolutions of the Board meeting must be passed by more than two-thirds (2/3) of the unrelated directors. If the number of unrelated directors attending the Board meeting is less than 3 directors, the material related-party transaction shall be submitted to the shareholders' general meeting for consideration.

The Board shall report to the shareholders' general meeting on annual basis regarding the status of related-party transactions and the implementation of the management system for related-party transactions.

**Article 167** The board of directors shall keep minutes of the matters discussed in the meeting. The attending directors and recorder shall sign on the minutes of the meeting.

The minutes of the board meeting shall be kept as corporate archives permanently.

**Article 168** The minutes of the board meeting shall specify:

(I) the date, venue, means and chairman of the meeting;

- (II) the directors attending the meeting, being in the capacity of proxies or being absent, and non-voting attendees of the meetings;
- (III) agenda of the meeting;
- (IV) key issues in directors' speech (including doubts and dissenting opinions) or the opinions of directors in writing in the event that the meetings are held by written resolutions;
- (V) the method and results of voting on each resolution (including the names of directors who vote against or abstain from voting);
- (VI) the opinions of non-voting supervisors;
- (VII) other information necessary for record.

Directors shall undertake the responsibilities for the resolutions of the board of directors. In the event that any resolution of the board of directors is in breach of laws, administrative regulations or the Articles of Association, which causes severe loss for the Company, those directors voting for such resolution shall be held liable for such losses. However, where any director has been proved to have expressed dissenting opinions on the voting on such resolution which have been recorded in the meeting minutes, such director may be exempted from such liability.

**Article 169** Proposals of the board of directors shall specify the matters to review and voted upon and such matters shall fall within the powers of the board of directors. Proposals shall include formal and extraordinary ones.

Formal proposals refer to those that are identified to be agenda items before the convening of the meeting and served to the directors within a prescribed time limit. Extraordinary proposals refer to those that are not served to the directors within a prescribed time limit or made during the convening of the board meeting.

During the period after the proposals are served to the directors but prior to the board meeting is convened, the directors deem the contents of the proposals unclear or unspecific, or relevant materials insufficient, they may request the proposers to provide supplemental information or further explanation directly or through the secretary of the board of directors.

**Article 170** Upon occurrence of any situations below, the directors shall withdraw from voting upon relevant proposals:

- (I) As provided by laws, regulations, regulatory documents or the listing rules of the stock exchange of the place where the shares of the Company are listed;
- (II) As deemed by the director himself and agreed unanimously by the other directors; or
- (III) As provided by the Articles of Association in regard to the director who is related with the matter or have material interests in the proposal.

Unless otherwise specified in the Articles of Association, when a director withdraws from voting, the withdrawing director shall not be counted in the voting quorum. In the event that the withdrawal of the director results in the number of directors' actual voting below the minimum number of persons to adopt a valid resolution, the board of directors shall submit this proposal to the shareholders' general meeting to review. The board of directors shall explain of the conditions in the review of board meetings in the resolution submitted to shareholders' general meeting to review and record the opinions of directors that have no material interests therein.

**Article 171** The board of directors has set up the audit and consumer rights protection committee, nomination and remuneration management committee, strategy and investment decision committee and risk management and related transaction control committee. The board of directors may set up other special committees and restructure the existing committees as necessary, the rules of meetings and work duties of each committee shall be formulated and implemented by the board of directors according to the relevant PRC laws and regulations, the listing rules of the applicable stock exchange and other relevant regulations. Each special committee is the auxiliary decision-making authorities of the board of directors, which provide professional opinions and advices or is authorized by the board of directors to decide on professional matters, and shall be accountable to the board of directors.

**Article 172** The strategy and investment decision committee shall comprise of more than three (3) directors, and the chairman of the committee shall be selected by of the board of directors.

**Article 173** The nomination and remuneration management committee shall comprise of more than three (3) directors, the majority of which shall be independent directors, and the chairman of the committee shall be an independent director.

**Article 174** The audit and consumer rights protection committee shall comprise of more than three non-executive directors, and the chairman of the committee shall be an independent director. The majority of the audit and consumer rights protection committee shall be independent directors, with all members having financial, auditing, accounting or legal expertise and work experience.

**Article 175** The risk management and related transaction control committee shall comprise of no less than three directors, the proportion of independent directors shall be no less than one-third, and the chairman of the committee shall be an independent director.

### **Section 3 Independent Directors**

**Article 176** The Company has appointed independent directors. Independent directors shall have higher professional quality and good reputation, independent directors shall satisfy relevant laws and regulations, normative documents and qualification requirements required by NAFR and relevant stock exchanges.

**Article 177** Independent directors shall be nominated by means of the following:

- (I) the shareholders who individually or in aggregate hold no less than one percent (1%) of the shares of the Company may propose the nomination to the shareholders' general meeting directly, but one shareholder can nominate one independent director only. Shareholders who have nominated non-independent directors and their related parties shall not nominate independent directors;
- (II) the nomination and remuneration management committee under the board of directors nominates;
- (III) the supervisory committee nominates;
- (IV) other means approved by NAFR.

The nominator of the independent director candidates shall obtain the prior consent from the nominee. The nominator shall have full knowledge of the nominee's occupation, professional titles, education background, expertise, work experience, all concurrent posts and close relatives, and shall issue the opinion regarding the nominee's independence and qualification in writing. Independent directors shall be elected at shareholders' general meeting. The nominating shareholder and other related shareholder shall not vote upon the independent director candidate nominated by them.

The Company shall report the review on independent director's qualification to NAFR and submit the written opinion of independent directors at the same time.

The proposed independent director shall make an assumption of office statement indicating his/her independence through the national media with great influence or the Company's website after his/her qualification having been approved by NAFR, and promise to undertake his/her due diligence and ensure sufficient time and energy to perform his duties. The Company shall report the assumption of office statement of the independent director to NAFR for record.

**Article 178** Independent directors shall satisfy the following basic requirements:

- (I) possessing the qualifications for acting as the directors of listed companies pursuant to the provisions under the laws, regulations, regulatory documents, and other relevant requirements;
- (II) being the independence as required by the NAFR and Article 179 of the Articles of Association;
- (III) basic knowledge of company operation, and be familiar with relevant laws, regulations, regulatory documents and rules;
- (IV) no less than five (5) years of work experience in the legal, economic or other areas which is necessary to perform the duties of an independent director;
- (V) not holding any position at any other insurance company that engages the primary business of the same kind as that of the Company, nor concurrently serving as independent director in five or more companies; a person who serves as an independent director of the Company shall not concurrently serve as an independent director of an insurance institution operating the same type of business.
- (VI) other conditions as provided by laws, regulations, normative documents and the NAFR.

**Article 179** Independent directors shall be independent. A person may not be an independent director of the Company in cases of:

- (I) working at the institution of the shareholder that holds 5% or more of the shares of the Company or any top ten shareholder of the Company within the most recent three (3) years, or is a close relative and main social connection of such person;

- (II) working at the Company or its de facto controlling enterprises within the most recent three (3) years, or is a close relative of such person;
- (III) providing legal, audit, actuarial, management consulting and other services for the Company within the most recent one (1) year;
- (IV) serving as the partner, controlling shareholder or senior manager of the banking, legal, consulting, audit and other institution of business relationship with the Company;
- (V) being the other persons whose independent judgment is deemed to be possibly affected by the NAFR.

Definitions of “close relative” and “main social connections” referred to in this Article are subject to relevant provisions of NAFR.

**Article 180** An independent director’s term of office is the same as other directors of the Company. An independent director may serve consecutive terms if reelected upon expiration of his term of office, provided that he shall serve no more than six (6) years on an accumulative basis. An independent director who fails to attend five (5) or more the board meeting in person during one term of office shall not be reelected.

**Article 181** Where an independent director loses his independence and does not resign for it, or other situations that he is not suitable for being independent directors arise, the Company shall convene a shareholder’s general meeting to remove him/her. If the number of independent directors falls below the number required by the Articles of Association due to the aforesaid removal, the Company shall hold a by-election for filling the vacancy of independent director.

**Article 182** Where an independent director fails to attend three (3) consecutive the board meeting in person, he/she is deemed to have failed to perform his duties, the Company shall convene a shareholders’ general meeting to remove him and elect a new independent director within three (3) months. Except the aforesaid situations, negligence of duty and other circumstances where an independent director becomes inappropriate to the post, independent directors shall not be removed from office prior to the expiration of their terms of office for no reasons.

The special resolutions of the shareholders' general meeting shall decide upon the removal of an independent director and the Company shall notify of the reasons of the removal and his corresponding rights in writing to the independent director at least fifteen (15) days prior to the convening of the shareholders' general meeting; the independent director shall have the right to make statement and averment before voting. The Company shall report to NAFR regarding the reasons of removal, the statement and averment of the independent director and other relevant information within five (5) working days after the resolution on removal is adopted.

An independent director may resign prior to the expiration of his/her term of office. To resign from office, the independent director shall submit a resignation report in writing to the board of directors together with an explanation in writing specifying any matters in connection with his resignation and any situation in need of reminding the Company's shareholders and the insured. The Company shall make a report in writing to NAFR within five (5) working days after receiving the resignation letter from the independent director.

Where an independent director's resignation causes the proportion of independent directors in the Company's board of directors less than the minimum requirement specified in the Articles of Association, the Company shall convene a shareholders' general meeting to elect a new independent director within three (3) months after accepting his resignation, such independent director shall continue to perform his/her duties until a new independent director takes office, other than the resignation and dismissal caused by the loss of independence.

**Article 183** Independent directors may, apart from the functions and powers of directors as conferred by the laws, regulations and the Articles of Association, exercise the following special functions and powers:

- (I) reviewing the fairness of major related party transactions, the implementation of internal review procedures and the impact on the rights and interests of the insured and, in case of a problem identified in review of the related party transactions, issuing a written opinion. Where deemed necessary by two or more independent directors, an intermediary institution may be engaged to issue a report of independent financial adviser as the basis for their judgment;
- (II) more than half of but not less than two independent directors proposing to the board of directors in convening an extraordinary shareholders' general meeting;

- (III) more than two independent directors proposing in convening a board meeting;
- (IV) retaining an external auditor for auditing opinions and engaging a consultancy firm for providing advice at the expenses of the Company.

When an independent director deems it is insufficient to make decision based on the existing materials, he shall request for more information from the Company. In general, the Company shall provide supplemental materials within three (3) days after it receives the request on additional materials. When two (2) or more independent directors deem it is still insufficient to make decision based on supplemental materials, they may jointly request for a time extension to review relevant proposals or postpone the board meeting which board of directors shall accept.

**Article 184** Independent directors shall, apart from performing the duties as above, scrutinize the following matters and express their independent opinions to the board of directors or the shareholders' general meeting:

- (I) nomination, appointment or removal of directors;
- (II) appointment or dismissal of senior managers of the Company;
- (III) remuneration or incentive measures of directors and senior managers of the Company;
- (IV) material related party transactions provided by the NAFR and other related party transactions which independent directors shall issue their opinions pursuant to laws, regulations and regulatory documents;
- (V) profit distribution plan;
- (VI) investment, lease, assets transaction, guarantee and other material transactions which are not specified in the operation plan;
- (VII) other matters that may significantly affect the Company, financial consumers or the rights and interests of minority shareholders;
- (VIII) when the Company undertake material acquisitions, disposal and asset swap, independent directors shall issue their independent opinions on whether such asset transaction is beneficial to the interests of the Company and all shareholders, and make special reminders on whether related party transactions or competitions among industry players would incur after the reorganization of the Company;

- (IX) the appointment or removal of the accounting firm which carries out statutory audit on the financial reports of the Company on a regular basis;
- (X) other matters as provided by the laws, regulations, standardization documents and the Articles of Association of the Company.

An independent director who abstains from vote or votes against the above matters or believes that there is any obstacle to his opinion shall submit a written opinion and report to NAFR.

**Article 185** Independent directors shall perform their duties with bona fide, due diligence and independence pursuant to relevant laws and regulations, and enforce protection of the legitimate rights of the Company, minority shareholders and financial consumers from being affected by the shareholders, de facto controller, management or other institutions or individuals with material interests in the Company.

If there are major defects in the corporate governance mechanism or the corporate governance mechanism fails in the Company, independent directors shall report relevant information to the regulatory authorities in time. In addition to reporting the relevant circumstances to the regulatory authorities, independent directors shall keep the Company's secrets confidential.

**Article 186** Each independent director shall independently submit a due diligence report to the shareholders' general meeting every year, and the Company shall submit the independent directors' due diligence reports to NAFR for filing.

**Article 187** The Company shall establish an evaluation and assessment mechanism for independent directors and the indicators for assessing an independent director's performance shall include: degree of faith and diligence, number of board meetings attending in person, participation in previous board meetings, opinions delivered by the independent director and implementation of such opinions by the board of directors, etc.

The results of the annual and term-of-office assessment of an independent director constitute the basis for his/her retention or replacement. The board of directors shall report the evaluation and assessment results to NAFR for filing.

**Article 188** The Company shall provide the working conditions necessary for independent directors to perform their duties. The board of directors shall formulate the plan for the independent directors' remuneration standard pursuant to the relevant provisions of NAFR. The independent directors' remuneration plan shall be implemented upon review and approval at the shareholders' general meeting. Apart from such remuneration, an independent director may not obtain any other exceptional or non-disclosed benefits from the Company and its major shareholders or any interested entity or person.

#### **Section 4 Secretary to the Board of Directors**

**Article 189** The board of directors of the Company shall appoint a secretary to the board of directors. The secretary to the board of directors is a senior manager of the Company and shall be accountable to the Company and the board of directors.

**Article 190** The secretary to the board of directors shall be a natural person with the necessary professional knowledge and experience, and shall be nominated by the chairman of board and appointed or removed by the board of directors. The secretary to the board of directors shall possess the following qualifications:

- (I) A bachelor's degree or higher degrees and no less than five years of work experience appropriate to performing the duties;
- (II) Certain knowledge in accounting, tax, law, finance, business management, computer application and other aspects, with personal integrity and professional ethics, strict compliance with relevant laws and regulations, and faithful performance of duties;
- (III) Provisions of Article 221 of the Articles of Association with respect to disqualified directors of the Company are applicable to the secretary to the board of directors;
- (IV) Other conditions as provided by laws, regulations and regulatory documents.

Prior to the holding of office of the secretary to the board of directors, approval of the NAFR on his/her qualifications shall be obtained.

**Article 191** The principal duties of the secretary to the board of directors are as follows:

- (I) To guarantee that the Company has complete organizational documents and records;
- (II) To ensure that the Company prepares and submits documents and reports as required by competent authorities in accordance with law;

- (III) To ensure that the register of shareholders of the Company is properly established and to ensure that persons entitled to receive such records and documents shall be provided with the relevant records and documents in time;
- (IV) To prepare the shareholders' general meetings and meetings of the board of directors in accordance with due procedures and requirement of the chairman of the board of directors;
- (V) To prepare and keep the archives of the shareholders' general meetings and meetings of the board of directors and materials and documents of other meetings, and to keep the registers and materials relating to the Company's shareholders, directors, supervisors and senior managers;
- (VI) To report the notices and resolutions of the shareholders' general meetings and meetings of the board of directors to NAFR according to the requirements of regulatory authorities;
- (VII) To assist shareholders, directors and supervisors in exercising rights and performing duties;
- (VIII) To administer the Company's affairs including information disclosure and investor relations;
- (IX) To assist the Company's chairman of the board of directors in drafting the Company's corporate governance report;
- (X) To report flaws and problems in the Company's governance structure pursuant to requirements of the regulatory authorities;
- (XI) To organize training programs for directors and other relevant personnel pursuant to requirements of the regulatory authorities.

**Article 192** Except the chairman of the board of directors and general manager, directors or senior managers may serve as the secretary to the board of directors concurrently. The certified public accountants or lawyers employed by the Company shall not act as the secretary to the board of directors of the Company concurrently. Where the secretary to the board of directors is also a director and an act is required to be done by a director and a secretary separately, such person who is acting both as director and the secretary to the board of directors of the Company shall not perform the act in both capacities.

## **Chapter 8 General Manager and Other Senior Management**

**Article 193** The Company shall have one (1) general manager, who shall be appointed and dismissed by the board of directors. The chairman of the Company shall not concurrently serve as the general manager.

**Article 194** The general manager, deputy general manager, general manager assistant, secretary to the board of directors, financial controller, compliance officer, audit person, chief actuary and other persons who have been identified by the board of directors and are qualified to meet the requirements of the NAFR are senior management of the Company. The senior management of the Company shall obtain the qualifications approved by the NAFR before taking office.

In case the general manager is unable to or fails to perform his duties, a responsible person designated by the Board on ad hoc basis shall exercise the functions and powers on behalf of the general manager.

**Article 195** Provisions of Article 221 of the Articles of Association with respect to disqualified directors of the Company are applicable to the senior management.

**Article 196** The tenure of the general manager shall be three (3) years, which may be renewed.

**Article 197** The general manager of the Company shall be accountable to the board of directors and exercise the following powers:

- (I) to preside over the production and operation management work of the Company, organize the implementation of resolutions of the board of directors and report to the board of directors;
- (II) to organize the implementation of the annual business plan and investment plan of the Company;
- (III) to draft plans for the establishment of the internal management department of the Company;
- (IV) to draft the Company's basic management system;
- (V) to formulate the specific regulations for the Company;

(VI) to propose the appointment or dismissal of the deputy general manager, financial controller and other senior management of the Company;

(VII) to decide to appoint or dismiss responsible management personnel other than those required to be appointed or dismissed by the board of directors;

(VIII) other powers conferred by the Articles of Association and the board of directors.

**Article 198** The general manager shall formulate relevant working rules, which shall be implemented upon approval by the board of directors.

**Article 199** The detailed working rules shall include:

(I) the requirements, procedures and attendees of an operation meeting;

(II) the specific duties and roles of each of the general manager and other senior management;

(III) the usage of the Company's funds and assets, the limits of his/her authority to enter into material contracts, and the mechanism of reporting to the Board and the Supervisory Committee;

(IV) other matters as the Board shall deem necessary.

**Article 200** The general manager may tender his/her resignation before his/her term expires. The specific procedures and methods for the resignation of the general manager shall be provided in the employment contract between the general manager and the Company.

**Article 201** A senior management shall be personally liable for any loss suffered by the Company as a result of a violation by him of any laws, administrative regulations, departmental rules or the Articles of Association in the course of performing his/her duties.

**Article 202** The general manager may attend the board meetings but shall not have voting rights if he/she is not a director.

**Article 203** The general manager shall bear the fiduciary and diligent obligations in accordance with the provisions of laws, administrative regulations, regulatory requirements and the Articles of Association in performing his/her duties.

**Article 204** The chief actuary shall perform the following duties:

- (I) To analyze and research experience data, participate in the formulation of development strategies for insurance products, work out premium rates of insurance products, and review insurance product approval or filing materials;
- (II) To be involved in solvency management;
- (III) To formulate or participate in the formulation of reinsurance system; to review or participate in the review of reinsurance plans;
- (IV) To assess various non-life insurance actuary reserves and relevant liabilities; to participate in budget management;
- (V) To participate in the formulation of shareholder dividend distribution system; to formulate dividend distribution scheme relevant to insurance products, such as participating insurance;
- (VI) To participate in assets and liabilities allocation management; to be involved in deciding investment priorities or drawing up assets allocation guidelines;
- (VII) To participate in the formulation of operation rules and payment system for agency service fee, such as commission and brokerage expenses;
- (VIII) To review and sign relevant data and reports for disclosure pursuant to provisions specified by the insurance regulating authority and relevant state departments;
- (IX) To review and sign actuarial reports, embedded value reports and other relevant documents as required by the insurance regulating authority;
- (X) To report major potential risks to the insurance company and the insurance regulating authority;
- (XI) Any other duties which are required to be performed according to the requirements of the insurance regulating authority and the Articles of Association of the insurance company.

## Chapter 9 Supervisory Committee

### Section 1 Supervisors

**Article 205** Provisions of Article 221 of the Articles of Association with respect to disqualified directors of the Company are applicable to the supervisors.

Supervisors of the Company shall have good conduct and reputation, possess the professional knowledge and working experience commensurate with their duties, and satisfy the conditions stipulated in the laws, regulations, the listing rules of the applicable stock exchange and requirements of the NAFR.

The supervisory committee comprises of external supervisors, shareholder supervisors and employee supervisors. The proportion of external supervisors and employee supervisors shall not be less than one-third (1/3) of the supervisory committee. Excluding employee supervisors, supervisors shall be elected and removed by the shareholders' general meeting. Employee supervisors shall be democratically elected and removed by the employees of the Company.

**Article 206** Directors, general manager and financial controller and other senior management of the Company may not act concurrently as supervisors.

**Article 207** Supervisors shall faithfully perform their supervisory obligations in accordance with laws, administrative regulations and the Articles of Association and bear fiduciary and diligent duties to the Company. Supervisors are prohibited from abusing their power to accept bribes or other illegal income and from misappropriating the Company's properties.

**Article 208** The term of office of supervisors shall be three (3) years, beginning at the date of approval of his/her qualifications by the NAFR till the expiry of the tenure of the current board of supervisors. The term of office of supervisors shall be renewable upon re-election and re-appointment; the accumulative service term of external supervisors shall not exceed six years.

**Article 209** If no supervisor is elected in place of a retiring supervisor upon expiry of his/her term or a supervisor resigns before the expiry of his/her term resulting in the number of supervisors to be less than the required number, the leaving supervisor shall continue to perform his/her duties as a supervisor in accordance with the laws, administrative regulations and the Articles of Association until a supervisor is elected in his/her place.

