

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



## HUADIAN POWER INTERNATIONAL CORPORATION LIMITED

# ARTICLES OF ASSOCIATION

(Adopted by way of special resolution at the Company's general meeting on 22 September 1997)  
(Amended by way of special resolution at the 2000 annual general meeting convened on 26 April 2001)  
(Amended by way of special resolution at the 2002 annual general meeting convened on 24 June 2003)  
(Amended by way of special resolution at the 2003 annual general meeting convened on 29 June 2004)  
(Amended by way of special resolution at the 2007 first extraordinary general meeting convened on 5 February 2007)  
(Amended by way of special resolution at the 2007 annual general meeting convened on 30 June 2008)  
(Amended by way of special resolution at the 2008 annual general meeting convened on 2 June 2009)  
(Amended by way of special resolution at the 2010 extraordinary general meeting convened on 26 October 2010)  
(Amended by way of special resolution at the 2011 extraordinary general meeting convened on 22 February 2011)  
(Amended by way of special resolution at the 2012 second extraordinary general meeting convened on 28 December 2012)  
(Amended by way of special resolution at the 2012 annual general meeting convened on 25 June 2013)  
(Amended by way of special resolution at the 2013 first extraordinary general meeting convened on 6 December 2013)  
(Amended way of special resolution at the 2013 annual general meeting convened on 30 May 2014)  
(Amended by way of special resolution at the 2014 second extraordinary general meeting convened on 23 December 2014)  
(Amended by way of special resolution at the 2015 first extraordinary general meeting convened on 13 February 2015)  
(Amended by way of special resolution at the 2015 third extraordinary general meeting convened on 28 December 2015)  
(Amended by way of special resolution at the 2016 annual general meeting convened on 30 June 2017)  
(Amended by way of special resolution at the 2017 annual general meeting convened on 26 June 2018)  
(Amended by way of special resolution at the 2019 annual general meeting convened on 30 June 2020)  
(Amended by way of special resolution at the 2020 first extraordinary general meeting convened on 28 October 2020)  
(Authorised by special resolution at the 2021 third extraordinary general meeting convened on 28 May 2021 and amended by way of the resolution of the 21st meeting of the 9th session of the Board convened on 26 October 2021)  
(Amended by way of special resolution at the 2022 annual general meeting convened on 31 May 2023)  
(Amended by way of special resolution at the 2023 first extraordinary general meeting, special resolution at the 2023 first A Share class meeting and special resolution at the 2023 first H Share class meeting convened on 30 November 2023)  
(Amended by way of special resolution at the 2023 annual general meeting convened on 17 June 2024)

# **Articles of Association of Huadian Power International Corporation Limited**

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## **Chapter 1 General Provisions**

**Article 1** The Company (formerly known as Shandong International Power Development Company Limited until 1 November 2003 when the present name was officially adopted) is a joint stock limited company which survived the consolidation and standardization carried out in accordance with the Company Law of the People's Republic of China (the "Company Law") and other relevant legislations and administrative regulations of the PRC.

The Company was established by way of promotion on 28 June 1994 under the approval as evidenced by Document Ti Gai Sheng No. [1994]76 issued by the State Commission for Restructuring the Economic Systems. On the same day, it was registered with the Administration Bureau of Industry and Commerce of Shandong Province and obtained its business license. The business license number was No. 16907783-5. On 17 April 1997, the Company's business license number was changed to 26717022-8. Under the approval given by the Ministry of Foreign Trade and Economic Cooperation of the People's Republic of China as evidenced by Document [2000] Wai Jing Mao Zi Er Han Zi No. 545, the Company was transformed into a foreign-invested joint stock limited company. On 2 January 2001, the number of the Company's business license was changed to Qi Gu Lu Zong Zi No. 003922 after relevant alteration of registration particulars was made with the Administration Bureau of Industry and Commerce of Shandong Province. The current unified social credit code of the Company is 913700002671702282.