**Article 210** A supervisor shall attend the Board meetings, and make enquiry or suggestion regarding resolutions of the Board meetings.

**Article 211** A supervisor may not make use of his/her connected relationship to harm the Company's interests. For any losses caused to the Company arising therefrom, he/she shall be liable to make indemnification.

**Article 212** A supervisor shall be personally liable for any loss suffered by the Company as a result of a violation by him of any laws, administrative regulations, departmental rules or the Articles of Association in the course of performing his/her duties.

## **Section 2 Supervisory Committee**

**Article 213** The Company has established the supervisory committee. The supervisory committee of the Company consists of three (3) supervisors, of whom one (1) is a shareholder representative supervisor, one (1) is an external supervisor and one (1) is an employee representative supervisor.

The supervisory committee shall have one (1) chairman, who shall be elected or removed by the vote of over two thirds (2/3) of all supervisors. The chairman of the supervisory committee shall convene and preside over the meetings. If the chairman of the supervisory committee is unable or unwilling to perform the duty, a supervisor jointly elected by more than one half of the supervisors shall convene and preside over the meeting.

**Article 214** Non-employee supervisors are nominated by shareholders or the supervisory committee, and employee supervisors are nominated by the supervisory committee and the labor union. Shareholders who have already nominated directors and their related parties may no longer nominate supervisors, and follow regulations otherwise regulated by the state.

**Article 215** The Supervisory Committee shall perform the following duties:

- (I) to review the financial affairs of the Company;
- (II) to supervise the work of the directors and senior management, and propose dismissal of directors and senior management who have violated laws, administrative rules, the Articles of Association or the resolutions of the shareholders' general meetings;

- (III) if any act of the directors and senior management damages the interests of the Company, to require the directors and senior management to rectify such act accordingly;
- (IV) to examine the finance reports, operating reports, profit distribution proposals and other financial information to be presented by the board of directors to the shareholders' general meeting; if in doubt, to appoint certified accountants and chartered auditors in the name of the Company to carry out audit;
- (V) to propose the convening of extraordinary general meetings and, in case the board of the directors does not perform its obligations to convene and preside over the shareholders' general meetings in accordance with Company Law, to convene and preside over the shareholders' general meetings;
- (VI) to make proposals to the shareholders' general meeting;
- (VII) to take legal actions against directors and senior management in accordance with the provisions of Article 151 of the Company Law;
- (VIII) to initiate investigations into any irregularities identified in the operation of the Company and, where necessary, to engage an accounting firm to assist in his/her work at the Company's expense.
- (IX) to nominate candidates for independent directors;
- (X) to supervise the decision of the board of directors on risk management, the performance of risk management duties by directors and senior management, and the formulation, implementation and evaluation of the Company's development plan;
- (XI) to regularly understand the operation of the Company, monitor major solvency risks that may arise during the operating process, and include them in the work reports of the supervisory committee;
- (XII) to perform other duties as stipulated by the Articles of Association.

**Article 216** The supervisory committee shall convene meetings at least four (4) times every year. The chairman of the supervisory committee shall convene the meetings. The supervisors may propose to convene an extraordinary meeting of the supervisory committee.

**Article 217** The resolutions of the supervisory committee shall be passed by vote of more than two thirds (2/3) of the members of the supervisory committee.

**Article 218** The Supervisory Committee shall formulate the rules of procedure for the Supervisory Committee (See Annex III to the Articles of Association) and express the discussion methods and voting procedures, to ensure the work efficiency and scientific decision-making of the Supervisory Committee.

The rules of procedure for the Supervisory Committee shall be effective after approved by the shareholders' general meetings. The Supervisory Committee shall perform its duties in strict compliance with the procedures required by the rules of procedure for the Supervisory Committee.

**Article 219** The discussed issues shall be recorded in the minutes of the meeting of the Supervisory Committee. Supervisors attending the meeting shall sign on the minutes of meetings. The meeting minutes shall be kept permanently.

**Article 220** The notice of the board of supervisors meeting shall contain:

- (I) The convening date, venue and duration of the meeting;
- (II) The issues and proposals;
- (III) The date of the issuance of the notice.

**Article 221** The reasonable expenses incurred by the Supervisory Committee when engaging lawyers, certified public accountants, chartered auditors and other professionals in performing its duties shall be borne by the Company.

## **Chapter 10 The Qualifications and Obligations of the Company's Directors, Supervisors and Senior Management**

**Article 222** Directors, supervisors and senior management of the Company shall satisfy the qualifications and conditions required by Rule 146 of the Company Law, Rule 82 of the Insurance Law, the listing rules of the applicable stock exchange and requirements of the NAFR. A person may not serve as a director, supervisor or member of senior management of the Company if any of the following circumstances apply:

- (I) a person without or with restricted capacity of civil conduct;

- (II) a person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the social economic order and has been punished for committing such offence; or who has been deprived of his/her political rights, in each case where no more than five (5) years have elapsed since the date of the completion of implementation of such punishment or deprivation;
- (III) a person who is a former director, factory manager or manager of a company or enterprise which has entered into insolvent liquidation because of mismanagement and who is personally liable for the insolvency of such company or enterprise, where no more than three (3) years have elapsed since the date of the completion of the insolvency and liquidation of such company or enterprise;
- (IV) a person who is a former legal representative of a company or enterprise which had its business license revoked due to a violation of laws and who incurred personal liability therefor, where no more than three (3) years have elapsed since the date of the revocation of the business license;
- (V) a person who has a relatively large amount of debts due and outstanding;
- (VI) a person who is under criminal investigation or prosecution by judicial organs for violation of criminal law and the case is not yet concluded;
- (VII) a person who has been prohibited from serving as a leader of an enterprise by laws or administrative regulations;
- (VIII) a non-natural person;
- (IX) a person who has been convicted by the relevant competent authority for violation of relevant securities regulations, and such conviction involves a finding that such person has acted fraudulently or dishonestly, where less than five (5) years have elapsed from the date of such conviction;
- (X) circumstances prescribed by laws, administrative regulations, regulatory requirements, the Articles of Association and the securities regulatory authorities of the place where the shares of the Company are listed and circumstances where a person is deemed inappropriate by the NAFR and other regulatory authorities to serve as a director, supervisor or member of senior management.

If the Company elects the directors, supervisors and senior management in breach of the above requirements, such election will be null and void.

Where a director, supervisor and member of the senior management falls in the situation stipulated in the first paragraph of this Article that disqualified for a director, supervisor and senior management, the nomination and remuneration management committee shall propose to the Board to remove such person, and the shareholders' general meetings or the board of directors shall remove his/her position according to provisions of the Articles of Association.

**Article 223** The validity of the conduct of directors or other senior management of the Company who act in good faith on behalf of the Company with respect to third parties shall not be affected by any irregularity in their appointment, election or qualification.

**Article 224** In addition to the obligations imposed by the laws, administrative regulations or the listing rules of the stock exchange(s) on which the shares of the Company are listed, the directors, supervisors and other senior management of the Company shall have the following obligations to each shareholder in performing the duties entrusted by the Company:

- (I) not to cause the Company to exceed the scope of business stipulated in its business license;
- (II) to act honestly in the best interests of the Company;
- (III) not to expropriate in any guise the Company's property, including but not limited to opportunities advantageous to the Company;
- (IV) not to expropriate the personal rights of shareholders, including but not limited to rights to distribution and voting, except the restructuring of the Company submitted to the shareholders' general meeting for approval in accordance with the Articles of Association.

**Article 225** Each of the Company's directors, supervisors and members of senior management owes a duty, in the exercise of his/her rights or the discharge of his/her duties, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

**Article 226** Each of the Company's directors, supervisors and members of senior management shall carry on his/her duties in accordance with the fiduciary principle and shall not put himself/herself in a position where his/her duty and his/her interest may conflict. This principle includes (but is not limited to) discharging the following obligations:

- (I) to act honestly in the best interests of the Company;
- (II) to exercise powers within the scope of his/her powers and not to exceed those powers;
- (III) to exercise the discretion vested in him/her personally and not to allow himself/herself to act under the control of another and, except to the extent permitted by laws, administrative regulations or with informed consent of shareholders' general meeting, not to delegate the exercise of his/her discretion to others;
- (IV) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;
- (V) except in accordance with the Articles of Association or with informed consent of shareholders' general meeting, not to enter into any contract, transaction or arrangement with the Company;
- (VI) without informed consent of shareholders' general meeting, not to use the Company's property by any means for his/her own benefit;
- (VII) not to exploit his/her position to accept bribes or other illegal income or expropriate the Company's property by any means, including (but not limited to) opportunities advantageous to the Company;
- (VIII) without informed consent of shareholders' general meeting, not to accept commissions in connection with the Company's transactions;
- (IX) to abide by the Articles of Association, faithfully perform his/her duties and protect the Company's interests, and not to exploit his/her position and power in the Company to advance his/her own private interests;
- (X) not to compete with the Company in any form without informed consent of shareholders' general meeting;

- (XI) not to misappropriate the Company's funds or lend such funds to others, not to open accounts in his/her own name or other names for the deposit of the Company's assets and not to provide a security for debts of a shareholder of the Company or other individual(s) with the Company's assets;
- (XII) without informed consent of shareholders' general meeting, not to disclose any confidential information in respect of the Company acquired by him/her in the course of and during his/her tenure of office and not to use the information other than for the purpose of the interests of the Company, save that disclosure of such information to the court or other governmental authorities is permitted if:
1. disclosure is required by law;
  2. the interests of the public require disclosure;
  3. the interests of the relevant director, supervisor or member of senior management require disclosure.

**Article 227** Each director, supervisor or member of senior management of the Company shall not cause the following persons or institutions ("Related Persons") to do what he is prohibited from doing:

- (I) the spouse or minor children of that director, supervisor or member of senior management;
- (II) a trustee of that director, supervisor or member of senior management or any person referred to in paragraph (I);
- (III) a partner of that director, supervisor or member of senior management or any person referred to in paragraphs (I) and (II) above;
- (IV) a company in which that director, supervisor or member of senior management, alone or jointly with one or more persons referred to in paragraphs (I), (II) and (III) above and other directors, supervisors and members of senior management have a de facto controlling interest;
- (V) the directors, supervisors, general manager and other members of senior management of the controlled company referred to in paragraph (IV).

**Article 228** The fiduciary duties of the director, supervisor or member of senior management of the Company do not necessarily cease upon the termination of their tenure. The duty of confidence in relation to trade secrets of the Company survives the termination of their tenure. Other duties may continue for such period on a fair basis depending on the time lapse between the termination and the act concerned and the circumstances and conditions under which the relationships between them and the Company are terminated.

**Article 229** Where a director, supervisor and other senior management of the Company is in any way, directly or indirectly, materially interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company (other than his/her contract of service with the Company), he/she shall declare the nature and extent of his/her interests to the Board at the earliest opportunity, whether or not the related matters under normal circumstances is otherwise subject to the approval of the Board.

Unless the interested director, supervisor and other senior management of the Company has disclosed such interest to the Board as required under the preceding paragraph of this Article and the matter has been approved by the Board at a meeting where he/she was not counted in the quorum and had refrained from voting, the Company shall have the rights to revoke the contract, transaction or arrangement, except where the other party is a bona fide party acting without knowledge of the breach of obligation by the director, supervisor, president and other senior management concerned.

A director, supervisor and other senior management of the Company shall be deemed to have some interest in a certain contract, transaction or arrangement in which a Connected Person of such director, supervisor and other senior management has some interest.

**Article 230** In the event that a director, supervisor and other senior management of the Company gives a written notice to the Board before the Company considers to enter into the contract, transaction or arrangement for the first time, stating that due to the contents of the notice, such director, supervisor or senior management of the Company has an interest in the contract, transaction or arrangement that may subsequently be made by the Company, such director, supervisor and other senior management shall be deemed, for the purposes of the preceding Articles of this Chapter, to have declared his/her interest, insofar as attributable to the scope stated in the notice.

**Article 231** The Company shall not in any manner pay taxes for or on behalf of its director, supervisor and any other senior management.

**Article 232** The Company shall not provide guarantee to third parties in respect of the debts of others, nor shall it extend a loan to or provide any guarantee any of their respective associates.

However, the following transactions are not subject to the above prohibition:

The following activities in the normal course of business of the Company: security in proceedings; credit security related to export credit insurance as provided in the capacity of export credit insurer; and maritime security.

**Article 233** A loan made by the Company in breach of the proceeding Article shall be forthwith repayable by the recipient of the loan, regardless of the terms of the loan.

**Article 234** A security provided by the Company in breach of paragraph 1 of Article 231 shall be unenforceable against the Company, unless:

- (I) the security was provided in connection with a loan to a related person of any of the directors, supervisors or members of senior management of the Company or its parent company and at the time the loan was advanced the lender did not know the relevant circumstances;
- (II) the collateral provided by the Company has been lawfully sold by the lender to a bona fide purchaser.

**Article 235** The security referred to in the preceding paragraphs of this Chapter shall include the undertaking of obligations or provision of property by the guarantor to secure the performance of obligations by the obligor.

**Article 236** In addition to any rights and remedies provided by laws and administrative regulations, where a director, supervisor or member of senior management of the Company is in breach of his/her duties to the Company, the Company has a right to:

- (I) claim damages from the director, supervisor or member of senior management in compensation for losses sustained by the Company as a result of his/her neglect of duties;
- (II) rescind any contract or transaction entered into by the Company with the director, supervisor or member of senior management or with a third party (where such third party knows or should know that there is such a breach of duties by such director, supervisor or member of senior management);

- (III) require the relevant director, supervisor or member of senior management to return the benefits received by him/her as a result of the breach of the obligations;
- (IV) recover any funds received by the director, supervisor or member of senior management that should have been received by the Company, including (but not limited to) commissions;
- (V) require the relevant director, supervisor or member of the senior management to return the interest that is earned or may have been earned from the fund which should have been payable to the Company.

**Article 237** The Company shall, with prior approval by shareholders in general meeting, enter into a contract in writing with each of its directors, supervisors and members of senior management in respect of remunerations. The contract in writing shall at least include:

- (I) The directors, supervisors and senior management shall undertake to the Company that he/she shall observe and comply with the Company Law, the Special Provisions of the State Council on the Overseas Offering and Listing of Shares by the Joint Stock Limited Companies, the Articles of Association of the Company, the Codes on Takeovers and Mergers, the Codes on Share Repurchase, and other regulations formulated by the Hong Kong Stock Exchange, and shall agree that the Company shall be entitled to the remedies provided in the Articles of Association and that neither the contract nor his/her office may be transferred;
- (II) The directors, supervisors and senior management shall undertake to the Company for the benefit of each Shareholder that he/she shall observe and perform his/her duties to the shareholders as stipulated in the Articles of Association; and
- (III) The arbitration clause shall be provided for in Article 318 hereof.

The above remunerations include:

- (I) remunerations for them as directors, supervisors or members of senior management of the Company;
- (II) remunerations for them as directors, supervisors or members of senior management of any subsidiary of the Company;
- (III) remunerations otherwise in connection with services for the management of the Company or its subsidiaries;

(IV) payments by way of compensation for loss of office, or in connection with their retirement from office.

Save as specified in the contract mentioned above, no proceedings shall be brought by a director or supervisor against the Company for anything due to him in respect of the matters specified above.

**Article 238** The contracts concerning emoluments between the Company and its directors or supervisors should provide that, in the event of an acquisition of the Company, the directors and supervisors shall, subject to prior approval by the shareholders' general meeting, have the right to receive compensation or other payments for loss of office or retirement. The acquisition of the Company referred to in this paragraph means either:

- (I) a takeover offer made by any person to all shareholders;
- (II) a takeover offer made by any person to enable the offeror to become a controlling shareholder which has the same definition as that provided in Article 63 of the Articles of Association.

If the relevant director or supervisor does not comply with this Article, any sum so received by the director or supervisor shall belong to those persons who have sold their shares as a result of the offer, and the expenses incurred in distributing that sum pro rata among those persons shall be borne by the relevant director or supervisor and not deducted from the sum distributed.

## **Chapter 11 Finance and Accounting, Auditing and Compliance and Risk Management**

### **Section 1 Finance and Accounting**

**Article 239** The Company shall formulate its financial and accounting system in accordance with the laws, administrative regulations and the PRC accounting standards formulated by the State finance authorities.

**Article 240** The financial year of the Company shall coincide with the calendar year, from 1 January to 31 December of the Gregorian calendar.

**Article 241** The Company shall prepare its annual financial report within one hundred and twenty (120) days after the end of each fiscal year, which shall be audited by an accounting firm according to the law.

**Article 242** The board of directors of the Company shall at each annual general meeting submit to shareholders the financial reports prepared by the Company as required by relevant laws, administrative regulations and normative documents issued by local governments and authorities.

**Article 243** The financial reports of the Company shall be made available at the Company for review by shareholders twenty (20) days before the date of annual general meeting. Each shareholder of the Company shall be entitled to obtain a copy of the financial reports referred to in this chapter.

The Company shall, at least twenty-one (21) days before the date of every annual general meeting, deliver by hand or by prepaid post the aforesaid financial reports and the reports of the board of directors to each holder of the overseas listed shares of the Company at the addresses specified in the register of members.

**Article 244** In addition to financial statements prepared in accordance with PRC accounting standards and regulations, the Company may also prepare its financial statements according to the international accounting standards or overseas accounting standards in the place where the shares of the Company are listed. Material differences between the financial statements prepared according to different accounting standards shall be explicitly explained in the notes to the financial statements. When distributing the after-tax profits for the fiscal year, the Company shall base its distribution on the lower of the after-tax profits in the aforesaid two financial statements.

**Article 245** Any interim results or financial information published or disclosed by the Company shall be prepared in accordance with PRC accounting standards and regulations and may also be prepared in accordance with either international accounting standards or accounting standards of the foreign stock exchange where the shares of the Company are listed.

**Article 246** The Company shall publish its financial reports twice in each fiscal year, i.e. the interim financial report within sixty (60) days after the end of the first six (6) months of a fiscal year and the annual financial report within one hundred and twenty (120) days after the end of a fiscal year.

**Article 247** The Company's annual financial and accounting reports shall include the following financial statements and schedules:

- (I) Balance sheet;
- (II) Income statement;
- (III) Statement of changes in financial positions;
- (IV) Explanation of financial conditions;
- (V) Statement of profit appropriation.

The above financial and accounting reports are prepared in accordance with laws, administrative regulations and the provision of departmental regulation.

**Article 248** The Company shall not keep any accounting book other than the statutory accounting books. The assets of the Company shall not be kept under any account set up in the name of any individual.

**Article 249** The Company shall keep proper recording of complete books, original vouchers and relevant information regarding business operations for a term of at least ten (10) years from the date when an insurance contract is terminated.

**Article 250** Upon its establishment, the Company is required to make a security deposit which amount to 20% of its registered capital into a bank designated by the NAFR. Such security deposit shall not be used for any purposes other than settling the debts of the Company during liquidation proceedings.

**Article 251** The Company shall, in the principle of safeguarding the interests of the insured and guaranteeing solvency, set aside various premium reserves. The Company shall comply with the regulatory requirements of the NAFR on premium reserves to provide, pay and apply various premium reserves.

**Article 252** According to the Insurance Law and relevant regulatory requirements of the NAFR on insurance guarantee fund, the Company shall pay the insurance guarantee fund for the insurance business it operates. Those insurance business which is paid insurance guarantee fund would be covered by the insurance fund relief.

**Article 253** The after-tax profits of the Company shall be distributed in the following order of priority:

- (I) cover the losses in prior years;
- (II) set aside 10% of them to its statutory reserve fund;
- (III) set aside to its discretionary reserve fund;
- (IV) pay dividends to shareholders.

**Article 254** The Company should, during distribution of after-tax net profit of current year, set aside 10% of the profit and contribute to its statutory reserves fund.

**Article 255** In addition to a statutory reserves fund set aside from its after-tax net profit, the company may also set aside funds for a discretionary reserves fund from its after-tax net profit upon passing a resolution at a shareholders' general meeting.

The remaining after-tax profits after making up losses and allocation of statutory reserve fund and discretionary reserves fund shall be distributed in proportion to the number of shares held by the shareholders, unless otherwise stipulated in the Articles of Association. While formulating a prudent profit distribution plan, the Company needs to consider factors such as "profitability, business development planning, shareholder's return, regulatory requirements, social capital cost and external financial environment" etc.

If it is resolved at the general meeting to distribute profit to shareholders before covering the losses and making allocation to statutory revenue reserve in violation to the provisions of the previous paragraph, the shareholders shall return such distributed profits to the Company.

**Article 256** The reserve fund of the Company shall be applied to make up losses of the company, expand its business operations or be converted to increase the registered capital of the Company. However, the capital reserve fund may not be applied to make good the company's losses.

Upon the conversion of statutory reserve fund into capital, the balance of the statutory reserve fund shall not be less than 25% of the registered capital of the Company before such conversion.

**Article 257** Capital surplus fund includes the following items:

- (I) premium on shares issued at a premium price;
- (II) any other income designated for the capital surplus fund by the regulations of the finance regulatory department of the State Council.

**Article 258** Following a resolution approving the profit distribution plan at a shareholders' general meeting, the board of directors shall complete the distribution of the dividends within two (2) months from the convening of such meeting.

The Company may distribute dividends in cash or by shares. Any amount paid up in advance of calls on any share may carry interest but shall not entitle the holder of the shares to participate in respect thereof in a dividend subsequently declared. Where the Company is granted the power to seize any dividends not claimed by anybody, this power may not be exercised until at least six (6) years following the date that the dividends are announced.

**Article 259** The Company shall appoint receiving agents on behalf of the holders of overseas listed shares to receive on behalf of such shareholders dividends declared and all other monies owed by the Company in respect of their overseas listed shares. Such proceeds shall be managed by the receiving agents on such shareholders' behalf to be paid to them.

The receiving agent appointed by the Company shall comply with the laws and relevant requirements of the stock exchange of the place where the shares of the Company are listed.

The receiving agents appointed on behalf of holders of overseas listed shares which are listed in Hong Kong shall be a company registered as a trust company under the Trustee Ordinance of Hong Kong.

Provided that the relevant laws and regulations in the PRC are observed, the Company may exercise the right to forfeit unclaimed dividends, but the said right shall be exercised only after the expiry of the applicable validity period of the announced dividends.

The Company shall be entitled to deliver the dividend warrant directly or by mail via the receiving agent. If such dividend warrants have not been cashed for two consecutive times, the Company shall be entitled to terminate the delivery of dividend warrants by mail to relevant shareholders. However, if such dividend warrant failed to reach the recipient and thus was returned for the first time, the Company may also exercise the said right.

The Company shall have the right to sell the shares of holders of overseas listed shares not contactable by means regarded as appropriate by the board of directors, but the following conditions must be met:

- (I) that dividends on such shares have been delivered at least 3 times within 12 years and no claim has been made during such period;

- (II) that the Company publishes an announcement on one or more newspapers of the place where shares of the Company are listed after the expiry of the 12-year period, stating its intention to sell such shares, and informs the stock exchange of the place where such shares are listed.

**Article 260** The Company's financial controller shall be nominated by the general manager and decided by the board of directors of the Company. The financial controller reports to the board of directors and the general manager.

**Article 261** The financial controller shall perform the following duties:

- (I) To be responsible for accounting calculation and the preparation of financial reports, the establishment and maintenance of the internal control system in relation to financial reporting, and to be responsible for the accuracy of the financial and accounting information;
- (II) To be responsible for financial management, including budget management, cost control, capital adjustments, profits allocation and evaluation of operational performance;
- (III) To be responsible for or participate in risk management and solvency management;
- (IV) To participate in significant operation and management activities, such as strategic planning;
- (V) To review and execute relevant data and reports to be disclosed externally in accordance with the laws, administrative regulations and relevant regulatory requirements;
- (VI) Any other duties which are required to be performed according to the requirements of the NAFR and other laws.

**Article 262** The board of directors of the Company shall listen to the report given by the financial controller at least once every six months with respect to matters such as the financial conditions of the Company, its operating results and issues to which attention should be given.

The board of directors of the Company shall conduct constant evaluation and regular assessment on the performance of the financial controller.

## **Section 2 Internal Audit**

**Article 263** The Company shall conduct internal audit system and assign full-time auditors to conduct internal audit and supervision on the revenues and expenditures and economic activities of the Company.

**Article 264** The audit controller shall be nominated by the chairman of the board of directors or the audit and consumer rights protection committee and appointed by the board of directors. The audit controller reports to the board of directors; briefs its work to the audit and consumer rights protection committee of the board of directors; and is responsible for communicating with management and circulating audit results.

**Article 265** The principal duties and responsibilities of the audit controller include:

- (I) Organizing the activities of the Company's internal audit system;
- (II) Organizing the formulation and facilitating the implementation of the Company's internal audit policies, annual audit plans and audit budgets;
- (III) Organizing the implementation of auditing projects to ensure the quality of internal auditing activities;
- (IV) Reporting significant issues and risks to the audit and consumer rights protection committee under the board of directors and the general manager of the Company, and proposing measures for improvement in a timely manner;
- (V) Coordinating the relationship between the internal audit department and other departments of the Company.

## **Section 3 Compliance Management and Risk Management**

**Article 266** The Company shall set up a compliance management department independent from the operation and financial departments to formulate and implement compliance policies, conduct compliance supervision and training, and to undertake compliance examinations on important businesses such as product development, market sales, external investments and to identify, appraise and monitor the compliance risk of the Company's management system, operational procedures and business actions, and to submit the compliance reports.

**Article 267** The compliance officer shall be nominated by the general manager and appointed by the board of directors. The compliance officer reports to the board of directors and the general manager and shall not charge concurrently the business department and finance department of the Company.

**Article 268** The principal duties and responsibilities of the compliance officer include:

- (I) Formulating and amending compliance policies of the Company and reporting to the general manager for review;
- (II) Conveying compliance policies approved by the board of directors to employees and marketing staff of the Company, and organizing the implementation of such compliance policies;
- (III) Under the leadership of the board of directors and the general manager, formulating annual compliance and risk management plan, handling the overall responsibilities relating to compliance management of the Company and overseeing compliance department or compliance positions;
- (IV) Periodically making recommendations regarding measures for improving our compliance to the general manager and the audit and consumer rights protection committee of the board of directors, and timely reporting material non-compliant activities of the Company and the senior management to the general manager and the audit and consumer rights protection committee of the board of directors;
- (V) Reviewing and authorizing by signature various compliance documents, such as compliance reports, prepared by the compliance management departments;
- (VI) Other compliance duties stipulated herein or determined by the board of directors.

**Article 269** The Company shall establish the risk management department, which shall be independent from departments of other functions such as business, financial, investment and actuary. The risk management department shall be entitled to participate in the material decision of the strategic, business and investment committees of the Company, and to conduct regular risk identification as well as quantitative and qualitative risk assessment on the Company.

## **Section 4 Appointment of Accounting Firm**

**Article 270** The Company shall appoint an independent accounting firm (or its joint accounting firm in China) which is internationally recognized and is qualified under the relevant regulations of China to audit the annual financial reports and other financial reports of the Company.

**Article 271** The accounting firm appointed by the Company shall hold office for a period commencing from the conclusion of this annual shareholders' general meeting until the conclusion of the next annual shareholders' general meeting. The appointment may be renewed.

**Article 272** The engagement of the Company's accounting firm shall be determined at the annual shareholders' general meeting of each year.

**Article 273** The accounting firm engaged by the Company shall enjoy the following rights:

- (I) To have the access to the financial statements, the account book, records or vouchers of the Company at any time, and have the right to require the directors and senior management of the Company to provide relevant materials and statements;
- (II) To require the Company to take every reasonable measure to obtain the materials and statements of the subsidiaries necessary for the accounting firm to perform its duties;
- (III) To attend the shareholders' general meeting, obtain the notices of shareholders' general meeting that any shareholder is entitled to or other information related to the meeting, and to address the shareholders' general meeting in relation to matters concerning its roles as the Company's appointed accounting firm.

**Article 274** If there is a vacancy of the office of the accounting firm that provide regular statutory audit on financial reports of the Company, the shareholders' general meeting may fill up the vacancy by appointing an accounting firm. But during the period when the vacancy subsists, if the Company has other accounting firm in office, such firm can continue to carry out the relevant duty.

**Article 275** The shareholders' general meeting may dismiss any accounting firm through an ordinary resolution before the term of such accounting firm expires, regardless of the contract made by the Company with such accounting firm. If the relevant accounting firm enjoys the right to claim compensation from the Company because of the disengagement, the relevant rights shall not be influenced by this provision.

**Article 276** The remuneration of the accounting firm or the method of determining the remuneration shall be decided through ordinary resolution by the shareholders' general meeting.

**Article 277** The appointment, removal and non-reappointment of an accounting firm shall be resolved through ordinary resolution by the shareholders' general meeting, and shall be filed with the securities regulatory authority of the State Council. When necessary, the reason for the change shall be stated.

Where it is intended to pass a resolution at a shareholders' general meeting to appoint an accounting firm which is not holding a current position to fill any vacancy of the position of the accounting firm, or to renew the engagement of an accounting firm to fill up the vacancy, or to dismiss an accounting firm before the expiry of its term of appointment, such matters shall be handled pursuant to the following provisions:

- (I) Before dispatch of the shareholders' general meeting notice, the proposal on the appointment or dismissal shall be delivered to the accounting firm to be appointed or to leave its office or that has already left its office in the relevant fiscal year.

Leaving office shall include the dismissal, resignation and retirement of an accounting firm.

- (II) If the accounting firm to leave its office makes any statement in writing and requires shareholders to be informed of the statement by the Company, unless being too late for the receipt of such statement, the Company shall take the following measures:

1. Indicating on the notice to the resolution that the leaving accounting firm has made such a statement;
2. Sending copies of the statement as an annex to the notice to shareholders in such manner set forth in the Articles of Association.

- (III) If the Company fails to deliver such statement made by the relevant accounting firm in accordance with the provisions in item (II) above, the accounting firm concerned may require the statement to be read out at the shareholders' general meeting and make further complaints.

- (IV) The accounting firm to leave office is entitled to attend the following meetings:

1. the shareholders' general meeting at which its term of office shall expire;

2. the shareholders' general meeting at which the corresponding vacancy caused by its dismissal shall be filled;
3. the shareholders' general meeting convened as a result of its voluntary resignation.

The accounting firm to leave office is entitled to receive all notices or other information related to the foregoing meetings, and to be heard at the foregoing meetings regarding such matters which concern it as the former accounting firm of the Company.

**Article 278** Thirty (30) days' prior notice shall be given to the accounting firm if the Company decides to remove such accounting firm or not to renew the appointment thereof. Such accounting firm shall be entitled to make representations at the general meeting. Where the accounting firm resigns, it shall make clear to the shareholders' general meeting whether there has been any impropriety existing in the Company.

An accounting firm may resign by depositing a written resignation notice at the legal address of the Company. The resignation notice shall become effective on the date of such deposit or on such later date stipulated in such notice. Such notice shall contain the following statements:

- (I) a statement to the effect that there are no circumstances in connection with its resignation which should be brought to the attention of the shareholders or creditors of the Company; or
- (II) a statement of any such circumstances which should be brought to attention.

The Company shall send a copy of the written notice mentioned above to relevant competent authorities within fourteen (14) days after receipt of the said notice. If the notice contains the statement mentioned in item (II) above, The Company shall keep a copy of the said statement in the Company for inspection by the shareholders. Save as otherwise provided in the Articles of Association, the Company shall also send the aforesaid copy by pre-paid mail to every holder of overseas listed shares at the address as shown in the shareholders' register; or the Company shall, during the above-mentioned period, publish such copy through the website of the stock exchange of the place where the shares of the Company are listed, or publish such copy in one or more newspapers specified by the stock exchange website and by the Articles of Association.

Where the accounting firm's notice of resignation contains a statement of any such circumstances which should be brought to attention, such accounting firm may require the board of directors to convene an extraordinary general meeting for the explanation of the circumstances regarding to its resignation.

**Article 279** The Company guarantees that it will provide the accounting firm with true and complete accounting vouchers, accounting books, financial accounting reports and other accounting information without any objection, omission or falsehood.

## **Chapter 12 Labour and Personnel System**

**Article 280** The Company shall enter into a labour contract with each and every employee and implement an appointment system with relevant probationary period. Unless otherwise stipulated herein, the appointment, dismissal, remuneration, benefits, labour insurance, labour protection and labour discipline of staff, subject to approval by the board of directors of the Company, shall be decided by the general manager according to the Labor Law of the PRC (中華人民共和國勞動法), the Labor Contract Law of the PRC (中華人民共和國勞動合同法) and the state's relevant laws and regulations and in line with the Company's specific developments.

## **Chapter 13 Connected Transactions and Information Disclosure**

### **Section 1 Related Transactions**

**Article 281** The Company shall formulate the administration system on related transaction in accordance with the laws, regulations, regulatory documents and the Articles of Association.

**Article 282** Related transactions of the Company shall observe the following basic principles:

- (I) Comply with the principles of honesty and credibility;
- (II) Standardize the principles for related transaction. For the review and approval of unavoidable related transactions, the principles of transparency, equality and fairness shall be followed;

(III) The shareholders' general meeting, the board of directors and the board of supervisors shall manage related transactions in accordance with their functions and powers. When casting votes on related transactions, related shareholders and directors shall carry out the system of the Company on abstaining from voting;

(IV) Related transactions shall comply with commercial principles and normal business terms. The pricing of related transactions shall comply with the market pricing principles.

## **Section 2 Information Disclosure**

**Article 283** The Company shall formulate the system of the information disclosure in accordance with the laws, regulations, the relevant provisions of the regulatory document and the Articles of Association.

**Article 284** The board of directors shall be responsible for the information disclosure of the Company.

**Article 285** The Company shall follow the principles of authenticity, accuracy, completeness and timeliness, and shall disclose information in a standardized manner.

**Article 286** The Company may make announcements on information disclosure to its shareholders whenever necessary. Information disclosure of the Company shall realize the principles of treating all shareholders transparently, equally and fairly.

**Article 287** The Company's internal and relevant parties knowing the information shall have the obligations of keeping undisclosed information confidential.

## **Chapter 14 Notice and Delivery**

### **Section 1 Notice**

**Article 288** The Company has designated the national media with great influence recognized by the securities regulatory institution of the listing place of the shares of the Company as the media for the publication of the Company's announcements and information disclosure.

**Article 289** Notices of the Company may be given in the following ways:

(I) by hand;

- (II) by email;
- (III) by fax;
- (IV) subject to the laws, regulations, regulatory documents and relevant rules of the securities regulatory authorities of the place where the Company's shares are listed, by posting on the website designated by the Company and the foregoing regulatory authority;
- (V) by way of an announcement made on newspapers or other designated media;
- (VI) such ways as the Company and the notified party agreed in advance or any other way which is recognized by the notified party upon receipt of the notice;
- (VII) other ways which are recognized by the securities regulatory authorities of the place where the shares of the Company are listed or stipulated in the Articles of Association.

Notwithstanding otherwise provisions in the Articles of Association on the forms in which any document, notice or other communication is to be released or given, subject to relevant rules of the securities regulatory authorities of the place where the shares of the Company are listed, the Company may elect to release corporate communications in the way stipulated in item (4) of clause 1 of this Article as a substitute for a written document delivered by hand or by prepaid mail to every shareholder of overseas listed shares. The foregoing corporate communication refers to any document sent or to be sent by the Company for its shareholders' reference or actions, including but not limited to annual report (including annual financial report), interim report (including interim financial report), report of the board of directors (including balance sheet and income statement), notice of the shareholders' general meeting, circular and other communication documents.

Unless otherwise stated, the "announcement" referred to in the Articles of Association shall mean, as to the announcements published to the shareholder who hold non-listed shares or the announcements required to be published in the PRC according to the relevant requirements and the Articles of Association, an announcement published on any newspaper in the PRC as stipulated under the laws and administrative regulations in China or designated by the securities authority of the State Council; the notice delivered to the shareholders of overseas-listed shares, if delivered by public notice, the Company shall submit an electronic

version which may be published immediately to Hong Kong Stock Exchange through the electronic upload system of Hong Kong Stock Exchange, on the same day in accordance with the local listing rules, to publish it on the website of Hong Kong Stock Exchange, or to publish it on the newspaper (including publishing advertisement in the newspaper) according to the requirements of local listing rules. The announcement shall be published on the Company's website at the same time. In addition, unless otherwise provided in the Articles of Association, the Company shall deliver the notice to each of the shareholders of overseas-listed shares in person or by prepaid mails according to their registered address, to facilitate that the shareholders are fully informed and have sufficient time to exercise their rights or act in accordance with the notice.

The shareholders of Overseas Listed Shares of the Company may choose in writing to receive the information that the Company is required to send to shareholders in electronic way or by post, in Chinese version or English version or both. The shareholders may also notify the Company in writing at a reasonable time in advance to change the way to receive the above-mentioned information and in which language is in accordance with the applicable procedures.

In order to prove that notices, documents, information, or written statements have been delivered to the Company, shareholders or directors shall provide proof of such notices, documents, information, or written statements have been delivered through usual methods or prepaid mail within the specified timeframe and to the correct address.

Notwithstanding the preceding article specifies that the Company shall provide with and/or deliver the Company communications in writing to the shareholders, as regard to the way to provide with and/or deliver the Company communications to shareholders in accordance with the listing rules of the applicable stock exchange, if the Company has obtained the shareholders' written or implied consent in advance in accordance with relevant laws and regulations and the listing rules of the applicable stock exchange as amended from time to time, the Company may deliver or provide with the Company communications for the shareholders of the Company by electronic way or by way of announcement on the Company's website.

**Article 290** Where a notice of the Company is served by way of announcement, upon the publication of such announcement, all relevant persons shall be deemed to have received the notice.

## Section 2 Delivery

**Article 291** where a notice is delivered by hand, post, fax or announcement, it shall be deemed delivered officially at the following times:

- (I) Where a notice is delivered by hand, the date on which the addressee shall sign (or seal) on reply slip;
- (II) Where a notice is delivered by registered or express mail, 10:00 am of the second working day from the date of payment of the mail;
- (III) Where a notice is delivered by fax, the date on which the fax machine of the deliverer produces the fax report;
- (IV) Where a notice is delivered by announcement, the date on which the first announcement is published.

Unless that a notice is received earlier than the above times and where the delivery or sending (if it is delivered by hand or sent by fax) takes place after the 6:00 pm of the working days or at the working days, it shall be deemed to be delivered at 9:00 am of the next working day. All the time referred in this Article refers to the local time of the country and region where the addressee resides;

**Article 292** If a notice of meeting is accidentally omitted to be sent to a person who is entitled to receive the notice or the notice has not been received not due to such person and if such person participates in the meeting by phone or then votes in writing, the meeting and any resolutions made therein shall not become void thereby, except that the voting opinion of the shareholder who doesn't attend the meeting has substantial effect on the voting results.

## **Chapter 15 Merger, Division, Capital Increase, Capital Reduction, Dissolution and Liquidation**

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

**Article 293** The merger or division of the Company shall be proposed by the Board of the Company, and upon approval in accordance with the procedures provided in the Articles of Association, it shall seek approval from the NAFR and go through relevant examination and approval formalities according to the laws. A shareholder objecting to merger or division of the Company may require the Company or the shareholders who are in favor of such merger or division to acquire his/her shares at a fair price. A special document about the content of the resolution on merger or division of the Company shall be made for inspection by the shareholders.

The aforesaid documents shall also be sent by mail to shareholders of overseas-listed shares of the Company.

**Article 294** Merger of the Company may take the form of absorption or establishment of a new company.

Absorption means that a company absorbs another company and the absorbed company will be dissolved. Where two or more companies merge into a new company, the original companies will be dissolved.

**Article 295** In the event of a merger, the merging parties shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten (10) days from the date of the Company's merger resolution and shall issue announcements for at least three (3) times in newspapers as designated by the China Banking and Insurance Regulatory Commission within thirty (30) days from the date of the Company's merger resolution. A creditor has the rights, within thirty (30) days of receiving such notice from the Company or, for creditors who do not receive the notice, within forty-five (45) days from the date of the public notice, to demand the Company to settle its debts or provide a guarantee for such debt.

**Article 296** Upon the merger of the Company, rights in relation to debtors and indebtedness of each of the merged parties shall be assumed by the company which survives the merger or the newly established company.

**Article 297** When the Company is divided, its assets shall be split up accordingly. In the event of a division, the parties concerned shall conclude a division agreement and shall prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten (10) days from the date of the Company's resolution to divide and shall issue announcements for at least three (3) times in newspapers as designated by the China Banking and Insurance Regulatory Commission within thirty (30) days from the date of the Company's resolution to divide.

**Article 298** Debts of the Company prior to division shall be jointly assumed by the companies which exist after the division, except provided otherwise in the written agreement between the Company and the creditors relating to the settlement of debt before the division.

**Article 299** Changes in particulars of the companies as a result of merger or division must be registered with the registration authorities in accordance with the laws. Cancellation of a company shall be registered in accordance with the laws when a company is dissolved. Incorporation of a company shall be registered when a new company is incorporated in accordance with the laws.

## **Section 2 Dissolution and Liquidation**

**Article 300** The Company is an insurance corporation engaged in property and casualty insurance business.

The Company shall not be dissolved except in the following circumstances:

- (I) expiry of the term of its operation;
- (II) dissolution as resolved by a shareholders' general meeting;
- (III) dissolution as a result of merger or division with the approval of the China Banking and Insurance Regulatory Commission;
- (IV) declaration of bankruptcy in accordance with law due to its failure to repay debts due; declaration of bankruptcy by the people's court with the approval of the China Banking and Insurance Regulatory Commission;
- (V) its insurance business license is revoked by the China Banking and Insurance Regulatory Commission or it is ordered to close down its business in accordance with law for violating the relevant laws and regulations.

Where the Company is dissolved in accordance with item (I) or (II) above, a liquidation committee shall be formed within 15 days. The members of the liquidation committee shall be determined by way of ordinary resolution at shareholders' general meeting.

Where the Company is dissolved in accordance with item (IV) above, the people's court can set up a liquidation committee consisting of relevant institutions (such as the China Banking and Insurance Regulatory Commission) and relevant persons to carry out the liquidation.

Where the Company is dissolved in accordance with item (V) above, it shall be closed according to the law and the China Banking and Insurance Regulatory Commission can set up a liquidation committee to carry out the liquidation according to the law.

**Article 301** Where the board of directors decides to liquidate the Company (due to causes other than where the Company has declared bankruptcy), the board of directors shall, in its notice convening a shareholders' general meeting, declare that, after making full inquiry into the affairs of the Company, the board of directors is of the opinion that the Company will be able to repay its debts within twelve (12) months after the commencement of the liquidation.

Upon passing of the resolution at the shareholders' general meeting for the liquidation of the Company, all functions and powers of the board of directors shall cease forthwith.

The liquidation committee shall act in accordance with the instructions of the shareholders' general meeting and report at least once a year to the shareholders' general meeting on the committee's receipts and payments, the business of the Company and the progress of the liquidation and shall present a final report before the shareholders' general meeting on completion of the liquidation.