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

Shandong Electric Power Corporation

Shandong International Trust and Investment Corporation

Shandong Luneng Development General Corporation

China Power Trust and Investment Company Limited

Zaozhuang City Infrastructure Investment Company

**Article 2** The registered name of the Company

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

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

**Article 3** The Company’s domicile: No.14800, Jingshi Road, Lixia District, Jinan City, Shandong Province, the PRC

Postcode: 250014

Telephone: 0531-67716222

Facsimile: 0531-67716010

**Article 4** The legal representative of the Company shall be the chairman of the board of directors of the Company.

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

The liabilities of the shareholders of the Company are limited to the shares held by them, and the Company is liable for its debts to the extent of its entire assets.

**Article 6** The Articles of Association of the Company (or the “Articles of Association”), in accordance with the Company Law, the Securities Law of the People’s Republic of China, the Guidelines on Articles of Association of Listed Companies, the Standards for Corporate Governance of Listed Companies, and other relevant regulations, shall become effective upon the passing of a special resolution at the shareholders’ general meeting.

From the date on which it becomes effective, the Articles of Association constitute a legally binding document regulating the Company’s organization and activities, and the rights and obligations between the Company and each shareholder and among the shareholders.

**Article 7** The Articles of Association are binding on the Company and its shareholders, directors, supervisors, general manager and other senior management members, all of whom are entitled to claim rights regarding the Company’s affairs in accordance with the Articles of Association.

Actions can be brought in accordance with the Articles of Association by a shareholder against the Company, by the Company against its shareholders,

directors, supervisors, general manager and other senior management members, by shareholders against each other and by a shareholder against the directors, supervisors, general manager and other senior management members of the Company.

Other senior management members referred to in the Articles of Association mean the deputy general managers, the financial controller and the secretary to the board of directors, the chief legal counsel, the chief engineer and the chief economist (if any) of the Company and other members as regulated by the Articles of Association or determined by the board of directors.

**Article 8** The Company may invest in other enterprises. However, the Company shall not, unless otherwise stipulated by the laws, be the financier assuming joint liability for debts of the enterprises so invested.

**Article 9** In accordance with the Company Law and the Constitution of the Communist Party of China (“CPC”), the Company shall establish organisations and working organs of the CPC to play the role in leadership as well as provide general direction, control the overall situation and ensure implementation. The working organs of the CPC shall be equipped with sufficient staff and provided with sufficient funds by the Company to ensure necessary conditions for the CPC’s activities.

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

**Article 10** The purposes of the Company are to: commit itself to the development, construction and management of power source projects, expedite the development of power business and increase power supply through the use of advanced management methods and flexible operation policies, thereby enhancing profitability and delivering stable and growing earnings to its shareholders.

**Article 11** The Company’s scope of business shall only cover the items approved by the registration authority.

The Company’s scope of business includes construction, operation and

management of power plants and businesses related to power generation, technological service and information consultation relating to the power business, sale, purchase and service of power and thermal products, design and construction of electric power engineering, and operation of power distribution networks.

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

### **Chapter 3 Shares and Registered Capital**

**Article 12** There must, at all times, be ordinary shares in the Company. The Company may create other classes of shares when necessary according to the applicable laws, administrative regulations and/or the listing rules of the place where the Company's shares are listed (the "relevant listing rules").

**Article 13** All the shares issued by the Company shall have a par value, which shall be RMB1 for each share.

**Article 14** Subject to the registration or filing of the securities regulatory authority of the State Council, the Company may issue shares to domestic and foreign investors in accordance with the laws.

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

Shares issued by the Company to domestic investors for subscription in RMB shall be referred to as domestic-invested shares. Shares issued by the Company to foreign investors for subscription in foreign currency shall be referred to as foreign-invested shares. Foreign-invested shares which are listed outside the PRC shall be referred to as overseas-listed foreign-invested shares or simply referred

to as “H Shares”. The domestic-invested shares and the foreign-invested shares are not regarded as different classes of shares unless otherwise provided for in the applicable laws and regulations and/or the relevant listing rules.

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

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

**Article 15**

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

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

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

Corporation Limited. (formerly known as China Huadian Corporation), a holder of unlisted domestic-invested shares, as approved by shareholders by way of special resolution at a general meeting and by the approving authorities authorised by the State Council.

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

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

In 2009, under the approval of its shareholders by way of special resolution at a general meeting and the approval of the approving authorities authorised by the State Council, the Company issued 750,000,000 A shares through private placement.