**Article 302** Where the Company is dissolved or declared bankruptcy in accordance with law, the property and casualty insurance contracts and reserves held thereby shall be transferred to other insurance companies with property and casualty insurance business operation. If the Company fails to enter into transfer agreements with other insurance companies, the China Banking and Insurance Regulatory Commission will designate insurance companies with property and casualty insurance business operation to receive the property and casualty insurance contracts and reserves.

In case of any transfer or receipt of the property and casualty insurance contracts and reserves mentioned in the preceding paragraph resulting from designation of the China Banking and Insurance Regulatory Commission, the legitimate right and interest of the insured and beneficiary shall be maintained.

**Article 303** The liquidation committee shall exercise the following functions and power during the period of liquidation:

- (I) liquidating the properties of the Company, and preparing the balance sheets and inventory of assets separately;
- (II) informing creditors by a notice or public announcement;
- (III) disposing of and liquidating the unfinished businesses of the Company;
- (IV) clearing off the outstanding taxes and the taxes incurred from the process of liquidation;
- (V) clearing off credits and debts;
- (VI) disposing of the residual properties after settling such debt;
- (VII) participating in the civil litigation on behalf of the Company.

**Article 304** The liquidation committee shall give notices to the creditors within ten (10) days after its establishment and issue announcements for at least three (3) times in the newspaper as designated by the China Banking and Insurance Regulatory Commission within sixty (60) days after its establishment. What is announced shall be approved by the China Banking and Insurance Regulatory Commission. The creditors shall report claims to the liquidation committee within thirty (30) days after the date of the receipt of such notices or within forty-five (45) days after the date of the announcement if no notice is received.

**Article 305** When reporting claims, a creditor shall explain the relevant particulars of the claims and provide supporting materials. The liquidation committee shall register the claims.

In the period of reporting claims, the liquidation committee shall not make any debt repayment to the creditors.

**Article 306** After the liquidation committee has sorted out the property of the Company and prepared a balance sheet and an inventory of assets, it shall formulate a liquidation scheme and report it to the shareholders' general meeting or the people's court for confirmation.

The remaining property of the Company shall be distributed to the shareholders according to the class and proportion of shares held by each of the shareholder after payments have been made towards the liquidation fees, salaries and social security expenses of employees, compensation or insurance benefits, taxes and debts of the Company.

During the liquidation, the Company remains in existence but shall not carry out any operating activity which does not relate to the liquidation. The property of the Company shall not be distributed to the shareholders before the debts are settled pursuant to the preceding paragraph.

**Article 307** After the liquidation committee has sorted out the property of the Company and prepared a balance sheet and an inventory of assets, in the event that the property of the Company is insufficient to repay the debts, the liquidation committee shall apply to the people's court for declaration of bankruptcy.

After the people's court declares bankruptcy of the Company, the liquidation committee shall hand over the liquidation matters to the people's court.

**Article 308** After the completion of liquidation of the Company, the liquidation committee shall prepare a liquidation report and a statement of receipts and payments and the financial accounts for the liquidation period, which shall be examined and verified by the PRC certified public accountants and submitted to the shareholders' general meeting or relevant competent authority for confirmation.

The liquidation committee shall, within 30 days after the confirmation of the shareholders' general meeting or competent authority, submit the aforesaid documents to the Company's registration authority, apply to deregister the Company and publish an announcement on the dissolution of the Company.

**Article 309** The members of the liquidation committee shall devote themselves to their duties and fulfill their obligations of liquidation according to laws.

None of the members of the liquidation committee may take any bribe or any other illegal proceeds by taking advantage of his/her position, nor may he/she misappropriate any of the properties of the Company.

Where any members of the liquidation committee cause any loss to the Company or any creditor with intention or due to gross negligence, he/she shall be liable to make indemnification.

**Article 310** Where the Company is declared bankruptcy in accordance with laws, it shall implement bankruptcy liquidation in accordance with the relevant laws relating to bankruptcy of enterprise.

## **Chapter 16 Special Matters of the Company**

**Article 311** If the Chairman and the general manager are unable to perform their duties or fail to perform duties such that the normal operating conditions of the Company are affected, the Company shall re-elect the Chairman and appoint a general manager according to the provisions of the Articles of Association.

**Article 312** In the event of a breakdown in the corporate governance mechanism, including but not limited to situations such as the failure to constitute the Board continuously for more than one year; existence of long-term conflicts among directors of the Company which cannot be resolved by the shareholders' general meeting; the Company fails to convene a shareholders' general meeting continuously for more than one year; the shareholders fail to reach the percentage of votes stipulated by law or provided in the Articles of Association and fail to pass valid resolutions in general meetings continuously for more than one year; the failure to pass a proposal on increasing share capital due to insolvency; the existing corporate governance mechanism fails to operate normally and leads to serious difficulties in the operational management of the Company, and other situations prescribed by the NAFR.

**Article 313** In the event of occurrence of a breakdown in the corporate governance mechanism as provided in these Articles of Association and the internal rectification process adopted by the Company fails to resolve the problem, the Company, or shareholders who individually or collectively hold more than 1/3 of the shares of the Company, or more than half of the directors will have the right to apply to the NAFR to impose supervision and guidance on the Company.

**Article 314** The NAFR will impose corresponding supervision and guidance according to the existing conditions of the breakdown in corporate governance mechanism. If material governance risk is discovered to exist in the Company, and the legal interest of insurance consumers or the security of insurance funds have been or may be seriously endangered,

the shareholders and the Company have undertaken to accept the request from the NAFR to increase capital of the Company, restrict the relevant shareholders' rights and transfer the equity interest held in insurance companies; if the case is considered to be serious, the shareholders and the Company have undertaken to accept the reforms or receiver measures imposed on the Company by the NAFR.

**Article 315** When the Company is in an insolvent state, shareholders are obliged to support the Company to improve its solvency. Upon occurrence of one of the following circumstances, shareholders who cannot or fail to increase capital shall consent to allow other shareholders or investors to increase capital by adopting reasonable proposals to improve solvency:

- (I) NAFR has ordered the Company to increase capital;
- (II) The Company still fails to meet the regulatory requirement on solvency after adopting other proposals and a capital increase is necessary.

## **Chapter 17 Amendment to Articles of Association**

**Article 316** The Company may amend the Articles of Association in accordance with the provisions of laws, administrative regulations and the Articles of Association. Upon occurrence of any of the following events, the Company shall amend the Articles of Association:

- (I) the Articles of Association is contradictory to amended version of the Company Law, the Insurance Law or other applicable laws, regulations, normative documents or regulatory provisions;
- (II) there is any change to the fundamental matters recorded in the Articles of Association or relevant rights, obligations, duties, procedural rules under the Articles of Association;
- (III) it is resolved at a shareholders' general meeting to amend the Articles of Association;
- (IV) other events which require necessary amendments to the Articles of Association.

**Article 317** The amendments on the Articles of Association shall be made in accordance with the following procedures:

- (I) Shareholders or institutions with the rights to propose motions propose the motion on amending the Articles of Association at a shareholders' general meeting;
- (II) The shareholders' general meeting vote on the motion on amending the Articles of Association, and such motion is passed by a special resolution;
- (III) Submit the amendments on the Articles of Association to relevant competent authorities of the country for examination;
- (IV) Amend the Articles of Association in accordance with the examination feedback of the relevant competent authorities of the country, and submit to relevant competent authorities of the country for approval;
- (V) File or alter registration with registration authorities of the Company.

**Article 318** Amendments to the Articles of Association involving the contents of the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (《到境外上市公司章程必備條款》) shall become effective upon approvals by the NAFR, the companies approving department authorized by the State Council and the securities regulatory authorities of the State Council. If there is any change relating to the registered particulars of the Company, application shall be made for registration of the changes in accordance with law.

## **Chapter 18 Settlement of Disputes**

**Article 319** The Company shall comply with the following rules in settling disputes:

- (I) Whenever any disputes or claims concerning the affairs of the Company arise from any rights or obligations as provided in the Articles of Association, the Company Law and other relevant laws and administrative regulations between a holder of overseas listed shares and the Company, between a holder of overseas listed shares and a director or supervisor or senior management of the Company, and between a holder of overseas listed shares and a holder of unlisted shares, the parties concerned shall resolve such disputes and claims through arbitration.

Where a dispute or claim described above is submitted for arbitration, the entire dispute or claim shall be resolved through arbitration; all persons (being the Company or shareholders, directors, supervisors or other senior management of the Company), who have a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim, shall submit to arbitration.

Disputes over who is a shareholder and over the share register do not have to be resolved through arbitration.

- (II) The party seeking arbitration may elect to have the dispute or claim arbitrated either by the China International Economic and Trade Arbitration Commission in accordance with its arbitration rules or by the Hong Kong International Arbitration Centre in accordance with its securities arbitration rules. Once the party seeking arbitration submits a dispute or claim to arbitration, the other party must submit to the arbitral institution selected by the party seeking the arbitration.

If the party seeking arbitration elects to arbitrate the dispute or claim at the Hong Kong International Arbitration Centre, then either party may apply to have such arbitration conducted in Shenzhen according to the securities arbitration rules of the Hong Kong International Arbitration Centre.

- (III) If any disputes or claims as mentioned in item (I) are settled by way of arbitration, the laws of the People's Republic of China shall apply, except as otherwise provided in the laws and administrative regulations.
- (IV) The award of the arbitral institution is final and shall be binding on the parties thereto.

## **Chapter 19 Supplementary Articles**

**Article 320** The Articles of Association are written in Chinese. In case of any inconsistency between the Articles of Association and the articles of association in any other language or of different version, the latest Chinese version of the Articles of Association approved by the NAFR and registered with the company registration authority shall prevail.

**Article 321** The Articles of Association shall be publicly available on the website of the securities regulatory authorities of the place where the shares of the Company are listed and the website of the Company.

**Article 322** The Articles of Association constitute a basic company document; if any provision of any other legal document including but not limited to the shareholders' agreement is not in consistency or in conflict with the Articles of Association, the provisions of the Articles of Association shall prevail. The Company shall not replace the Articles of Association with the resolution of shareholders' general meeting, shareholders' agreement, resolution of the meeting of the board of directors, resolution of the meeting of the supervisory committee, memorandum or supplementary agreement and so on.

**Article 323** Any issue not covered by the Articles of Association may be otherwise stipulated by the shareholders' general meetings or the board of directors within the scope authorized by the shareholders' general meetings. If relevant laws, regulations and regulatory documents provide otherwise, the laws and regulations and regulatory documents shall prevail.

**Article 324** Attachments of the Articles of Association include the rules of procedures of the general meeting, the rules of procedures of the board of directors and the rules of procedures of the supervisory committee, and shall become effective after they have been passed at a shareholders' general meeting and the Articles of Association have come into effect.

**Article 325** In the Articles of Association, expressions such as "no less than", "within", "no more than", include the number itself; expressions such as "below", "beyond", "less than" or "more than" do not include the number itself.

**Article 326** "Related relation" in the Articles of Association means the relation between the controlling shareholder, actual controller, directors, supervisors, senior management officers of the Company and the enterprise that they control directly or indirectly, and other relation that may cause the transfer of interest of the Company. However, the relation between fellow State-controlled enterprises shall not be deemed as related relation merely because they are both controlled by the State.

**Article 327** The Articles of Association shall be construed by the board of directors of the Company.

**Schedule 1 to the Articles of Association of ZhongAn Online P & C Insurance Co., Ltd.**

Specific information on the previous share transfer are as follows:

<b>Serial No.</b>	<b>Transferor</b>	<b>Transferee</b>	<b>Number of Shares transferred</b>	<b>Time of Transfer</b>	<b>Approval/Filing Document No.</b>
1	Unifront Holding Limited (優孚控股有限公司)	Shanghai Haoguan Investment Management Partnership (Limited Partnership) (上海灝觀投資管理合夥企業(有限合夥))	28,570,000	2016.4.15	Bao Jian Xu Ke [2016] No.732
2	Unifront Holding Limited (優孚控股有限公司)	Shanghai Qianguo Investment Management Partnership (Limited Partnership) (上海謙果投資管理合夥企業(有限合夥))	31,430,000	2016.4.15	Bao Jian Xu Ke [2016] No.732
3	Beijing Ctrip International Travel Agency Limited (北京攜程國際旅行社有限公司)	Qingdao Huilijun Trading Company Limited (青島惠麗君貿易有限公司)	50,000,000	2016.11.10	Zhong An Zi [2016] No.635; Zhong An Zi [2017] No.17

# **Annex I Rules of Procedures of the General Meetings of ZhongAn Online P & C Insurance Co., Ltd.**

These rule of procedures were approved at the annual general meeting of 2022 on June 15, 2023.

## **Chapter 1 General Provisions**

**Article 1** Article 1 In order to safeguard the legitimate rights and interests of ZhongAn Online P & C Insurance Co., Ltd. (the “Company”), its shareholders and creditors, and to regulate the organization and activities of the Company, the Rules of Procedures of the General Meetings (the “Rules”) are established in accordance with the Company Law of the People’s Republic of China (the “Company Law”), Insurance Law of the People’s Republic of China (the “Insurance Law”), Special Provisions of the State Council on the Overseas Offering and Listing of Shares by the Joint Stock Limited Companies (the “Special Provisions”), Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (the “Mandatory Provisions”), the Letter of Opinions on Supplemental Amendments to Articles of Association of Companies Listed in Hong Kong issued from the Overseas Listing Division of the China Securities Regulatory Commission and the Production Systems Division of the State Commission for Economic Restructuring (the “Overseas Letter from CSRC”), the Guidelines for Articles of Association of Insurance Companies (the “Guidelines for Articles of Association of Insurance Companies”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”), the Corporate Governance Guidelines for Banking and Insurance Institutions, the Articles of Association of ZhongAn Online P & C Insurance Co., Ltd. (the “Articles of Association”) and other relevant laws and administrative regulations.

## **Chapter 2 General Provisions of the Shareholders’ General Meeting**

**Article 2** The shareholders’ general meeting is the organ of authority of the Company and shall exercise the following functions and powers in accordance with law:

- (I) To decide on the Company’s business policies and investment plans;
- (II) To elect and replace directors and to decide on matters relating to the remuneration of directors;

- (III) To elect and replace those supervisors who are not employee representatives, and to decide on matters relating to the remuneration of supervisors;
- (IV) To consider and approve reports of the board of directors;
- (V) To consider and approve reports of the supervisory committee;
- (VI) To consider and approve the Company's annual financial budget and final accounts;
- (VII) To consider and approve the Company's profit distribution proposal and proposal for making up losses;
- (VIII) To pass resolutions on the increase or reduction of the Company's registered capital and purchase of the Company's shares pursuant to laws;
- (IX) To pass resolutions on the issuance of bonds or other equity securities by the Company and the Company's listing;
- (X) To pass resolutions on the appointment, removal or non-renewal of the services of the Company's accounting firms who conduct regular statutory audit on the financial reports of the Company;
- (XI) To pass resolutions on matters such as merger, division, dissolution, liquidation or change of the form of the Company;
- (XII) To pass resolutions on amendments to the Articles of Association, rules of procedures of the general meetings, board of directors and supervisory committee; administrative rules on related party transactions, as well as relevant governance system such as asset management authorization system;
- (XIII) To consider any motion proposed by shareholders representing 3% or more of the shares of the Company carrying the right to vote;
- (XIV) To consider the share incentive plan;
- (XV) To consider approving the establishment of a legal entity (such legal entity refers to a domestic or overseas entity established and controlled by the Company for direct investment purpose);
- (XVI) To consider and approve the change in the use of proceeds;

- (XVII) To consider the Company's acquisition or disposal of material assets with a value exceeding 30% of the latest audited total assets of the Company within one year;
- (XVIII) To consider and approve the disposal and write-off of material assets with a value exceeding 30% of the latest audited net assets of the Company;
- (XIX) To consider the provision of pledge of material assets with a single or cumulative amount of more than 30% of the audited total assets of the Company within one year;
- (XX) To consider the major external investment matters where the single project transaction amount exceeds 30% of the audited total assets of the Company for the latest period, and to formulate the management systems for the use of the Company's funds and investment authority within the terms of reference;
- (XXI) To consider other matters required to be determined by the shareholders' general meeting under the laws, administrative regulations, departmental rules or the Articles of Association.

**Article 3** Shareholders' general meetings are divided into annual general meetings and extraordinary general meetings. Shareholders' general meetings shall be convened by the board of directors. Annual general meetings shall be held once every year within six (6) months after the end of each financial year.

**Article 4** An extraordinary general meeting shall be convened within two (2) months from the occurrence of any of the following events:

- (I) The number of directors is lower than that specified in the Company Law or less than two thirds (2/3) of the total number of directors specified in the Articles of Association;
- (II) The Company's uncovered losses amount to one third (1/3) of the Company's total share capital;
- (III) Shareholder(s) holding 10% or more of the Company's issued shares carrying voting rights, on a one vote per share basis, request(s) in writing the convening of an extraordinary general meeting;
- (IV) The board of directors considers it necessary;
- (V) The supervisory committee proposes that such a meeting shall be convened;

(VI) Requested by no less than half of and at least two independent directors to the board of directors;

(VII) Other circumstances as provided by laws, administrative regulations, departmental rules or the Articles of Association.

### **Chapter 3 Convening of Shareholders' General Meetings**

**Article 5** A shareholders' general meeting shall be convened by the board of directors and presided over by the chairman of the board of directors.

The board of directors shall convene the shareholders' general meeting in accordance with the Articles of Association and the Rules.

**Article 6** If the chairman of the board of directors is unable to perform his/her duties due to some reason, an executive director elected by more than one half of all directors shall act as the chairman and preside over the meeting; if the executive director is unable to perform his/her duties due to some reason, a director elected by more than one half of all directors shall act as the chairman and preside over the meeting; if no chairman of the meeting is elected by the board of directors, a shareholder elected by the shareholders present at the meeting shall act as the chairman and preside over the meeting; if no chairman of the meeting is elected by shareholders for any reason, the shareholder present at the meeting (including his/her proxy) holding the largest number of voting shares shall be the chairman of such meeting.

In the event that the board of directors is unable or fails to perform the duties of convening shareholders' general meetings, the supervisory committee shall promptly convene and preside over the meetings. If the supervisory committee fails to convene and preside over a shareholders' general meeting, shareholders severally or jointly holding 10% or more of the Company's shares carrying voting rights, on a one vote per share basis, for more than ninety (90) consecutive days shall have the right to convene and preside over the meeting.

**Article 7** More than half (1/2) and not less than two independent directors shall have the right to request the Board to convene an extraordinary general meeting, and it shall be made in writing. In response to any request from independent directors for convening an extraordinary general meeting, the Board shall convene an extraordinary general meeting within two months upon receipt of the request in accordance with the requirements of laws, regulations and regulatory provisions and provisions of the Articles of Association.

**Article 8** The supervisory committee shall have the right to request the Board to convene an extraordinary general meeting, and it shall be made in writing. The Board shall produce feedback in writing on its consent or dissent to convene an extraordinary general meeting within ten (10) days upon receipt of the request in accordance with the requirements of laws, regulations and regulatory provisions and provisions of the Articles of Association.

If the board of directors agrees to convene an extraordinary general meeting, a notice of extraordinary general meeting shall be issued within five (5) days after a resolution has been passed by the Board. In the event of any change to the original proposal set forth in the notice, the consent of the supervisory committee shall be obtained.

If the board of directors does not agree to hold the extraordinary general meeting or fails to give a written reply within ten (10) days upon receipt of the proposal, it shall be regarded that the board of directors cannot perform or fails to perform the duty of convening the extraordinary general meeting, and the supervisory committee may convene and preside over the meeting by itself.

**Article 9** An extraordinary general meeting or class shareholders' meeting required by shareholders shall be convened in accordance with the following procedures:

- (I) Two or more shareholders who jointly hold 10% or more of the shares carrying voting rights, on a one vote per share basis, at the proposed meeting may request the board of directors to convene an extraordinary general meeting or class shareholders' meeting by signing a written requisition or several copies with the same format and content, and to illustrate the subject of the meetings. The board of directors shall convene an extraordinary general meeting or class shareholders' meeting as soon as possible upon receipt of the foresaid written requisition. The aforesaid number of shareholdings is calculated as at the date of the submission of the written requisition by the shareholders.

(II) If the board of directors fails to issue a notice of convening such a meeting within thirty (30) days from the date of receipt of the aforesaid written requisition, the shareholders who raise the requisition may themselves convene the meeting within four (4) months from the date of receipt of the requisition by the board of directors. The procedures of convening the meeting shall be the similar as those of convening a shareholders' general meeting by the board of directors as far as possible.

All reasonable expenses incurred for such meeting convened by the shareholders as a result of the failure of the board of directors to convene a meeting as required by the above request(s) shall be borne by the Company and be set off against sums owed by the Company to the defaulting directors.

**Article 10** Where the supervisory committee or shareholders decide to convene shareholders' general meetings by itself/themselves, it/they shall notify the board of directors in writing and file on record with the relevant governing accordance with the applicable guidelines (if necessary).

**Article 11** With regard to the shareholders' general meeting convened by the supervisory committee or shareholders on its/their own initiative, the board of directors and secretary to the board of directors shall offer cooperation.

**Article 12** The necessary expenses and cost for the shareholders' general meeting convened by the supervisory committee or the shareholders on its/their own initiative shall be borne by the Company.

## **Chapter 4 Proposals and Notices of Shareholders' General Meeting**

**Article 13** When the Company convenes an annual general meeting, written notice of the meeting shall be given twenty (20) days (exclusive of the date of the meeting) before the date of meeting to notify the shareholders whose names appear in the share register of the matters to be considered at, and the date and place of, the meeting.

A shareholders' extraordinary general meeting shall not decide on any matter not stated in the notice of meeting.

Ten (10) days before the date scheduled to convene a general meeting, the Company shall send a copy of the notice of meeting in writing and by e-mail to the NAFR.

**Article 14** After the notice of the general meeting is dispatched, the Board can change the time of the general meeting but must issue a new notice in accordance with Article 13 and Article 14 to these rules of procedures.

**Article 15** The notice of a shareholders' general meeting shall meet the following requirements:

- (I) it shall be made in writing;
- (II) it shall specify the place, date and time of the meeting;
- (III) it shall describe the matters to be discussed at the meeting;
- (IV) it shall provide necessary information and explanations to the shareholders so as to make sensible decision for the matters to be discussed. This principle shall include (but not limited to) the circumstances where the Company proposes a merger, repurchase of shares, reorganization of share capital or other restructuring, the Company shall provide the specific conditions and contracts (if any) of the proposed transaction and shall earnestly explain the cause and consequence of such transaction;

- (V) Relevant changes to any resolution passed at previous shareholders' general meeting shall be disclosed in full rather than disclosing the changes only;
- (VI) it shall disclose the nature and extent of the conflict of interest, if any, of any director, supervisor or any senior management in any matter to be discussed; and provide an explanation for the differences between the way in which the matter to be discussed would affect such director, supervisor or any senior management in his/her capacity as shareholders and the way in which such matter would affect other shareholders of the same class;
- (VII) it shall contain the full text of any special resolutions proposed to be adopted at the meeting;
- (VIII) it shall contain a conspicuous statement that shareholders who have the right to attend and vote thereat shall have the right to appoint one or more than one proxy to attend and vote on their behalf and that such proxy need not be a shareholder;
- (IX) it shall state the time and place for serving the power of attorney in respect of voting at the meeting;
- (X) it shall contain the name and phone number of the permanent contact person for the meeting.

**Article 16** A notice of a shareholders' general meeting shall be served on each shareholder (regardless of whether such shareholder is entitled to vote at the meeting), by hand or prepaid mail to the address of the shareholder as shown in the register of shareholders. For holders of the unlisted shares, the notice of a general meeting may also be given by public announcement.

The public announcement referred to in the preceding article shall be published in one or more newspapers or periodicals designated by the competent securities department under the State Council. Once the announcement is made, all holders of the unlisted shares shall be deemed to have received the notice of the relevant shareholder's meeting.

For holders of overseas listed shares, subject to the laws, regulations, regulatory documents and the relevant requirements of the securities regulatory authorities of the place where the shares of the Company are listed, the notice of a general meeting may be published on the websites of the Company and The Stock Exchange of Hong Kong Limited in lieu of delivery by hand or prepaid mail. Once the announcement is made, all holders of the overseas listed shares shall be deemed to have received the notice of the relevant shareholder's meeting.

**Article 17** The convener shall examine the proposal of the shareholders' general meeting and in the principal of pursuing the maximum benefits of the Company and the shareholders. If the convener decides not to list the proposal into the agenda of the shareholders' general meeting, it shall give the reasons and explanations at the meeting.

**Article 18** The board of directors, the supervisory committee, and shareholder(s) individually or jointly holding more than 3% of the Company's shares shall have the right to submit proposed resolutions to the Company for a shareholders' general meeting of the Company and the Company shall include any proposed resolutions which are within the powers of a shareholders' general meeting in the agenda.

The shareholder(s) individually or jointly holding more than 3% of the Company's shares may submit extra proposed resolutions in writing to the board of directors in writing ten (10) days prior to the shareholders' general meeting. The board of directors shall issue a notice to other shareholders and submit the proposed resolutions to the shareholders' general meeting for consideration and approval within two (2) days after receipt thereof.

Except for the above provision, the convener may not change the proposal listed in the notice of the shareholders' general meeting or add new proposal after the notice of the shareholders' meeting has been served.

**Article 19** The contents of a proposal shall be within the scope of the duties and responsibilities of the shareholders' general meeting, having definite topics and specific matters for resolution, as well as being compliance with the laws, administrative regulations and the Articles of Association.

**Article 20** A matter not specified in the notice shall not be resolved at the shareholders' general meeting.

**Article 21** An accidental omission to give notice of a meeting to, or the failure to receive the notice of a meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions adopted thereat.

**Article 22** After giving the notice of shareholders' general meeting, such meeting shall not be postponed or cancelled and the proposal set out in the notice shall not be cancelled without proper reasons. In the case of any postponement or cancellation of the meeting, the convener shall make a notice to each shareholder and give the reasons therefor at least two (2) working days prior to the date on which the meeting is originally scheduled.

**Article 23** If the shareholder does not agree with the board of directors' resolution that the proposal he has proposed shall not be listed in the agenda of the shareholders' general meeting, he/she may request to convene an extraordinary general meeting according to the provisions of Article 9 of the Rules.

**Article 24** The measures and procedures to nominate directors and non-employee representative supervisors are as follows:

- (I) For candidates for supervisor of shareholder representative, the list of candidates for supervisors can be proposed by the supervisory committee and shareholder(s) individually or jointly holding more than 3% of the Company's shares. The board of directors, supervisory committee and shareholder(s) individually or jointly holding more than 3% of the Company's shares have the rights to make proposals regarding the candidates for director. Where the laws, regulations, regulatory documents and the Rules have any other provisions in respect of nomination of independent directors, such provisions shall prevail;
- (II) When nominating a candidate for director, the nominating director shall make special statement on the candidate's qualification and professional experience at the shareholders' general meeting. When nominating a candidate for supervisor of shareholder representative, the nominating supervisor shall make special statement on the candidate's qualification and professional experience at the shareholders' general meeting;
- (III) The candidate for director and the candidate for supervisor shall be proposed to the shareholders' general meeting for voting in the way of resolution. The shareholders' general meeting shall vote on the candidates one by one;
- (IV) In case of any need to add or change any director or supervisor, the board of director or the supervisory committee is responsible to propose to the shareholders' general meeting for the selection or change of a director or supervisor.

**Article 25** If the election of directors or supervisors is proposed to be discussed at a shareholders' general meeting, the notice of such meeting shall fully disclose the detailed information of the candidates for directors or supervisors, which shall at least include:

- (I) personal particulars, including educational background, working experiences, and concurrent positions;
- (II) whether one has any affiliation with the Company, its controlling shareholders and de facto controllers;
- (III) the amount of shares of the Company one holds; and
- (IV) whether exist the circumstance that in violation of Article 146 of Company Law.

The written notices for the intention to nominate a candidate for director or non-employee representative supervisor and the acceptance of nomination by such candidate and the written information of the nominated candidate shall be given to the Company no less than seven (7) days prior to the date of the shareholders' general meeting (such seven-day period shall commence no earlier than the second day after the issue of the notice of the meeting at which the election shall be conducted and end no later than seven days prior to the shareholders' general meeting). The board of directors and the supervisory committee shall provide to the shareholders the resume and brief conditions of the candidate directors and the candidate supervisors. the period given by the Company to nominate a candidate for election as a director or a supervisor and nominees for providing the aforesaid notice and documents shall be no less than seven (7) days (such period shall commence from the day following the date of serving the notice of convening the shareholders' general meeting).

The nomination of each director and supervisor shall be by way of a separate resolution.

**Article 26** Independent directors shall be nominated by means of the following:

- (I) the shareholders who individually or in aggregate hold no less than 1% of the shares of the Company may propose the nomination to the shareholders' general meeting directly, but one shareholder can nominate one independent director only. Shareholders who have nominated non-independent directors and their related parties shall not simultaneously nominate independent directors;
- (II) the nomination and remuneration management committee under the board of directors nominates;

(III) the supervisory committee nominates;

(IV) other means approved by NAFR.

The nominator of the independent director candidates shall obtain the prior consent from the nominee. The nominator shall have full knowledge of the nominee's occupation, professional titles, education background, expertise, work experience, all concurrent posts and close relatives, and shall issue the opinion regarding the nominee's independence and qualification in writing. Independent directors shall be elected at shareholders' general meeting. The nominating shareholder and other related shareholder shall not vote upon the independent director candidate nominated by them.

The Company shall report the review on independent director's qualification to NAFR and submit the written opinion of independent directors at the same time.

The proposed independent director shall make an assumption of office statement indicating his/her independence through the national media with great influence or the Company's website after his/her qualification having been approved by NAFR, and promise to undertake his/her due diligence and ensure sufficient time and energy to perform his duties. The Company shall report the assumption of office statement of the independent director to NAFR for record.

## **Chapter 5 Convening of Shareholders' General Meeting**

**Article 27** The Company shall arrange for the venue for a physical meeting to be held. Where the legality and validity of the shareholders' general meeting are ensured, the Company may use all kinds of methods including using a safe, economical and convenient internet voting platform or any other modern information technical means for its shareholders to conveniently participate in such meetings. Shareholders participating in the shareholders' general meetings by any aforesaid means shall be regarded as having attended the meetings.

**Article 28** The board of directors or other convener of the Company shall take necessary measures to ensure the solemnity and proper order of the general meeting. The Company shall take actions to stop anyone from provoking a quarrel, making trouble or infringing the lawful interests of other shareholders and refer the case to relevant authorities for settlement in time.

**Article 29** All shareholders are entitled to attend the shareholders' general meeting and have the right to speak and vote thereat, except where a shareholder is required to abstain from voting to approve the matter under the relevant laws, regulations and the Articles of Association.

The shareholders may attend the shareholders' general meeting and exercise voting rights either in person or by proxy.

The Company shall maintain a register of members. The register of members shall be sufficient evidence of the holding of the Company's shares by a shareholder. Shareholders shall enjoy rights and have obligations in accordance with the class of shares held by them. Shareholders holding the same class of shares shall be entitled to equal rights and have equal obligations.

**Article 30** For corporate shareholder, its legal representative or a proxy authorized by the legal representative shall be appointed to attend the meeting. Legal representative who attends the meeting should produce his/her own identity card, valid certificates and valid documents evidencing his/her capacity as a legal representative. While appointing a proxy to attend the meeting, the proxy should produce his/her identity card and a written proxy form legally issued by the shareholder.

**Article 31** Any shareholder entitled to attend and vote at a meeting of the Company shall appoint one or more persons (such person need not be a shareholder) as his/her/its proxy to attend and vote on his/her/its behalf. According to the appointment of the shareholder, a proxy so appointed shall:

- (I) have the right to speak at the meeting same as the shareholder;
- (II) have the right to demand a poll on his/her own or together with other persons;
- (III) exercise his/her voting rights, but when more than one proxy has been appointed, the proxies only have the right to vote by poll.

Where a shareholder is a recognized clearing house or an agent of the clearing house, the clearing house or the agent of the clearing house may authorize one or more persons that it deems suitable to attend on its behalf any shareholders' general meeting or any class meeting of shareholders. However, if more than one person is authorized, the power of attorney shall specify the number and class of shares involved in the appointment of each such person. The person(s) so authorised can represent the recognised clearing house (or its agent) to attend the meeting and exercise its right as if the persons are individual shareholders of the Company.

**Article 32** A shareholder shall appoint a proxy by an instrument in writing. The proxy form shall be signed by the appointer or a representative authorized in writing by such appointer; where the appointer is a legal person, the power of attorney shall bear the official stamp or the signatures of its directors or representatives duly authorized. The power of attorney shall contain number of shares of the appointer as represented by the proxy. Where multiple proxies are appointed, each power of attorney shall state the number of shares in respect of which the particular proxy shall act.

**Article 33** The proxy form issued by a shareholder who appoints another person to attend the shareholders' general meeting shall contain the following:

- (I) Name of the proxy;
- (II) Whether he/she has the right to vote;
- (III) The individual instruction of casting approval, opposition or abstention votes on each resolution to be considered in the agenda of the shareholders' general meeting;
- (IV) The date of signing and validity of the proxy form;
- (V) Number of shares of the appointer as represented by the proxy;
- (VI) Signature of the appointer and the seal of the legal entity shall be affixed.

A power of attorney shall contain a statement that, in default of directives, the proxy may vote in his/her discretion.

**Article 34** The instrument appointing a voting proxy shall be placed at the Company's domicile or such other place as specified in the notice of the meeting at least 24 hours prior to the time for holding the meeting at which the proxy proposes to vote. Where such instrument is signed by another person authorized by the appointer, the power of attorney or other instruments authorizing the signature shall be notarized. The notarized power of attorney or other authorizing document shall be placed together with the instrument appointing the voting proxy at the domicile of the Company or at such other place as specified in the notice of the meeting.

Where the appointer is a legal person, its legal representative or the person authorized by resolution of its board of directors or other decision-making body shall be entitled to attend the Company's shareholders' meetings as the representative of such legal person.

**Article 35** Any form issued by the board of directors of the Company to the shareholders for use in the appointment of proxies shall allow the shareholders to elect freely to instruct their proxies in the casting of votes, in favor or against, and give instructions in respect of each matter to be transacted at the meeting. The instrument of appointment shall specify that in the absence of instructions from the shareholder, the proxy may vote according to his/her own will.

**Article 36** A vote given by a proxy according to the instrument of proxy shall be valid notwithstanding the death or incapability of the appointing shareholder, revocation of the proxy or of the authority under which the proxy was executed or the transfer of the relevant shares in respect of which the proxy is given, provided that no notice in writing of such matters as aforesaid shall have been received by the Company before the commencement of the meeting in connection therewith.

**Article 37** The attendance book of the shareholders' general meeting shall be prepared by the Company. The attendance book shall specify the company names and domiciles of shareholders, and the name, identity card number, number of voting shares represented and name of the appointing shareholder of each attendee.

**Article 38** The convener and the competent third party retained by the Company shall jointly verify the qualification of shareholders according to the register of shareholders, and shall register the name of the shareholders and the number of their voting shares. Such registration shall be concluded prior to the announcement by the chairman of the shareholders' general meeting of the number of shareholders and their proxies attending the meeting and the total number of their voting shares.

**Article 39** The directors, supervisors and the secretary to the board of directors of the Company shall attend the shareholders' general meeting. Senior management members shall also be present at the meeting.

**Article 40** A shareholders' general meeting shall be presided over by the chairman of the board of directors. If the chairman of the board of directors is unable to perform or does not perform his/her duties due to some reason, an executive director elected by more than one half of all directors shall preside over the meeting; if the executive director so elected is unable to perform or does not perform his/her duties due to some reason, a director elected by more than one half of all directors shall preside over the meeting.

**Article 41** A shareholders' general meeting convened by the supervisory committee itself shall be chaired and presided by the chairman of the supervisory committee. If the chairman of the supervisory committee cannot perform or fails to perform his/her duties, more than one half of the supervisors shall jointly elect a supervisor to chair the meeting.

A shareholders' general meeting convened by the shareholders themselves shall be presided by a representative elected by the convener. If the convener cannot elect a chairman of the meeting, the shareholder attending the meeting that hold the most voting shares (including the proxy) shall be the chairman and preside the meeting.

When the shareholders' general meeting is held and the chairman of the meeting violates the Rules which makes it difficult for the shareholders' general meeting to continue, a person may be elected at the shareholders' general meeting to act as the chairman of the meeting, subject to the approval of more than half of the shareholders having the voting rights who are present at the meeting.

**Article 42** At the annual general meeting, the board of directors and the supervisory committee shall report their respective work of the previous year to the shareholders' general meeting. Each independent director shall also make his/her duty report.

**Article 43** Except for involving business secrets of the Company which shall not be disclosed, the board of directors, supervisors and the senior management members shall make replies or explanation to the inquiries and suggestions of shareholders on the shareholders' general meeting. If the shareholders require a written response or explanation, the board of directors and the board of supervisors shall give a written response or explanation within ten (10) days since the queries and suggestions are given.

## **Chapter 6 Voting and Resolutions of Shareholders' General Meeting**

**Article 44** Resolutions of a shareholders' general meeting can be ordinary resolutions or special resolutions.

An ordinary resolution of a shareholders' general meeting shall be passed by a simple majority of the Company's total voting shares being held by the shareholders who are present at the meeting (including proxies).

A special resolution of a shareholders' general meeting shall be passed by an affirmative vote of more than two-thirds of the Company's total voting shares being held by the shareholders who are present at the meeting (including proxies).

**Article 45** The following matters shall be passed by ordinary resolutions of a shareholders' general meeting:

- (I) the work reports of the board of directors;
- (II) the work reports of the supervisory committee;
- (III) the plans formulated by the board of directors for profit distribution and making up losses;
- (IV) election and change of directors and those supervisors who are not employee representatives, and to decide on matters relating to the remuneration of such directors and supervisors and the methods of payment thereof;
- (V) the Company's annual budgets and final accounts, balance sheets, income statements and other financial statement;
- (VI) the business objectives, development strategies and investment plans of the Company;
- (VII) engagement or removal of an accounting firm who conducts regular statutory audit on the financial reports of the Company;
- (VIII) other matters other than those required by laws, administrative regulations or the Articles of Association to be approved by special resolutions.

**Article 46** The following matters shall be approved by special resolutions of a shareholders' general meeting:

- (I) the increase or reduction of the Company registered capital;
- (II) the issue of corporate bonds, the issue of any class of shares, warrants and other securities as well as the listing;
- (III) the acquisition of the shares of the Company under the circumstances as stipulated by the laws and regulations;
- (IV) the merger, spin-off, dissolution, liquidation or change to the form of the Company;
- (V) the amendments to the Articles of Association;
- (VI) a single or cumulative material external investment, purchase or disposal of major assets, disposal and write-off of major assets or pledge of material assets which involves an amount exceeding 30% of the latest audited total assets of the Company within one year;
- (VII) to consider approving the establishment of a legal entity (such legal entity refers to a domestic or overseas entity established and controlled by the Company for direct investment purpose);
- (VIII) dismissal of an independent director;
- (IX) review and approval of the equity incentive plan;
- (X) such other matters which, pursuant to ordinary resolutions passed at the shareholders' general meeting, are considered to have material effect on the Company and require approval by special resolutions.

**Article 47** Accumulative voting system must be adopted for the election of directors and supervisors. The said cumulative voting system means that, when more than two directors or supervisors are elected at the shareholders' general meeting, each share held by shareholders shall have the same number of voting rights as the number of directors and supervisor to be elected, and shareholders may vote by using all their voting rights attached to the shares they hold. Whether a director or supervisor is elected is determined according to the number of votes, while the total number of votes obtained by an elected director or supervisor shall exceed one-half (1/2) of the total number of votes (before cumulating) held by all shareholders attending the shareholders' general meeting.

**Article 48** A shareholder (including proxy), when voting at a shareholders' general meeting, may exercise voting rights in accordance with the number of shares carrying the right to vote. Each share shall have one vote.

Shares in the Company which are held by the Company do not carry any voting rights, and shall not be counted in the total number of voting shares represented by the shareholders who are present at a shareholders' general meeting.

**Article 49** Where any shareholder cannot exercise his/her voting rights or is restricted to vote only for or only against any particular resolution pursuant to the applicable laws and regulations and the listing rules of the place where the Company's shares are listed, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted in the results of voting.

**Article 50** Any voting of any resolution shall be counted by at least two representatives of shareholders and one supervisor. The results of voting shall be announced by the vote counters. Any shareholder with interests in the matter under consideration and proxies of such shareholder shall not participate in the vote counting.

Meanwhile, before the voting on a resolution is made at the shareholders' general meeting, the auditor of the Company, the share registrar in the place of listing or the external auditor who is qualified as an auditor of the Company shall be elected to participate in the vote counting and scrutinizing and announce the results of voting. The results of voting shall be recorded in the minutes of the meeting.

Shareholders of the Company or their proxies who cast their votes by online voting or by other means shall have the right to check the voting results in the way in which they have cast their votes.

**Article 51** Any vote of shareholders at a shareholders' general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

**Article 52** A poll demanded on such matters as the election of chairman or the adjournment of the meeting shall be taken forthwith. A poll demanded on any other matters shall be taken at such time as the chairman of the meeting may decide, and the meeting may proceed to discuss other matters, while the results of the poll shall still be deemed to be a resolution of that meeting.

**Article 53** When a matter in relation to related party transactions is considered at the shareholders' general meeting, related shareholders shall not participate in the voting, and all the shares with voting rights represented by him/her/it shall not be counted into the total number of valid votes.

**Article 54** When considering a proposed resolution at a shareholders' general meeting, no amendments shall be made thereto. Otherwise, any change made thereto shall be considered as a new proposed resolution, of which the voting shall not proceed in that meeting.

**Article 55** At any shareholders' general meeting, voting shall be with registered voter.

**Article 56** The board of directors, independent directors and certain qualified shareholders of the Company may canvass the Company's shareholders for votes at shareholders' general meetings. The canvass for votes shall be made without compensation and relevant information shall be efficiently disclosed to the shareholders being canvassed.

**Article 57** Each resolution shall be voted individually at the shareholders' general meeting. Should there be different resolution on the same matter, voting should be made in the order of the resolutions proposed. Except for special reasons such as force majeure causing the shareholders' general meeting to be suspended or unable to reach a resolution, the shareholders' general meeting shall not set aside any resolution or have any resolution not voted.

**Article 58** When proposals are voted on at the shareholders' general meeting, the lawyer, shareholders' representative and supervisors' representative shall be jointly responsible for the counting and monitoring of the ballots and shall announce the voting results on the spot, which voting results shall be recorded in the meeting minutes.

**Article 59** Shareholders attending the shareholders' general meeting shall vote for, vote against or abstain from voting on the resolutions proposed.