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

In 2014, under the approval of its shareholders by way of special resolution at a general meeting and the approval of the approving authorities authorised by the



State Council, the Company issued 1,150,000,000 A shares through private placement.

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

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

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

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

The current share capital structure of the Company comprises 10,227,561,133 ordinary shares, including 8,510,327,533 A shares and 1,717,233,600 overseas-listed foreign-invested shares, representing 83.21% and 16.79% of the total issued ordinary shares in the Company respectively.

**Article 16** The Company or its subsidiaries (including its affiliates) shall not give any financial assistance, in the form of gift, advance, guarantee, compensation or loan, to any person who purchases or proposes to purchase shares of the Company.

**Article 17** The Company's registered capital is RMB10,227,561,133. The Company shall

register its registered capital in accordance with the provisions of the relevant laws and regulations.

**Article 18** Domestic-invested shares and overseas-listed foreign-invested shares of the Company shall be traded, donated, inherited and pledged in accordance with the PRC laws and the Articles of Association, respectively. The transfer and assignment of shares of the Company shall follow transfer formalities in accordance with relevant regulations. However, no transfer or other change formalities will be effected from the date when the Company announces the commencement of liquidation.

**Article 19** (1) all transfers of overseas-listed foreign-invested shares shall be effected by instruments of transfer in writing in an ordinary or usual form or in any other form acceptable to the board of directors; such instruments of transfer may be executed by hand without seal. If the shareholder concerned is a recognized clearing house as defined in the securities listing rules or other securities laws or its nominee, instruments of transfer may be executed in mechanically-printed form.

(2) all fully paid-up overseas-listed foreign-invested shares are freely transferable pursuant to the Articles of Association. However, the board of directors may refuse to recognize any instrument of transfer without giving any reason unless such transfer fulfils the following conditions:

(i) a fee of HK\$2.5 per instrument of transfer or such lower amount as the board of directors may from time to time require but no more than the amount as prescribed from time to time by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited has been paid to the Company for registration of transfer and other documents relating to or which will affect the ownership of the shares;

(ii) the instrument of transfer involves only the overseas-listed foreign-invested shares;

(iii) the stamp duty payable 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 right to transfer such shares have been provided;

(v) if the shares are to be transferred to joint holders, the number of such joint holders shall not exceed four (4);

(vi) the relevant shares are not encumbered by any company lien.

(3) after the completion of the transfer, the transferee's name shall be entered into the register of shareholder as holder of the shares transferred.

(4) any issuance and future transfer of the overseas-listed foreign-invested shares shall be entered in the part of the register of shareholders required to be maintained in Hong Kong under Article 34 of the Articles of Association.

#### **Article 20**

The Company shall have the right to terminate the dispatch of dividend warrants to holders of overseas-listed foreign-invested shares by mail, but such right shall not be exercised until the dividend warrants have not been cashed for two consecutive occasions. However, where the dividend warrant is undelivered for the first time to the addressee and returned, the Company may also exercise such right.

The Company may sell the shares of untraceable shareholders and keep the sale proceeds, if:

(1) within a period of twelve (12) years, dividends have been distributed in respect of the relevant shares at least three (3) times but were not claimed by any shareholders during such period; and

(2) upon the expiry of twelve (12) years, the Company makes an announcement of its intention to sell the shares upon approval of the securities regulatory authority of the State Council and notifies the authority and relevant foreign securities regulators of such intention.

### **Chapter 4 Increase, Reduction and Repurchase of Shares**

#### **Article 21**

The Company may, based on its operation and development needs, increase its capital in the following manners in accordance with the provisions of the laws

and regulations upon resolution of the general meeting:

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

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

**Article 22** In accordance with the provisions of the Articles of Association, the Company may reduce its registered capital.

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

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

The registered capital of the Company following the reduction of capital shall not fall below the minimum statutory requirement.