Blank, wrong, illegible or uncast votes shall be deemed as the voters' waiver of their voting rights, and the voting results representing the shares held by such voters shall be counted as "abstentions".

**Article 60** On a poll taken at a meeting, a shareholder (including proxy) entitled to two or more votes need not cast all his/her votes in the same way.

**Article 61** The chairman of the meeting shall determine, based on the results of voting, whether the resolutions of the shareholders' general meeting are approved. The chairman's decision is the final decision, and the results of voting shall be announced in the meeting. The results of voting on resolutions shall be recorded in the minutes of the meeting.

**Article 62** In the event that the chairman of the meeting has any doubt as to the results of voting on the resolutions put forward to be voted, he/she may have the votes counted. In the event that the chairman of the meeting fails to have the votes counted, any shareholder present in person or by proxy objects to the result announced by the chairman of the meeting may demand that the votes be counted immediately after the declaration of the results of voting, the chairman of the meeting shall have the votes counted immediately.

**Article 63** In the event that the votes are counted at the shareholders' general meeting, the counting results shall be recorded in the minutes of the meeting.

## **Chapter 7 Minutes of the Shareholders' General Meeting**

**Article 64** The secretary to the board of directors shall be responsible for preparing the minutes of the shareholders' general meeting, which shall contain:

- (I) the time, venue, agenda of the meeting, and the name of the convener;
- (II) the name of the chairman of the meeting, the directors, supervisors and senior management members attending or present at the meeting;

- (III) the number of shareholders and proxies attending the meeting, the total number of their voting shares and their respective proportions to the total number of shares of the Company;
- (IV) the process of examining each motion, main points of speech and the outcome of voting;
- (V) the inquiries or suggestions of the shareholders and the corresponding replies or explanations;
- (VI) the name of the lawyer, vote counter and scrutineer;
- (VII) other contents which shall be contained in the minutes of the meeting as prescribed by laws, regulations, regulatory documents and the Articles of Association.

**Article 65** Photocopies of the minutes of the meeting shall be available for inspection during business hours of the Company by any shareholder without charge. If any shareholder demand from the Company a photocopy of such minutes, the Company shall send a photocopy to him/her within ten (10) days upon receipt of reasonable charges.

**Article 66** The convener shall ensure the truth, accuracy and completeness of the minutes of the meeting. The directors, the supervisors, the secretary to the board of directors, the convener or the representative, and the chairman of the meeting shall sign on the minutes of the meeting. The minutes of meeting shall be kept together with the attendance register of the attending shareholders and the power of attorney of the proxies, and the effective information on the voting shall be kept permanently.

**Article 67** Resolutions of the shareholders' general meeting shall be announced as soon as possible after the meeting is concluded. The announcement shall specify the number of attending shareholders and their proxies, the total number of voting shares held by them and the proportion of these shares to the total number of the voting shares of the Company, the total number of shares, if any, required to abstain from voting for and/or abstain from voting on a particular resolution as required by the securities regulatory authorities of the place where the Company's shares are listed, the voting method, the results of voting for every resolution, details of each of the resolutions passed as well as capacity of the vote counter and scrutinizer.

The Company shall report the resolutions to the NAFR within thirty (30) days after the resolutions have been passed by the shareholders' general meeting.

## **Chapter 8 Special Procedures for Voting by Class Shareholders**

**Article 68** Shareholders holding different classes of shares shall be class shareholders.

Class shareholders shall enjoy rights and assume obligations pursuant to the provisions of laws, administrative regulations and the Articles of Association.

Save for holders of shares of other classes, the holders of domestic shares and holders of overseas-listed foreign shares are deemed to be different classes of shareholders. The holders of non-listed foreign shares and holders of domestic shares are of same class of shareholders.

Class shareholders of the Company shall enjoy equal rights in any dividends or other forms of distribution. A shareholder of Company who is a legal person shall appoint its legal representative or a proxy authorized by the legal representative to exercise its rights on its behalf.

Where the share capital of the Company includes shares which do not carry voting rights, the words "non-voting" must appear in the designation of such shares.

Where the share capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favorable voting rights, must include the words "restricted voting right" or "limited voting right."

**Article 69** Any variation or abrogation of the rights of any class of shareholders proposed by the Company shall be approved by a special resolution of a shareholders' general meeting and by the shareholders of the affected class at a separate class meeting convened in accordance with Articles 127 to 131 of the Articles of Association.

**Article 70** The following circumstances shall be deemed to be circumstances where the variation or abrogation of the rights of shareholders of a certain class is involved:

- (I) increasing or decreasing the number of shares of that class, or increasing or decreasing the number of shares of another class having the same or more rights of or to voting, distribution or other privileges when compared with shares of such class;

- (II) converting all or part of the shares of such class into shares of other classes, or converting all or part of the shares of other classes into shares of such class or granting rights to effect such conversion;
- (III) removing or reducing rights to accrued dividends or cumulative dividends attached to shares of such class;
- (IV) reducing or removing the right to receive priority dividends or, in the event of the liquidation of the Company, to receive priority distribution of property attached to shares of such class;
- (V) increasing, removing or reducing the right of conversion, options, voting rights, the right to transfer, priority in placement and the right to acquire securities of the Company attached to shares of such class;
- (VI) removing or reducing the right to receive sums payable by the Company in particular currencies attached to shares of such class;
- (VII) creating a new class of shares having the same or more rights of or to voting, distribution or other privileges when compared with the shares of such class;
- (VIII) imposing restrictions on the transfer of ownership of the shares of such class or increasing such restrictions;
- (IX) issuing subscription rights or share conversion rights in respect of shares of such class or another classes;
- (X) increasing the rights and privileges of shares of another class;
- (XI) proposing to restructure the Company where the proposed restructuring scheme shall result in different classes of shareholders having to assume disproportionate liabilities in such restructuring;
- (XII) varying or repealing the terms provided in this chapter.

**Article 71** Shareholders of the affected class, whether or not having the right to vote at shareholders' general meetings, shall have the right to vote at the relevant class meeting in relation to any of the matters under circumstances (II) to (VIII) and (XI) to (XII) of the preceding paragraph, but interested shareholders shall not be entitled to vote at the relevant class meeting.

Interested shareholders mentioned in the preceding paragraph shall have the following meanings:

- (I) in the case of an offer by the Company to repurchase its own shares to all shareholders on a pro rata basis or a repurchase by the Company of its own shares on a stock exchange in accordance with Article 28 of the Articles of Association, "interested shareholders" shall mean the controlling shareholder as defined in Article 63 of the Articles of Association;
- (II) in the case of a repurchase by the Company of its own shares by an off-market agreement in accordance with Article 28 of the Articles of Association, "interested shareholders" shall mean the shareholders connected with such agreement;
- (III) in the case of a proposed restructuring of the Company, "interested shareholder" shall mean a shareholder of a class assuming a smaller proportion of liabilities than the other shareholders of that class or who has interests different from those of the other shareholders of the same class.

The quorum for a separate class meeting to consider a variation of the rights of that class of shares shall be the holders of at least one-third (1/3) of the issued shares of that class.

**Article 72** A resolution of a class meeting shall be passed in accordance with the preceding paragraph by at least a two-thirds (2/3) majority calculated on the basis of the voting rights held by the shareholders who are present and entitled to vote at the class meeting.

**Article 73** For the convening of a class meeting of shareholders, the period for issuing a written notice shall be the same as that for issuing a written notice of the non-class meeting of shareholders to be convened together with such class meeting of shareholders. Such written notice shall be given to all shareholders of such class whose names appear in the share register of members, specifying the matters to be considered at, and the date and place of, the meeting.

**Article 74** Notice of a class meeting only needs to be given to shareholders entitled to vote thereat.

Unless otherwise provided for in the Articles of Association, the procedures for holding the class meeting shall be similar to those for holding the shareholders' general meeting as far as possible, and the provisions in the Articles of Association relating to the procedures for a shareholders' general meeting shall apply to the class meeting.

**Article 75** Save for holders of shares of other classes, the holders of domestic shares and holders of non-listed foreign shares are of same class of shareholders, being the holders of non-listed shares, who are of different classes of shareholders with the holders of overseas-listed shares.

The special procedures for voting by class shareholders shall not apply in the following circumstances:

- (I) where the Company issues, upon approval by a special resolution at a shareholders' general meeting, domestic shares and overseas-listed shares once every twelve (12) months, either separately or concurrently, and the respective numbers of domestic shares and overseas-listed shares proposed to be issued do not exceed 20% of the respective numbers of the issued domestic shares and overseas-listed shares;
- (II) where the Company's plan to issue domestic shares and overseas-listed shares at the time of incorporation is carried out within fifteen (15) months from the date of approval by the securities regulatory authorities of the State Council;
- (III) Where upon the approval from the securities authority of the State Council, the holders of non-listed shares of the Company convert the non-listed shares of the Company held by them to be listed and traded on a foreign stock exchange.

## **Chapter 9 Authorization of the Shareholders' General Meeting to the Board of Directors**

**Article 76** The matters within the competence of the shareholders' general meeting in the Article 2 shall be considered and determined by the shareholders' general meeting, but in necessary, reasonable and legal cases, the shareholders' general meeting may authorize the board of directors to make such determination. The content of such authorisation shall be unambiguous and specific. The shareholders' general meeting shall not delegate any of its statutory functions and powers to the board of directors or any other institutions or individuals.

For the authorization to the board of directors by the shareholders' general meeting, if the authorization relates to matters required by the Articles of Association to be passed by ordinary resolutions at general meeting, it shall be passed by the shareholders (including proxy of shareholders) representing more than half of the voting rights present in the shareholders' general meeting; if the authorization relates to matters required by the Articles of Association to be passed by special resolutions of general meeting, it shall be passed by shareholders (including proxy of shareholders) representing two thirds (2/3) or more of the voting rights present in the shareholders' general meeting.

**Article 77** Matters subject to decision by general meetings as required by law, administrative regulations, department rules and the Articles of Association shall be considered by shareholders' general meetings, while the shareholders' general meeting shall not authorize the board of directors to decide.

**Article 78** When the board of directors decides on the authorized matters, the matters shall be fully discussed and demonstrated. It may also retain a consulting agency, if necessary, to ensure that the matters to be decided in a scientific and reasonable way.

The board of directors shall duly perform its duties in information disclosure and be voluntarily subject to the supervision of the shareholders of the Company, supervisory committee and other relevant securities or insurance supervisory departments during the decision-making process on the authorized matters.

## **Chapter 10 Implementation of the Resolution of the Shareholders' General Meeting**

**Article 79** The board of directors shall give specific reports to the shareholders' general meeting about the implementation of the matters that are authorized to be dealt by the board of directors in the resolution of the last shareholders' general meeting. In case the resolution of the shareholders' general meeting fails to be implemented due to special reasons, the board of directors are obliged to state the reasons.

**Article 80** If any contents of a resolution of the shareholders' general meeting of the Company violate the laws, administrative regulations or the Articles of Association, or the convening procedures or voting methods for the shareholders' general meeting violate the laws administrative regulations or the Articles of Association, the shareholders shall have the right to exercise their relevant rights by way as provided in the Articles of Association.

## **Chapter 11 Supplementary Articles**

**Article 81** The rules of proceedings shall be drafted by the board of directors, and shall become effective upon approval at the shareholders' general meeting. The board of directors shall revise the Rules according to the resolution of the shareholders' general meeting and the approval opinions of the relevant competent authorities.

**Article 82** The Rules are an appendix to the Articles of Association. Should any conflict exist between the Rules and the Articles of Association, the Articles of Association shall prevail.

**Article 83** In the Rules, the phrase "exceeds" includes the number itself while the phrases "less than", "under" or "above" do not include the number itself.

**Article 84** The Rules shall be construed by the board of directors of the Company.

## **Annex II Rules of Procedures of the Board of Directors of ZhongAn Online P & C Insurance Co., Ltd.**

These rule of procedures were approved at the annual general meeting of 2022 on June 15, 2023.

### **Chapter 1 General Provisions**

**Article 1** In order to further standardize the rules governing the meetings and decision-making procedures of the board of directors (the “Board”) of ZhongAn Online P & C Insurance Co., Ltd.\* 眾安在綫財產保險股份有限公司) (the “Company”), to ensure the effective implementation of the duties of directors and the Board, to accelerate the codification, effective operation and scientific decision-making of the Board, and to improve the corporate governance structure, these Rules of Procedures of the Board of Directors (the “Rules”) have been formulated pursuant to the Company Law of the People’s Republic of China (the “Company Law”), Insurance Law of the People’s Republic of China (the “Insurance Law”), Special Provisions of the State Council on the Overseas Offering and Listing of Shares by the Joint Stock Limited Companies (the “Special Provisions”), Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (the “Mandatory Provisions”), the Letter of Opinions on Supplemental Amendments to Articles of Association of Companies Listed in Hong Kong issued from the Overseas Listing Division of the China Securities Regulatory Commission and the Production Systems Division of the State Commission for Economic Restructuring the “Overseas Letter from CSRC”), Guidelines for Articles of Association of Insurance Companies (the “Guidelines for Articles of Association of Insurance Companies”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”), the Corporate Governance Guidelines for Banking and Insurance Institutions, the Articles of Association of ZhongAn Online P & C Insurance Co., Ltd. (the “Articles of Association”) and other relevant laws and administrative regulations, departmental rules and normative documents in association with the prevailing circumstances of the Company.

**Article 2** The Board is the decision-making body of the Company and shall report to the shareholders’ general meeting. The Board shall perform its duties according to the requirements of the Company Law, the Articles of Association and other relevant laws, regulations and normative documents. The Board shall operate according to the principles of compliance with laws and regulations, collective decision-making, and being professional and efficient.

## **Chapter 2 The Composition and Duties and Powers of the Board**

**Article 3** A director is elected by the shareholders' general meeting, the term of office for each session shall be three (3) years. A director may serve consecutive terms if re-elected upon expiry of the term of office. The positions of the chairman of the Board and general manager of the Company shall be held by separate persons.

If a director proposed to be appointed fails to obtain the approval on qualifications, the shareholders' general meeting shall conduct re-election to fill the vacancy of the position based on the re-nomination of the shareholder who nominates such director.

The term of office of a director shall commence from the date of the approval on the director's qualifications from the NAFR until expiry of the term of the prevailing session of the Board. Prior to the expiration of a director's term of office, the shareholders' general meeting shall not dismiss him/her without any reason.

In circumstances provided by laws, regulations or the Articles of Association, the shareholders' general meeting may remove any director whose term of office has not expired by an ordinary resolution, but such removal does not affect the rights of such director to make any claim under any contract.

If the term of office of a director expires but re-election is not made forthwith, before the re-elected director takes office, such retiring director shall continue to perform his/her duties as a director pursuant to the requirements of laws, administrative regulations, departmental rules and the Articles of Association.

**Article 4** The directors of the Company shall have good conduct and reputation, professional knowledge and working experience commensurate with their duties and responsibilities and satisfy the conditions stipulated in laws and regulations, the listing rules of the place where the Company's securities are listed and requirements of the NAFR. The election or appointment of a director who is elected or appointed in violation of this Article shall be void and invalid. During the term of office of the directors, if circumstances in breach of laws and regulations, the listing rules of the place where the Company's securities are listed and regulatory requirements relating to the qualifications or requirement conditions of the directors arise, such persons shall be dismissed by the Company.

**Article 5** The Company shall have a Board accountable to the shareholders' general meeting. The Board is composed of eleven (11) directors, including one (1) chairman, two (2) executive directors, five (5) non-executive directors (excluding independent directors), four (4) independent directors, and at least one independent director shall possess appropriate professional qualifications or appropriate accounting or relevant financial management expertise.

Executive directors shall be general managers or other senior management members, but the total number of directors who are concurrently serving as general manager or other senior management member and directors who are also employee representatives shall not be more than half (1/2) of the total number of Board members of the Company.

**Article 6** The director candidates shall be proposed to the shareholders' general meeting as a motion for resolution. Besides, the Board or the shareholders who individually or jointly own more than 3% shares of the Company shall have the right to propose a motion on the name list of director candidates. The director candidates shall be proposed to the shareholders' general meeting as a motion for resolution. The nominator of a director candidate shall submit a specific explanation on the appointment qualifications and professional experience of such candidate at the time of nomination for submission to the shareholders' general meeting.

In principle, directors nominated by the same shareholder and its related parties shall not exceed one-third of the total number of Board members, unless otherwise stipulated by the state.

A director who retires upon expiry of the term of office shall submit an outgoing report to the Board of the Company to explain the performance of duties during his/her term of office and transfer all his/her duties and functions undertaken. If a director resigns due to reasons other than the expiry of the term of office, in addition to compliance with the aforesaid requirements, he/she shall also give specific explanation on the reason of his/her resignation in the outgoing report, and the outgoing report shall also be reported to the Supervisory Committee for filing.

The shareholders' general meeting shall make necessary amendments to the election and appointment rules of directors and the composition of the Board upon listing of the Company in accordance with the relevant laws, regulations and stock exchange rules of the listing venue.

**Article 7** The chairman of the Board shall be elected and removed by more than one-half of all the directors. The chairman shall hold office for a term of three (3) years, and may serve consecutive terms if re-elected.

In case that the board of directors may not be re-elected upon the expiration of its term of office due to the failure of shareholder's qualification to satisfy the requirement, equity transaction disputes or force majeure and other reasons, the secretary of the board of directors shall make a report to the NAFR one month prior to the expiration of term of office of the board of directors, which shall contain term of office of the board of directors and its members, reasons of inability to initiate the re-election procedure, plan of re-election and other matters of necessity to be explained.

**Article 8** The chairman shall exercise the following powers:

- (I) to preside over shareholders' general meetings and to convene and preside over the Board meeting;
- (II) to supervise and examine the implementation of resolutions passed by the Board;
- (III) to execute the shares, bonds and other marketable securities issued by the Company;
- (IV) to sign important documents of the Board and other documents that shall be signed by the legal representative of the Company;
- (V) to exercise the duties and powers of a legal representative;
- (VI) other duties and powers required by laws, regulations, normative documents and the securities regulatory authorities of the place where the shares of the Company are listed and conferred by the Board.

**Article 9** The Company's executive directors shall assist the chairman in work. In the event that the chairman is incapable of performing or does not perform his/her duties, the duties shall be performed by an executive director elected by more than one half of all directors. When the executive director so elected is incapable of performing or does not perform his/her duties, a director nominated by more than half of the directors shall perform the duties of the chairman.

**Article 10** The directors have an obligation of honesty to the insurance company.

The directors shall strictly comply with Articles 21, 148, 149 and other relevant provisions of the Company Law and the requirement of the obligation of honesty for directors in the Articles of Association, and shall not seek benefit from unjust enrichment by taking advantage of their functions and powers in the Company.

**Article 11** The directors have an obligation of diligence to the insurance company, the directors shall strictly comply with the requirement of the obligation of diligence for directors under the relevant laws, regulations and the Articles of Association. The directors shall ensure that sufficient time and efforts are dedicated to deliver their duties prudently and diligently. The directors shall pay continuous attention to the operation and management conditions of the Company and attend Board meetings as scheduled.

**Article 12** A director shall attend at least two-thirds of the on-site meetings of the Board of Directors in person every year. If a director cannot attend the meeting in person due to certain reasons, he or she may appoint another director in writing to attend on his or her behalf, but any independent director shall not appoint non-independent director to attend on his or her behalf. If a director fails to attend two consecutive meetings in person and has not appointed any other directors to attend the Board meetings on behalf of him/her, he/she shall be deemed to have failed to perform his/her duties, the Board, Supervisory Committee or shareholders shall submit a motion to the shareholders' general meeting for his/her dismissal.

If a director has failed to attend two Board meetings in person within one year, the Company shall issue a written warning to him/her. If an independent director has received two warnings within one session during his/her term of office, he/she shall not be allowed to serve consecutive terms.