**Article 23** The Company shall not acquire the Company's shares, except in any one of the following circumstances:

- (1) to reduce the Company's registered capital;

- (2) to merge with another company that holds shares in the Company;
- (3) to use the shares for employee stock ownership plans or as share incentives;
- (4) to acquire shares held by shareholders (upon their request) who vote against any resolution proposed in any general meeting on the merger or division of the Company;
- (5) to use the shares for conversion of corporate bonds which are convertible into shares issued by the Company;
- (6) where it is necessary for the Company to safeguard its value and the interests of its shareholders; or
- (7) other circumstances as required by laws and administrative regulations.

**Article 24** Where the Company purchases its shares, the repurchase shall be conducted through public and centralized trading, or other methods recognized by laws, administrative regulations, relevant listing rules and securities regulatory authorities.

If the Company repurchases its shares in the circumstances set out under items (3), (5) and (6) of Clause 1 of Article 23 of the Articles of Association, the repurchase shall be conducted through public and centralized trading.

**Article 25** If the Company purchases its shares in the circumstances set out under items (1) and (2) of Clause 1 of Article 23 of the Articles of Association, the purchase shall be subject to the approval of the general meeting. If the Company purchases its shares in the circumstances set out under items (3), (5) and (6) of Clause 1 of Article 23 of the Articles of Association, the purchase may be conducted in compliance with the requirements of the Articles of Association or the authorization granted at the shareholders' general meeting upon approval by the board meeting attended by more than two-thirds of the directors.

If the Company purchases its shares in the circumstances set out under Clause 1 of Article 23 of the Articles of Association, in the case of item (1), the shares shall be cancelled within 10 days from the date of repurchase; in the case of items (2) and (4), the shares shall be transferred or cancelled within 6 months; in the cases of items (3), (5) and (6), the total number of shares in the Company held by

the Company shall not exceed 10% of total shares issued by the Company and these shares shall be transferred or cancelled within 3 years.

**Article 26** Shares repurchased in accordance with the laws by the Company shall be cancelled or transferred within the period prescribed by laws, administrative regulations and the relevant listing rules. And under the circumstance of the cancellation, the Company shall carry out the registration of the change in its registered capital with its original registrar and have a relevant announcement published.

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

## **Chapter 5 Share Transfer**

**Article 27** Unless otherwise provided by laws, administrative regulations, relevant listing rules and other regulatory documents, shares of the Company are transferable in accordance with the law.

**Article 28** The Company does not accept its shares as the subject of any pledge.

**Article 29** During their term of office, the directors, supervisors, general manager and other senior management members of the Company shall report periodically to the Company their shareholdings in the Company and any changes therein. Transfer of shares by the aforesaid persons shall be conducted in accordance with the laws, regulations and/or relevant listing rules.

**Article 30** Any gains from sale of shares in the Company or other securities with the nature of equity by any director, supervisor, general manager, other senior management member or shareholder holding 5% or more of the shares in the Company within six (6) months after their purchase of the same, and any gains from purchase of shares in the Company or other securities with the nature of equity by any of the aforesaid parties within six (6) months after sale of the same shall be disgorged and paid to the Company. The board of directors of the Company shall forfeit such gains from the abovementioned parties. However, if a securities company holds not less than 5% shares by purchasing the remaining shares after sale

pursuant to an underwriting arrangement and the securities regulatory authorities in the place where the Company's shares are listed stipulate other circumstances, the foregoing requirements shall not apply.

Shares or other securities with the nature of equity held by directors, supervisors, senior management members, natural person shareholders referred to in the preceding paragraph include shares or other securities with the nature of equity held by their spouse, parents, children and under others' account.

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

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

## **Chapter 6 Share Certificates and Register of Shareholders**

**Article 31** In addition to those items provided in the Company Law, a share certificate of the Company shall also contain any other items required to be specified by the stock exchange(s) on which the shares of the Company are listed.

**Article 32** The Company shall keep the register of shareholders with the certificate granted by the share registrar. Unless there is evidence to the contrary, the register of shareholders shall be sufficient evidence of the shareholders' shareholdings in the Company.

**Article 33** The Company may, in accordance with the mutual understanding and agreements made between the securities regulatory authority of the State Council and the securities regulator in Hong Kong, maintain its register of holders of overseas-listed foreign-invested shares which are listed in Hong Kong and appoint Hong

Kong agent(s) to manage such register.

The register of holders of overseas-listed foreign-invested shares is open for inspection by shareholders of the Company, but the Company may close the register of shareholders in accordance with relevant laws and regulations of Hong Kong.

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

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

**Article 34** The Company shall maintain a complete register of shareholders.

The register of shareholders shall include the following:

(1) the register of shareholders maintained at the Company's domicile (other than those parts as described in subparagraphs (2) and (3) of this Article);

(2) the register of shareholders in respect of the holders of overseas-listed foreign-invested shares of the Company maintained at the place where the overseas stock exchange on which the shares are listed is located;

(3) the register of shareholders maintained at such other place as the board of directors may consider necessary for the purpose of listing of the Company's shares.

**Article 35** Different parts of the register of shareholders shall not overlap one another. No transfer of the shares registered in any part of the register shall, during the existence of that registration, be registered in any other part of the register of shareholders.

**Article 36** Alteration or rectification of each part of the register of shareholders shall be made in accordance with the laws of the place where that part of the register of



shareholders is maintained.

**Article 37** Where laws, regulations, securities regulatory authorities and stock exchanges in the place where the shares of the Company are listed stipulate on the period of closure of the register of shareholders before the date of the general meeting or before the record date set by the Company for the purpose of distribution of dividends, such provisions shall prevail.

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

**Article 39** Any person aggrieved and claiming to be entitled to have his/her name entered in or removed from the register of shareholders may apply to a court of competent jurisdiction for rectification of the register.

**Article 40** Any shareholder who is registered in, or any person who requests to have his/her name entered in, the register of shareholders in respect of shares in the Company may, if his/her share certificates (the “original certificates”) are lost, apply to the Company for replacement share certificates in respect of such shares (the “relevant shares”).

If a holder of the domestic-invested shares loses his/her share certificates and applies for their replacements, it shall be dealt with in accordance with Article 143 of the Company Law.

If a holder of overseas-listed foreign-invested shares loses his/her share certificates and applies for their replacements, it may be dealt with in accordance with the relevant laws, the rules of the stock exchange and other relevant regulations of the place where the original register of holders of overseas-listed foreign-invested shares is maintained.

The issue of replacement certificates to holders of overseas listed foreign invested

shares shall comply with the following requirements:

(1) the applicant shall submit an application to the Company in prescribed form accompanied by a notarial certificate or statutory declaration, stating the grounds upon which the application is made and the circumstances and evidence of the loss of the share certificates as well as declaring that no other person is entitled to request to be registered as the shareholder in respect of the relevant shares;

(2) no statement has been received by the Company from a person other than the applicant for having his/her name registered as a holder of the relevant shares before the Company comes to a decision to issue the replacement certificate;

(3) the Company shall, if it intends to issue a replacement certificate to the applicant, make an announcement of its intention to do so at least once every thirty (30) days within a period of ninety (90) consecutive days in newspapers prescribed by the board of directors;

(4) the Company shall, prior to publication of its intention to issue a replacement share certificate, deliver a copy of the announcement to be published to the stock exchange on which its shares are listed, and may publish the announcement upon receipt of confirmation from such stock exchange that the announcement has been exhibited in the premises of the stock exchange. Such announcement shall be exhibited in the premises of the stock exchange for a period of ninety (90) days.

In case an application to issue a replacement certificate has been made without the consent of the registered holder of the relevant shares, the Company shall send by mail to such registered shareholder a copy of the announcement to be published;

(5) if, upon expiration of the 90-day period referred to in subparagraphs (3) and (4) of this Article, the Company has not received any challenge from any person in respect of the issuance of the replacement share certificate, it may issue a replacement share certificate to the applicant pursuant to his/her application;

(6) where the Company issues a replacement certificate under this Article, it shall forthwith cancel the original certificate and enter the cancellation and the

issuance of the replacement share certificate in the register of shareholders accordingly;

(7) all expenses relating to the cancellation of an original certificate and the issuance of a replacement share certificate by the Company shall be borne by the applicant and the Company is entitled to refuse to take any action until reasonable security is provided by the applicant therefore.

**Article 41** Where the Company issues a replacement certificate pursuant to the Articles of Association, the name of a bona fide purchaser who obtains the aforementioned new share certificate or a shareholder who thereafter registers as the owner of such shares (in the case where he is a bona fide purchaser) shall not be removed from the register of shareholders.