**Article 13** The Board shall perform the following duties:

- (I) to convene the shareholders' general meetings and to report on its work to the shareholders' general meetings;
- (II) to implement the resolutions of the shareholders' general meetings;
- (III) to decide on the Company's business plans and investment plans, to control and monitor the financial conditions and use of funds of the Company;
- (IV) to establish the Company's development strategies and supervise over the implementation of the strategies;

- (V) to establish the Company's annual financial budget and final accounts plan;
- (VI) to establish the Company's profit distribution plan and loss recovery plan;
- (VII) to establish proposals for the increase or decrease of the Company's registered capital and the issuance of corporate debentures or other securities of the Company and listing plans;
- (VIII) to formulate the plans for major acquisitions, acquisition of shares of the Company in accordance with law, or merger, division, dissolution and change of form of the Company;
- (IX) to decide on the establishment of the internal management structure of the Company;
- (X) to establish the basic management system of the Company;
- (XI) to periodically evaluate and improve corporate governance and to review the corporate governance report of the Company;
- (XII) to decide on the appointment or dismissal of the general manager of the Company and his/her compensation, and to decide on the appointment or dismissal of the deputy general manager, financial controller, chief actuary and other senior management of the Company and their compensation, incentive and punishment matters in accordance with the nominations of the general manager to supervise senior management to perform their duties;
- (XIII) to assess and monitor the training and continuing professional development of directors and senior management;
- (XIV) to hear the work report of the general manager of the Company and examine his/her work;
- (XV) to establish professional Board committees, including but not limited to audit and consumer rights protection committee, nomination and remuneration management committee, strategy and investment decision committee and risk management and related transaction control committee based on the needs of the Company or regulatory requirements;
- (XVI) to establish proposals for amendments to the Articles;

- (XVII) to formulate procedural rules for shareholders' general meetings and procedural rules for Board meetings;
- (XVIII) to consider working rules for professional Board committees;
- (XIX) to propose to shareholders' general meeting of the engagement or change of an accounting firm as the auditor of the Company, to review reports of the external auditors, periodically or occasionally, and to select and engage external auditors who conduct audit on the directors and senior management of the Company;
- (XX) to establish the equity incentive plan;
- (XXI) to review and monitor the policies and practice of the Company in complying with laws and regulatory requirements;
- (XXII) to formulate, review and monitor the code of conduct standards of employees and directors and the compliance handbook (if any);
- (XXIII) to formulate policies for communication with shareholders and to review regularly to ensure their effectiveness;
- (XXIV) to assess and review the Company's compliance with the Corporate Governance Code under the Hong Kong Listing Rules and disclosure in the Corporate Governance Report;
- (XXV) to consider the acquisition or disposal of any assets, the amount of which exceeds 10% but do not exceed 30% (inclusive) of the latest audited total assets of the Company;
- (XXVI) to consider the disposal and write-off of assets with a single or cumulative amount of no more than 30% (inclusive) of the latest audited total assets of the Company;
- (XXVII) to consider the provision of pledge of assets with a single or cumulative amount of no more than 30% (inclusive) of the audited total assets of the Company within one year;
- (XXVIII) to consider the major external investment matters where the single project transaction amount exceeds 10% but does not exceed 30% (inclusive) of the audited total assets of the Company for the latest period, and to formulate the management systems for the use of the Company's funds and investment authority within the terms of reference;

- (XXIX) to consider the major related-party transactions as required by the NAFR, and to formulate the management system for related-party transactions within the terms of reference;
- (XXX) to formulate the capital plan of the Company and assume the ultimate responsibility for capital management;
- (XXXI) to consider and approve the Company's overall solvency risk management objectives, risk appetite, risk tolerance and risk management policies, as well as organizational structure and responsibilities for solvency risk management and other risk management matters; and assume ultimate responsibility for the completeness and effectiveness of the solvency risk management system;
- (XXXII) to continuously monitor the solvency risk exposure of the Company, supervise the management's effective management and control of solvency risk;
- (XXXIII) to consider and approve the solvency report of the Company;
- (XXXIV) to safeguard the legitimate rights and interests of financial consumers and other stakeholders;
- (XXXV) to establish the mechanisms for identifying, reviewing and managing conflicts of interest between the Company and its shareholders, especially substantial shareholders;
- (XXXVI) to assume management responsibility of shareholders' matters;
- (XXXVII) to take charge of information disclosure of the Company and assume the ultimate responsibility for the authenticity, accuracy, completeness and timeliness of accounting and financial reports;
- (XXXVIII) to consider and approve the digital governance of the Company in accordance with laws, regulations, regulatory provisions and the Articles of Association;
- (XXXIX) other functions and powers as conferred by laws, regulations, normative documents or the Articles of Association and by shareholders' general meetings.

For resolutions passed by the Board in the preceding paragraphs, except for paragraphs (VII), (VIII) and (XVI) and material matters involving major investments, asset disposals, capital replenishment plans, formulating the profit distribution plan and compensation plan of the Company, appointment and discharge of senior management, etc. which must be passed by the affirmative votes of more than two-thirds (2/3) of all directors, the Board resolutions in respect of all other matters may be passed by the affirmative votes of a simple majority of all directors.

Powers and authority of the Board shall be exercised collectively by the Board. Statutory powers of the Board in principle shall not be delegated to be exercised by the chairman, directors or other individuals and entities, if delegation of authority is necessary, it shall be delegated by way of Board resolution in compliance with the law. Authority shall be authorized each time for one matter, the powers and authority of the Board shall not be delegated generally or permanently to be exercised by other entities or individuals of the Company.

**Article 14** The Board shall not, without the prior approval of shareholders at a shareholders' general meeting, dispose or agree to dispose of, the fixed assets where the estimated value of the consideration, for the proposed disposal, and the aggregate amount of the consideration for any such disposal of the fixed assets that has been completed in the period of four (4) months immediately preceding the proposed disposal, exceeds 33% of the value of the fixed assets as shown in the latest balance sheet for consideration by the shareholders at a shareholders' general meeting.

The disposal of fixed assets referred to in this Article shall include, among other things, the act of transferring certain interests in assets, but exclude the act of providing guarantee by way of fixed assets.

The validity of a disposal transaction of fixed assets by the Company shall not be affected by a breach of the aforesaid provisions in the first paragraph of this Article.

**Article 15** Statutory powers of the Board shall not be modified or deprived by way of the Articles of Association, resolutions of the shareholders' general meeting or any other means.

**Article 16** The audit and consumer rights protection committee, nomination and remuneration management committee, strategy and investment decision committee and risk management and related transaction control committee have been established under the Board of the Company. The Board may establish other special committees and adjust the existing committees as necessary pursuant to its needs, the procedural rules of meetings and work duties of each committee shall be formulated and implemented by the Board according to the relevant PRC laws and regulations, the listing rules of the place where the Company's securities are listed and other relevant regulations. The special committees are auxiliary decision-making entities of the Board, which provide professional opinions and recommendations to the Board for making decisions, are authorized by the Board to make decisions on professional matters, and shall be accountable to the Board. Please refer to Chapter 9 of these Procedural Rules for details on the composition of each special committee and its duties and responsibilities.

### **Chapter 3 Convening of Board Meetings**

**Article 17** Board meetings are divided into regular meetings and ad hoc meetings. Regular meetings are convened at least four times per year, about one meeting in each quarter, and called by the chairman, and a notice of meeting in writing will be dispatched to all directors and supervisors fourteen (14) days (excluding the date of the meeting) prior to the date of the meeting. The title of the meeting is named according to the session number of the Board and the sequence number of the meeting, consecutive numbers will be used for regular and ad hoc meetings.

**Article 18** To ensure that directors could attend the meeting on time and to improve the efficiency and quality of the meeting's decision, the secretary to the Board may formulate the plans for the meetings of the Board for the next year in the fourth quarter every year, plan the general schedule and regular issues of the regular meetings of the Board for the next year, and notify directors, supervisors, senior management and other relevant personnel of such plans through the Company's website, the office systems and other channels.

Institutions or individuals that have the rights of proposals to the Board and departments, intermediaries and related entities responsible for the proposal work may make proposals and prepare ahead of schedule according to the plan for the board meeting.

**Article 19** Board meetings are to be convened and presided over by the chairman of the Board.

**Article 20** In case of any of the following circumstances, the chairman shall convene and preside over the extraordinary board meetings within ten (10) days from receipt of the proposal:

- (I) when proposed by shareholders representing more than one tenth (1/10) of voting rights;
- (II) when proposed by more than one third (1/3) of directors;
- (III) when proposed by more than two independent directors;
- (IV) when proposed by the supervisory committee;
- (V) when the chairman considers necessary;
- (VI) other circumstances as stipulated by laws, regulations, normative documents and the Articles of Association;
- (VII) the notice of the meeting shall be reported to the NAFR both in writing and by email.

**Article 21** Except for proposal made by the chairman, in order to propose to convene an extraordinary Board meeting according to Article 20 of the Rules, the proposal for convening an extraordinary Board meeting shall specify the following items and be submitted to the chairman of the Board in writing directly or through the secretary to the Board:

- (I) Name of the proposer;
- (II) Cause;
- (III) Ways of convening the meeting, including but not limited to the time or time limit, venue and manner of the proposed meeting;
- (IV) The contact information of the proposer and the date of the proposal;
- (V) Other requirements.

## Chapter 4 Proposals and Notices of Board Meetings

**Article 22** Proposals for Board meetings shall specify the matters to be reviewed and voted upon which shall fall within the powers of the Board. The proposals shall be submitted together with materials related thereto.

Proposals shall include formal and extraordinary ones. Formal proposals refer to those that are identified to be agenda items before the convening of the meeting and served to the directors within a prescribed time limit. Extraordinary proposals refer to those that are not served to the directors within a prescribed time limit or made during the convening of the Board meeting.

**Article 23** When the Company convenes a regular meeting of the Board, the chairman of the Board shall consult institutions or individuals that have the rights to proposals directly or through the secretary to the Board to enquire whether there is any proposal that needs to be included in the Board meeting for deliberation before the notice of meeting is dispatched.

When it is proposed to convene an extraordinary Board meeting, the proposer shall submit the proposal in writing at the same time.

**Article 24** During the period after a proposal is served to the directors but prior to the Board meeting is convened, if the directors consider that the contents of the proposal is unclear or unspecific, or the relevant materials insufficient, they may request the proposers to provide supplemental information or further explanation directly or through the secretary to the Board.

**Article 25** The directors may get to know the information necessary for decision-making from relevant persons or institutions including but not limited to the secretary to the Board, the convener, the managers of the Company, Board committees, accounting firms and law firms prior to the meeting. The Company shall make it convenient to the directors and assist them in knowing relevant information.

**Article 26** In principle, the meetings of the Board shall not resolve on a proposal not listed in the notice of the Board meeting.

When all directors of the Company unanimously agree to exempt the flaw in procedures due to a special reason of an extraordinary proposal made by an institution or individual qualified to propose, such extraordinary proposal can be reviewed and voted.

**Article 27** When the Company convenes a regular meeting, it shall deliver the notice of the meeting to directors in writing fourteen (14) days prior to the meeting and also notify the supervisors who will attend the meeting. Notice of the meeting shall also be reported to the NAFR both in writing and by email. Email address for reporting: cg@circ.gov.cn.

When the Board convenes an extraordinary Board meeting, it shall deliver the notice of the meeting to directors in writing (including but not limited to by way of e-mail) five (5) days prior to the meeting and also notify the supervisors who will attend the meeting. When the Company convenes an extraordinary Board meeting, it shall report to the NAFR in the manner prescribed in the preceding items while issuing meeting notice to directors. If time is urgent, they can first report by telephone.

**Article 28** The notice of the Board meeting shall contain the following:

- (I) the time and venue of the meeting and the means by which the meeting will be held;
- (II) the convener of the meeting;
- (III) the proposals of the meeting;
- (IV) the name and contact of the contact person;
- (V) the date on which such notice is dispatched.

Where the materials for the meeting are delivered at the later time than the notice, the Company shall allow sufficient time for the directors to familiarize with such materials.

## **Chapter 5 Convening of Board Meetings**

**Article 29** Except as otherwise provided in the Articles of Association, a Board meeting shall be held only if more than half of the directors (including those who appoint other directors to attend the meeting on their behalf) are present. Except as otherwise provided in the Articles of Association, a resolution of the Board must be approved by more than half of all directors.

**Article 30** Directors shall attend Board meetings in person. Where a director is unable to attend a Board meeting in person, he/she may authorize another director in writing to attend the meeting on his/her behalf. The written power of attorney shall set forth:

- (I) the names of the appointer and the appointee;

- (II) the scope of authorization, including whether the appointee has the rights to vote regarding an extraordinary proposal;
- (III) the duration of the authorization;
- (IV) the signature of the appointer.

The authorized director shall submit to the convener a written power of attorney before the meeting is convened and exercise his/her rights within the scope of authorization.

A director who has neither attended a Board meeting nor appointed another director to attend the meeting on his/her behalf shall be deemed to have waived the rights of voting at the meeting.

**Article 31** In principle, a director shall not accept the authorisation of more than two directors who do not attend the meeting in person.

An independent director may only authorize another independent director to attend the meeting on his/her behalf. In relation to Board meeting for the consideration of connected transactions, a non-connected director shall not authorise a connected director to attend the meeting on his/her behalf.

**Article 32** The director who attends the Board meeting on behalf of another director shall exercise the right of a director within the scope of authorisation. A director who has neither attended a Board meeting nor appointed another director to attend the meeting on his/her behalf shall be deemed to have waived the rights of voting in the meeting.

**Article 33** Supervisors and general managers of the Company may attend Board meetings as observers. Other senior management and related staff and intermediaries may attend the meetings as observers with the consent of the chairman of the meeting and without objection of other directors.

If the secretary to the Board is not concurrently a director, he/she shall attend Board meetings as an observer.

**Article 34** In principle, directors shall not attend the meetings with accompanying persons. If indeed necessary, accompanying persons shall be approved by all the participating directors and provide their ID certificates.

The accompanying persons shall not give speech or inquiry, or vote on behalf of the directors. When the meeting reviews any matter involving the Company's trade secret, the chairman of the meeting may request the accompanying persons to leave the venue at any time.

**Article 35** The NAFR may appoint supervising staff to attend the meetings as meeting observers. The Company shall provide the observers with all materials of the meetings.

When observers attend the meetings, they shall not express their opinions on the discussion or resolution of the meeting and shall assume the duty of confidentiality on the trade secrets of Company.

**Article 36** In principle, the Board meetings shall be held by the way of on-site meetings to facilitate adequate communication and discussion among directors.

Video or telephone meetings shall be deemed as on-site meetings if it can be ensured that all directors participating in such meetings can communicate and discuss with one another on an instantaneous basis.

**Article 37** For any proposal which is to be considered and adopted by way of a board resolution but does not really need on-site communication and discussion among directors, relevant resolution can be made by way of written resolutions. The Board shall make it clear in the notice of meeting whether the meeting shall be convened by way of written resolutions.

No meeting shall be convened by way of written resolutions in respect of any material matters in relation to the profit distribution plan, remuneration plan, major investment and assets disposal, appointment and discharge of senior management, and capital replenishment, and such matters shall be approved by more than two-thirds of the directors.

**Article 38** The specific agenda of a meeting shall be determined by the chairman of the meeting, who, however, shall not increase or decrease matters to be transacted at the meeting or change the sequence of such matters at will.

Before the formal start of any meeting of the Board, the secretary to the Board shall give attendees a brief account of the attendance, proposals and agenda, voting requirements and other matters.

**Article 39** When reviewing topics of meeting, the proposer or relevant staff members shall explain the contents of the topics by slides or other means to draw the attention of the directors to matters that need attention in the consideration.

**Article 40** A director shall carefully read relevant meeting materials and independently, objectively and prudently present opinions on the basis of full understanding of the same. A director appointed by another director to attend the meeting shall explain the review opinions of the appointer.

For any proposal required to be examined by a special committee, the special committee shall submit a written opinion to the Board.

**Article 41** The chairman of the meeting shall effectively maintain the order of the venue and fully protect the rights of speech, discussion and inquiry of participating directors.

## **Chapter 6 Voting and Resolution of a Board Meeting**

**Article 42** A Board resolution shall be passed by a show of hands, oral or written vote.

**Article 43** The voting on the resolutions of the Board shall comply with the principle of one person for one vote.

**Article 44** When considering and voting on matters, the Board shall ensure that the proposals have been fully discussed, and shall examine and vote upon the matters one by one where possible.

**Article 45** A director has three options: to vote for or against the motion or to abstain from voting.

A director present may only vote in accordance with the above options. In case of failure to choose any of the above or choosing two or more of the options, the chairman of the meeting shall require the relevant directors to vote again. Those who refuse to vote again shall be deemed to have waived the voting rights. A director who leaves the meeting and does not return and has not authorized another director to vote on his/her behalf shall be deemed to have waived the voting rights, and the vote he/she has casted shall be an effective vote.

**Article 46** Board meetings can be held as onsite meetings or meetings convened by telecommunications.

In case of an onsite meeting, the chairman shall announce the voting results on spot.

When the meeting is convened by video, telephone or other means, the directors can vote by show of hands or orally. The Company shall sign the resolutions in writing within five (5) working days after the conclusion of the meeting. In case of any discrepancy between written resolution signed subsequently and voted at the meeting, the latter shall prevail.

When the meeting is convened by telecommunications, the 'one vote for one matter' principle shall be adopted provided that full expression of opinions of directors is guaranteed. The directors shall not be required to make only one vote upon multiple matters. The secretary to the Board shall notify the directors of the voting result within five (5) working days after the conclusion of the meeting.

**Article 47** Resolutions of meetings of the Board violating law and administrative regulations shall be invalid.

If the procedure for convening meetings of the Board or the mode of voting thereat violates the law and administrative regulations or contents of resolution violate the Articles of Association, shareholders may request the People's court for rescission according to the Company Law.

**Article 48** Directors shall assume responsibility for resolutions of the Board. Directors who participated in any resolution of the Board which contravenes any law, administrative regulations or the Articles of Association and causes serious losses to the Company shall be liable to compensate the Company, but if it is proved that a director has stated his objection at the time the vote was taken and a record thereof has been made in the minutes of the meeting, that director shall be relieved of liability.

**Article 49** Where more than one half of all directors in presence or more than two independent directors cannot make judgment on matters to be resolved by holding that the motion is ambiguous or not specific, or that the materials for the meeting are not sufficient or otherwise, the chairman of the meeting may announce suspension of voting on such motions and provide clear requirements of the time and the conditions for submitting the motion for consideration again.

If the directors in presence have obvious difference in opinions on a certain motion, the chairman of the meeting may announce suspension of voting on such motions after obtaining the approval of more than half of all directors.

**Article 50** The Company shall report to the NAFR resolution of the meeting in writing and by e-mail within thirty (30) days after each Board meeting. A resolution of meeting shall include the following contents:

- (I) The time, venue, mode and chairman of the meeting;
- (II) Directors attended in person or by proxy, directors absent, and persons attended as observers;
- (III) The voting method and result of each resolution, including the names of directors who have abstained from voting and those who have voted against it.

**Article 51** The company shall fulfill the obligation of information disclosure as resolved by the Board according to laws, administrative regulations and regulatory requirements.

**Article 52** The directors shall act as authorized by the general meetings and the Articles of Association, and shall not make any resolution beyond authority.

## **Chapter 7 Minutes of Meetings and Keeping of Archives Maintenance**

**Article 53** The Company shall prepare minutes of Board meeting, and directors and recorder present at the meetings shall sign the minutes. If a director disagrees with the minutes, he or she may attach a note at the time of signature.

The Company may record the status of Board meetings both by audio and video recordings. Minutes of Board meeting will be kept permanently as archives of the Company.

**Article 54** Minutes of a Board meeting shall include the following contents:

- (I) The time, venue, mode and chairman of the meeting;
- (II) Directors attended in person or by proxy, directors absent, and persons attended as observers;
- (III) The agenda of the meeting;
- (IV) Main points of directors' speeches (which shall include opinions about doubts and objections; where the meeting is held by way of written resolution, written feedback of directors shall prevail);

- (V) The method and result of voting for each resolution, including the names of directors who have abstained from voting and those who have voted against it;
- (VI) Opinions of supervisors who have attended the meeting;
- (VII) Other status that needs to be recorded.

**Article 55** The Company shall prepare archives of Board meetings. The archives materials shall include notice of meeting and signed reply slips of directors, meeting signature book, powers of attorney for representatives of directors, meeting materials, minutes of meetings confirmed by signatures of directors and recorder, audio and video recordings of meetings etc.

The archive of each Board meeting shall be bound individually into books with consecutive numbers according to the name of the Board meeting. Files of Board meetings shall be saved permanently by the Company.

**Article 56** The procedures for convening meetings and file maintenance etc. of the Board's special committees are expressly stipulated by the Board in the procedural rules for meetings of special committees with reference to the Rules and other relevant laws and regulations, departmental rules and according to the actual situation of the Company.

## **Chapter 8 Secretary to the Board and Institutions assisting in Work of the Board**

**Article 57** The secretary to the Board is a senior management member of the Company accountable to the Company and the Board.

**Article 58** The secretary to the Board shall be a natural person with the necessary professional knowledge and experience, and shall be nominated by the chairman of the Board and appointed or removed by the Board. Prior to the holding of office of the secretary to the Board, approval of the NAFR on his/her qualifications shall be obtained.

Directors or senior management other than the chairman of the Board and the general manager may serve as the secretary to the Board concurrently.

Supervisors shall not act as the secretary to the Board of the Company concurrently. The certified public accountants or lawyers employed by the Company shall not act as the secretary to the Board of the Company concurrently.

Where the secretary to the Board is also a director and an act is required to be done by a director and a secretary separately, such person who is acting both as director and the secretary to the Board of the Company shall not perform the act in both capacities.

**Article 59** The secretary to the Board shall have corporate governance, legal and other expertise necessary for performing duties; and shall have good work ethic and personal qualities.

**Article 60** The principal duties of the secretary to the board of directors are as follows:

- (I) To guarantee that the Company has complete organizational documents and records;
- (II) To ensure that the Company prepares and submits documents and reports as required by competent authorities in accordance with law;
- (III) To ensure that the register of shareholders of the Company is properly established and to ensure that persons entitled to receive such records and documents shall be provided with the relevant records and documents in time;
- (IV) To prepare the shareholders' general meetings and meetings of the Board in accordance with due procedures and requirement of the chairman of the Board;
- (V) To prepare and keep the archives of the shareholders' general meetings and meetings of the Board and materials and documents of other meetings, and to keep the registers and materials relating to the Company's shareholders, directors, supervisors and senior managers;
- (VI) To report the notices and resolutions of the shareholders' general meetings and meetings of the Board to NAFR according to the requirements of regulatory authorities;
- (VII) To assist shareholders, directors and supervisors in exercising rights and performing duties;
- (VIII) To administer the Company's affairs including information disclosure and investor relations;
- (IX) To assist the Company's chairman of the Board in drafting the Company's corporate governance report;

(X) To report flaws and problems in the Company's governance structure pursuant to requirements of the regulatory authorities;

(XI) To organize training programs for directors and other relevant personnel pursuant to requirements of the regulatory authorities.

**Article 61** The Company shall grant functions and powers and provide necessary work protection for the secretary to the Board to perform his/her functions and duties.