**Article 42** The Company shall not be liable for any damages sustained by any person by reason of the cancellation of the original certificate or the issuance of the replacement certificate, unless the claimant proves that the Company has acted fraudulently.

## **Chapter 7 Rights and Obligations of Shareholders**

**Article 43** A shareholder of the Company is a person who lawfully holds shares of the Company and whose name is entered in the register of shareholders.

A shareholder shall enjoy rights and assume obligations according to the class and number of shares held by him; shareholders who hold shares of the same class shall enjoy the same rights and assume the same obligations.

**Article 44** In the event that the Company convenes a general meeting, distributes dividends, liquidates its assets, or engages in other activities which require the confirmation of the identity of the shareholders, the board of directors or the convener of the general meeting shall fix a date as a record date for the registration of equity interests. The shareholders of the Company entitled to the underlying interests shall be those whose names appear in the register of shareholders after the closing of trading on the record date.

**Article 45**

The ordinary shareholders of the Company shall have the following rights:

- (1) the right to dividends and other distributions in proportion to the number of shares held;
- (2) the right to propose, convene and preside over, to attend or appoint a proxy to attend general meetings, to speak at the general meetings, and to exercise the voting right thereat according to the proportion of the shares held (unless any individual shareholders are, under the applicable listing rules as stipulated from time to time, required to abstain from voting to approve the matter under consideration);
- (3) the right to supervise the operation of the Company, and to put forward proposals and raise inquiries;
- (4) the right to transfer, donate or pledge the shares held by him in accordance with the laws, administrative regulations and the Articles of Association;
- (5) the right to inspect the Articles of Association, the register of shareholders, the Company's bonds stubs and minutes of general meetings; resolutions of Board meetings, resolutions of meetings of the supervisory committee and the financial and accounting report;
- (6) in the event of the termination or liquidation of the Company, the right to participate in the distribution of the residual assets of the Company in proportion to the number of shares held;
- (7) with respect to shareholders who vote against any resolution adopted at the general meeting on the merger or division of the Company, the right to demand the Company to acquire the shares held by them;
- (8) the right to initiate a lawsuit in the People's Court against any act in violation of the Company's interests or detrimental to the legal interests of the shareholders and claim relevant rights in accordance with the Company Law or other laws or administrative regulations;
- (9) other rights conferred by the laws, administrative regulations, departmental rules and the Articles of Association.

**Article 46** Shareholders proposing to inspect the relevant information as set out in the preceding Article or collect information shall present evidence to prove the class and amount of shareholding in writing. The Company shall provide the shareholders such information as required after verification of the identities of the shareholders.

**Article 47** A resolution of the Company's general meeting or Board meeting may be declared void by the People's Court upon application from shareholders if the content contravenes the law or administrative regulations.

In the event the procedures for convening the general meeting and the Board meeting and voting thereat violate the law, administrative regulations or the Articles of Association, or the content resolved being in contrary to the Articles of Association, the shareholder shall have the right to submit to the People's Court to rescind the resolution within 60 days after the resolution is made.

**Article 48** In the event the directors and senior management members violate the law, administrative regulations or the provisions of the Articles of Association in performing the Company's duties, and incur a loss to the Company, shareholder(s), either individually or jointly holding more than 1% of the Company's shares for more than 180 consecutive days shall have the right to submit a written request to the supervisory committee for initiating legal proceedings in the People's Court. In the event the supervisory committee violates the law, administrative regulations or the provisions of the Articles of Association in performing the Company's duties, and incur a loss to the Company, the shareholders shall have the right to submit a written request to the board of directors for initiating legal proceedings in the People's Court.

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

People's Court in their own names for the interests of the Company.

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

**Article 49** In the event the directors and senior management members violate the law, administrative regulations or the provisions of the Articles of Association, and the rights of shareholders are prejudicially affected, the shareholders shall have the right to initiate legal proceeding in the People's Court.

**Article 50** The ordinary shareholders of the Company shall assume the following obligations:

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

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

(3) not to return the shares unless required by the laws and regulations;

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

(5) other obligations imposed by laws, administrative regulations, relevant listing rules and the Articles of Association. Shareholders are not liable to make any further contribution to the share capital other than as agreed by the subscribers of

the relevant shares on subscription.