**Article 62** The Company shall have a Board office which shall be accountable for the secretary to the Board and shall assist the shareholders, directors, supervisors and the secretary to the Board with their work.

If the Board office does not have the conditions to operate independently, it may work in cooperation with other departments of the Company.

## **Chapter 9 Special Committees of the Board**

**Article 63** The audit and consumer rights protection committee, nomination and remuneration management committee, strategy and investment decision committee and risk management and related transaction control committee shall be established under the Board of the Company. The Board may set up other special committees and restructure the existing committees as necessary, the rules of meetings and work duties of each committee shall be formulated and implemented by the Board according to the relevant PRC laws and regulations, the listing rules of the place where the Company's shares are listed and other relevant regulations. Each special committee is the auxiliary decision-making authority of the Board, which provide professional opinions and advices to or is authorized by the Board to decide on professional matters, and shall be accountable to the Board. Members of the special committees shall be served by directors, and members of each committee shall not be less than three (3) persons. The audit and consumer rights protection committee shall comprise of not less than three non-executive directors and the chairman of the committee shall be an independent director, while members of the committees shall have the financial, auditing, accounting or legal expertise and work experience. The majority of the audit and consumer rights protection committee shall be independent directors. The nomination and remuneration management committee shall comprise of more than three directors, the majority of which

shall be independent directors, and the chairman of the committee shall be an independent director. The strategy and investment decision committee shall comprise of more than three directors, and the chairman of the committee shall be a candidate elected by the Board. The risk management and the related transaction control committee shall comprise of no less than three directors, the proportion of independent directors shall not be less than one-third (1/3), and the chairman of the committee shall be an independent director.

**Article 64** The primary responsibilities of the strategy and investment decision strategy committee under the Board are as follows:

- (I) To consider the management system for the use of insurance funds and to make recommendations to the Board;
- (II) To make recommendations to the Board on the management of the use of insurance funds;
- (III) To consider the investment decision-making procedures and authorization mechanisms and to make recommendations to the Board;
- (IV) To consider asset strategic allocation planning, annual investment plan and investment guidance and related adjustment plan;
- (V) To consider major investment matters and to make recommendations to the Board;
- (VI) To consider the investment strategy and operation plan of the new investment variety and make recommendations to the Board;
- (VII) To consider the performance appraisal system for the use of funds and to submit recommendations to the Board;
- (VIII) To consider the management system of insurance assets and liabilities, and to promote the establishment and improvement of the management mechanism for the assets and liabilities of the Company;
- (IX) To promote the establishment of periodic risk analysis mechanism to prevent the risk of asset and liability mismatch;
- (X) Other duties assigned by the Board.

**Article 65** The primary responsibilities of the nomination and remuneration management committee under the Board are as follows:

- (I) To review the election system, assessment criteria and incentive measures of directors and senior management and to make recommendations to the Board;
- (II) To identify extensively qualified candidates for directors and senior management;
- (III) To carry out preliminary examination of the candidates for directors and senior management and to make recommendations to the Board;
- (IV) To study the criteria for assessment of directors and senior management, to assess senior management and make comments to the Board; and other responsibilities assigned by the Board.

**Article 66** The primary responsibilities of the audit and consumer rights protection committee under the Board are as follows:

- (I) To review the Company's fundamental internal audit system and make recommendations to the Board, to approve the Company's annual audit plan and budget;
- (II) To evaluate audit controller's performance and make recommendations to the Board;
- (III) To supervise the internal audit work of the Company and monitor its effectiveness;
- (IV) To make recommendations to the Board on the appointment, removal, and remuneration of external auditors;
- (V) To co-ordinate between the internal and external auditors;
- (VI) To regularly review and assess the soundness and effectiveness of our internal control system, and promptly consider and handle any major complaints in connection with our internal control system;
- (VII) To supervise the improvement and implementation of any significant findings arising out of the internal and external audit;
- (VIII) To periodically review the internal control evaluation report submitted by the internal audit department, and to provide comments and improvement recommendations to the Board on the internal control issues of the Company;

- (IX) To review the basic system of compliance of the Company and submit opinions to the Board;
- (X) To audit the Company's annual compliance report and to submit the same to the Board, and to periodically review the interim compliance report of the Company;
- (XI) To listen to reports on compliance matters by the compliance chief and the compliance management department, and to provide comments and suggestions to the Board;
- (XII) Accountability to the Board, submitting work reports and annual report on consumer rights protection to the Board, performing related works as authorized by the Board, discussing and making decisions on the relevant matters, and studying major issues and important policies on consumer rights protection;
- (XIII) Guiding and supervising the establishment and improvement of the management system of consumer rights protection to ensure that the relevant system and regulations are compatible with our corporate governance, corporate culture construction and business development strategies;
- (XIV) Supervising the comprehensiveness, timeliness and effectiveness of the works of senior management and consumer rights protection department in accordance with regulatory requirements and from various aspects such as the strategies, policies, target implementation and work performance of consumer rights protection;
- (XV) Holding meetings regularly on consumer rights protection to review the work reports of senior management and consumer rights protection department, and studying annual audit reports, regulatory circulars and internal assessment results related to consumer rights protection as well as urging senior management and relevant departments to take remedy actions to the issues identified in a timely manner;
- (XVI) Other responsibilities assigned by the Board.

**Article 67** The primary responsibilities of the risk management and related transaction control committee under the Board are as follows:

- (I) To understand the major risks the Company is faced with and the control of such risks;
- (II) To supervise the effectiveness of the risk control system;
- (III) To consider the following matters and provide comments and recommendations to the Board: 1. the overall solvency risk management objectives, risk appetite, risk tolerance and risk management policies; 2. the organizational structure and responsibilities for solvency risk management; 3. the risk of major business management matters, to continuously monitor various risks faced by the Company and their management; 4. the effectiveness of the solvency risk management system; 5. solutions to major solvency risks events; 6. the annual risk valuation report;
- (IV) To examine the risk management system for use of insurance funds, and to make recommendations to the Board;
- (V) To examine and monitor the lawful compliance of the use of insurance funds;
- (VI) To supervise and advise on the risk management department's performance in identifying, assessing, tracking, controlling and managing risks of using insurance funds;
- (VII) To consider the management of risk of using funds in the periodic reports of the risk management department;
- (VIII) To regularly review the risk assessment report submitted by the risk management department and provide comments and improvement recommendations to the Board on issues of risks of the Company;
- (IX) The identification and maintenance of related parties, the management, review, approval and risk control of related transactions, and the determination of basic policies and management systems for related transactions;
- (X) Providing written opinions on the compliance, fairness and necessity of significant related transactions and whether they harm the interests of insurance companies and consumers;

(XI) Coordinating and managing the disclosure of related transaction information;

(XII) Other responsibilities assigned by the Board.

**Article 68** The special committees may employ intermediaries to provide professional opinions at the expenses of the Company.

## **Chapter 10 Corporate Governance Report**

**Article 69** The corporate governance report is a self-examination report that comprehensively reflects how a company improves its governance structure during a year. A corporate governance report includes contents in the following aspects:

- (I) System construction, including the formulation and revision of Articles of Association, procedural rules for meetings and main management systems.
- (II) Shareholders and equities, including status of a company such as equity transactions, guarantees, suspensions, intermediated shareholdings and equity disputes, litigation and so on; related relationship among shareholders and whether there is an actual controller, etc.; convening of general meetings and resolutions made thereat; capital increase and share expansion of the Company, introduction of strategic investors and work plan for listing; dividend distribution to shareholders by the company and so on.
- (III) Board of directors, including the composition of and change in the board of directors; establishment of system of independent directors; assessment of due diligence of directors; establishment, composition and operation of special committees under the Board; convening of board meetings and resolutions made thereat.
- (IV) Supervisory committee, including the composition of and change in the supervisory committee; due diligence of supervisors; meetings of supervisory committee and resolutions made thereat.
- (V) Management, including the composition of and change in senior management in the head office; the management of and adjustment to the senior management of the head office; the setup and adjustment of the internal organs of the Company.

- (VI) Incentive and restraint mechanisms, including the performance appraisal standards and penalties for directors of the company and senior management of the head office; the equity incentive or employee stock ownership of the Company; list in table all incomes including but not limited to basic remuneration, bonus, allowance, benefits, exercise proceeds and other cash incomes that each director and senior management of the head office has received from the Company in the prevailing year.
- (VII) Related transactions, including the number and total transaction amount of major related transactions, and whether review and reporting have been made according to relevant provisions.
- (VIII) Information disclosure, including the formulation, revision and implementation of the Company's information disclosure system.
- (IX) Other contents that requires self-examination according to the corporate governance evaluation system of regulatory bodies.

**Article 70** The corporate governance report shall be drafted and summarized under the leadership of the Board chairman and submitted to the Board for review.

The Company shall report to the NAFR the corporate governance report for the previous year reviewed by the Board on time in accordance with regulatory requirements.

## **Chapter 11 Supplementary Provisions**

**Article 71** The Rules shall take effect after being approved by the resolution at the shareholders' general meeting. The Committee shall revise the Rules according to the resolution of the shareholders' general meeting and the approval of the relevant authorities.

**Article 72** The Rules shall form an appendix to the Articles of Association. In case of any material conflicts between the provisions of the Rules and those of the Articles of Association, the Articles of Association shall prevail.

**Article 73** In of the Rules, the phrase "no less than" includes the number itself; while the phrases "less than", "lower than" and "more than" do not include the number itself.

**Article 74** The Rules shall be construed by the board of director of the Company.

## **Annex III Rules of Procedures of the Supervisory Committee of ZhongAn Online P & C Insurance Co., Ltd.**

These rule of procedures were approved at the annual general meeting of 2022 on June 15, 2023.

### **Chapter 1 General Provisions**

**Article 1** In order to regularize the method of deliberations and voting procedures of the Supervisory Committee the “Committee”) of ZhongAn Online P & C Insurance Co., Ltd.\* (眾安在綫財產保險股份有限公司) the (the “Company”), to procure the supervisors and the Committee to effectively perform their duties and obligations, to streamline the corporate governance of the Company, and to protect the lawful rights and interests of the Company, its shareholders and employees, these Rules of Procedures of the Supervisory Committee (the “Rules”) are formulated according to the Company Law of the People’s Republic of China, Insurance Law of the People’s Republic of China (the “Insurance Law”), Special Provisions of the State Council on the Overseas Offering and Listing of Shares by the Joint Stock Limited Companies (the “Special Provisions”), Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (the “Mandatory Provisions”), the Letter of Opinions on Supplemental Amendments to the Articles of Association of Companies Listed in Hong Kong issued from the Overseas Listing Division of the China Securities Regulatory Commission and the Production Systems Division of the State Commission for Economic Restructuring the “Overseas Letter from CSRC”), the Guidelines for Articles of Association of Insurance Companies (the “Guideline for Articles of Association of Insurance Companies”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”), the Corporate Governance Guidelines for Banking and Insurance Institutions, the Articles of Association of ZhongAn Online P & C Insurance Co., Ltd. (the “Articles of Association”) and other relevant laws and administrative regulations.

**Article 2** The Committee is the supervisory body lawfully established by the Company and shall report to the shareholders’ general meeting.

## **Chapter 2 Composition, Duties and Powers of the Supervisors and the Supervisory Committee**

**Article 3** The Company shall establish a Committee which shall be composed of three (3) supervisors, of whom one (1) is a shareholder representative supervisor, one (1) is an external supervisor and one (1) is an employee representative supervisor.

The Committee shall have a chairman who shall be elected by resolution passed by more than two-thirds (2/3) of the Committee members.

**Article 4** The Committee shall be composed of an external Supervisor, a shareholder representative Supervisor and an employee representative Supervisor, among which external Supervisors and employee representative Supervisors shall not be less than one-third (1/3). Non-employee Supervisors shall be nominated by shareholders or the Supervisory Committee, and employee representative supervisors shall be nominated by the Supervisory Committee and labor union. The shareholders and their related parties that have already nominated directors shall not nominate supervisors, but that otherwise prescribed by the State shall prevail. Supervisors (other than employee representative Supervisors) shall be elected or removed by the shareholders' general meeting and employee representative Supervisors shall be democratically elected or removed by the employees of the Company.

**Article 5** Those who fall within one of the cases stipulated in Article 146 of the Company Law, Article 82 of the Insurance Law and other relevant regulatory provisions shall not act as supervisors of the Company. Election of supervisors of the Company in violation of the provisions of this Article shall be invalid.

**Article 6** Directors, general manager, finance director and other senior management members must not act concurrently as supervisors.

**Article 7** Supervisors shall observe laws, administrative regulations and the Articles of Association, shall fulfil the duty of fidelity and diligence to the Company, and shall not abuse their official powers to take any bribe or other illegal gains or misappropriate the Company's assets for personal use.

**Article 8** The term of office of supervisors shall be three (3) years, beginning at the date of approval of his/her qualifications by the NAFR till the expiry of the tenure of the current Committee. The term of office of Supervisors shall be renewable upon reelection and reappointment. The term of office for external Supervisors may not exceed six consecutive years.

**Article 9** A supervisor may resign before the expiry of his/her term of office. The resigning supervisor shall tender a written resignation to the Committee.

If the number of the supervisors of the Committee falls below the minimum number prescribed by laws due to resignation of a supervisor, such resignation will not become effective until a succeeding supervisor has filled the vacancy resulting therefrom.

**Article 10** Where the term of appointment of a supervisor has expired and no new supervisor was elected in time to fill the vacancy, or where a supervisor resigns during his/her term resulting in the number of supervisors falling below the minimum number prescribed by laws, the outgoing supervisor shall continue to discharge his/her duties as a supervisor in accordance with laws, administrative regulations and the Articles of Association until a new person is appointed as supervisor in his/her place.

**Article 11** Supervisors shall not take advantage of their connection with the Company to harm interests of the Company and shall indemnify the Company against losses caused thereby.

**Article 12** If supervisors have violated the laws, administrative regulations, departmental rules or provisions of the Articles Association in the course of performing their duties, which has caused losses to the Company, they shall be liable for compensation.

**Article 13** The Committee shall perform the following duties:

- (1) To examine the finance of the Company;
- (2) To monitor the performance of duties of directors and senior management, and to propose dismissal of directors and senior management who have violated the laws, administrative regulations, the Articles of Association or resolutions of the shareholders' general meeting;
- (3) To demand for correction in the event of any damage to the interests of the Company caused by directors or other senior management;

- (4) To examine the financial information such as the financial reports, business reports and plans for profit distribution to be submitted by the board of directors to the shareholders' general meeting, and to engage registered accountants and certified auditors to assist in review in the name of the Company;
- (5) To propose the convening of extraordinary general meetings, and to convene and chair shareholders' general meetings in the event of the board of directors having failed to perform its duties pursuant to the Company Law;
- (6) To propose motions to the shareholders' general meeting;
- (7) To institute legal proceedings against directors and senior management pursuant to the provisions of section 151 of the Company Law;
- (8) To initiate investigations into any irregularities identified in the operation of the company and, where necessary, to engage an accounting firm to assist in his/her work at the company's expense;
- (9) To nominate candidates for independent directors;
- (10) to supervise the decision of the board of directors on risk management, the performance of risk management duties by directors and senior management, and the formulation, implementation and evaluation of the Company's development plan;
- (11) to regularly understand the operation of the Company, monitor major solvency risks that may arise during the operating process, and include them in the work reports of the supervisory committee;
- (12) Other duties as stipulated by the Articles of Association.

### **Chapter 3 Convening and Holding of Meetings of the Committee**

**Article 14** The Committee meetings are divided into regular meetings and extraordinary meetings. The Committee shall hold at least four (4) meetings every year and the meeting shall be convened by the chairman of the Committee. The supervisors may convene an extraordinary meeting under any of the following circumstances:

- (1) when the board meeting has passed any resolution that violates the laws, rules, departmental rules, the various rules and requirements of the regulatory authorities, the Articles of Association, the resolution of the shareholders' general meeting and other relevant provisions;
- (2) when the improper acts conducted by the directors or the senior management members may cause severe damages to the Company or adverse impacts on the market;
- (3) when any litigation against the Company, any director, supervisor, or senior management member is brought by any shareholder;
- (4) when the Company, any director, supervisor, or senior management member is punished by the regulatory authorities of the insurance industry;
- (5) other circumstances stipulated in the Articles of Association.

**Article 15** To propose to convene an extraordinary Committee meeting, the proposing supervisor shall sign the written proposal, and submit the same to the chairman of the Committee through the office of the board of directors. The written proposal shall set forth the following:

- (1) the name of the proposing supervisor;
- (2) the reason for or the objective facts on which the proposal is based;
- (3) the proposed time or time limit, venue and manner for the meeting;
- (4) the clear and specific motion;
- (5) the contact information of the proposing supervisor and the date of the proposal.

**Article 16** The office of the Committee shall send the notice for an extraordinary meeting within three (3) working days from the date when the office of the Committee receives the written proposal from the proposing supervisor.

**Article 17** The chairman of the Committee shall convene and preside over a Committee meeting. In case the chairman does not or fails to perform his/her duties, a supervisor jointly appointed by half (1/2) or more of the supervisors shall convene and preside over the meeting.

**Article 18** Where a supervisor fails to attend the Committee meetings in person twice consecutively and does not appoint another supervisor to attend the meetings on his/her behalf, the supervisor will be deemed as failing to perform his/her duties and the shareholders' general meeting or the employee representative meeting shall remove and replace the supervisor.

**Article 19** The written notice for convening a regular Committee meeting shall be sent to all supervisors ten (10) days before the meeting. In case of extraordinary meetings of the Committee, voting on resolutions may be conducted by way of telecommunications and the notice for convening of which shall not be subject to the ten (10) days' notice period requirement, although it should be ensured that notice shall be delivered to supervisors timely and effectively. The mode of service of notices of Committee meetings may be: personal delivery; fax, electronic mail or mail.

**Article 20** The notice for a Committee meeting shall include, among other things, the following contents:

- (1) the date, venue, and duration of the meeting;
- (2) the reasons for and resolutions at the meeting;
- (3) the date of the notice.

**Article 21** The quorum of a Committee meeting shall be more than one half (1/2) of the supervisors. The secretary to the board of directors of the Company may attend Committee meetings without any voting rights.

## **Chapter 4 Resolutions of the Committee and Meeting Minutes**

**Article 22** Regular Committee meetings shall be held by way of a physical meeting.

Voting at extraordinary meetings of the Committee may be conducted by way of telecommunications. When voting by way of telecommunications, supervisors shall, after confirming their votes by signing the voting slip, fax the same to the office of the Committee or the chairman of the Committee.

**Article 23** The chairman of the meeting shall invite supervisors present at the meeting to express their views regarding the motions.

The chairman of the meeting may, in accordance with the proposal of a supervisor before the meeting, request directors, senior management members, other employees of the Company or representatives of relevant intermediaries to attend the Committee meetings in person to be questioned.

**Article 24** Resolutions at Committee meetings shall be made by way of voting and shall be conducted by way of, such as, a show of hands, with the identity of the voter recorded or in writing.

Each supervisor shall have one vote.

Resolutions of the Committee shall be passed by voting of not less than two-thirds (2/3) of the Committee members.

Supervisors may vote for or against the proposal or abstain from voting. Supervisors present at a Committee meeting shall choose one of the above. In the case of a failure to choose any of the above or to choose two or more of the above, the chairman of the meeting shall require such supervisor to vote again. A refusal to do so shall be deemed a waiver of his/her voting rights. Those who leave the meeting and do not return and has not voted any of the above shall be deemed to have waived his/her voting rights.

**Article 25** The Committee shall prepare minutes of the meeting by recording the resolutions made at the meeting. Supervisors present at the meeting shall signed on the minutes of the meeting. Supervisors shall have the rights to demand to record, on the minutes of the meeting, a certain kind of clarification on the remarks he made during the meeting. Minutes of meetings shall be kept permanently.

**Article 26** The Committee meeting minutes shall contain the followings:

- (1) the series number of the meeting, the date and venue of and the manner in which the Committee meeting was held;
- (2) conditions of serving the meeting notice;
- (3) convener and chairman of the meeting;
- (4) attendance at the meeting;
- (5) motions considered at the meeting, key points and substantive views of supervisors towards the relevant issues and their votes towards the proposal;
- (6) method and results of votes for each motion (stating the number of votes in favor, against or abstain);
- (7) other matters the supervisors present at the meeting considered as necessary to be recorded.

**Article 27** For Committee meetings held by telecommunications, the office of the board of directors shall compile the meeting minutes with reference to the above provisions.

**Article 28** Supervisors shall procure the relevant personnel in implementing resolutions of the Committee. The chairman of the Committee shall report on the implementation progress of resolutions of the Committee at later meetings of the Committee.

**Article 29** Minutes of the Committee meeting, including notices and materials of the meeting, signature books, and minutes signed by the supervisors present at the meeting, shall be maintained by the Company as the filings and shall be kept by the Company for a period of ten (10) years.

**Article 30** Reasonable expenses incurred by the Committee in the employment of professionals such as lawyers, registered accountants, practicing auditors, etc. in the exercise of its duties and powers shall be borne by the Company.

## **Chapter 5 Supplementary Provisions**

**Article 31** The Rules shall take effect after being approved by the resolution at the shareholders' general meeting. The Committee shall revise the Rules according to the resolution of the shareholders' general meeting and the approval of the relevant authorities.

**Article 32** The Rules shall form an appendix to the Articles of Association. In case of any material conflicts between the provisions of these Rules and those of the Articles of Association, the Articles shall prevail.

**Article 33** In the Rules, the phrase "no less than" includes the number itself; while the phrases "less than", "lower than" and "more than" do not include the number itself.

**Article 34** The Rules shall be construed by the Committee.