**Article 51** Where a shareholder holding 5% or more voting shares of the Company pledges any shares in his/her possession, he/she shall report the same to the Company in writing on the day on which he/she pledges his/her shares.

**Article 52** The controlling shareholder and the de facto controller of the Company shall not use their connected relationship to act in detriment to the interests of the Company. If they have violated the provision and caused damage to the Company, they shall be liable for such damages.

The controlling shareholder and the de facto controller of the Company shall bear fiduciary duties towards the Company and its public shareholders. The controlling shareholder shall exercise its rights as a contributor in strict compliance with the laws. The controlling shareholder shall not do harm to the lawful interests of the Company and its public shareholders through profit distribution, asset restructuring, foreign investment, possession of capital, lending guarantees and shall not make use of its controlling status against the interests of the Company and public shareholders.

## **Chapter 8 Shareholders' General Meetings**

**Article 53** The shareholders' general meeting is the organ of authority of the Company and shall exercise its functions and powers in accordance with law.

**Article 54** The shareholders' general meeting shall exercise the following functions and powers:

- (1) to decide on the operating policies and investment plans of the Company;
- (2) to elect and replace directors and to decide on matters relating to the remuneration of directors;
- (3) to elect and replace supervisors who are not staff representatives and to decide on matters relating to the remuneration of supervisors;
- (4) to consider and approve the reports of the board of directors;

- (5) to consider and approve the reports of the supervisory committee;
- (6) to consider and approve the Company's annual financial budgets and final accounts;
- (7) to consider and approve the Company's profit distribution plan and loss recovery plan;
- (8) to resolve on any increase or reduction of registered capital of the Company;
- (9) to decide on matters such as merger, division, dissolution, liquidation or changing the form of the Company;
- (10) to decide on the issuance of bonds by the Company;
- (11) to decide on the appointment, removal or non-reappointment of accounting firms for the Company and their remunerations;
- (12) to amend the Articles of Association;
- (13) to resolve on purchase or sale of material assets by the Company within one year, the amount of which exceeds 30% of its latest audited total assets;
- (14) to resolve on the Company's provision of a guarantee to third parties which is subject to the approval of shareholders at a general meeting as required under laws, administrative regulations and the Articles of Association;
- (15) to consider and approve any change in the use of proceeds from fund raising;
- (16) to consider share incentive plans and employee stock ownership plans;
- (17) to decide on other matters which are, according to the laws, administrative regulations, departmental rules and the Articles of Association, subject to the resolution of shareholders' general meeting.

**Article 55**

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

- (1) any guarantee provided after the total amount of guarantee to third parties



provided by the Company and its controlled subsidiaries has exceeded 50% of the Company's latest audited net assets;

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

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

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

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

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

(7) other guarantees subject to the consideration and approval of the shareholders' general meeting as provided in the laws and regulations and the Articles of Association.

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

#### **Article 56**

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

Where the authority granted by the general meeting to the board of directors is related to a matter subject to an ordinary resolution, it shall be passed by votes representing more than one-half (excluding one-half) of the voting rights of the shareholders (including proxies) present at the general meeting; where it is related to a special resolution, it shall be passed by votes representing not less than two-thirds of the voting rights of the shareholders (including proxies) present at the general meeting. The substance of the authorisation shall be clear and specific.

**Article 57** Unless otherwise under special emergency circumstances, the Company shall not, without the approval of shareholders' general meeting in the form of a special resolution, enter into any contract with any person other than a director, supervisor, general manager or other senior management member of the Company whereby such person is put in charge of the management of a whole or any substantial part of the Company's business.

**Article 58** A general meeting shall either be an annual general meeting or an extraordinary general meeting.

Annual general meetings are held once every year and within six (6) months from the end of the preceding financial year. A general meeting shall have a venue where it shall be held in the form of an onsite meeting. Such meeting may also be held in the way of internet voting for the convenience of shareholders attending the general meetings.

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

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

(1) where the number of directors falls below eight (8);

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

(3) where shareholder(s) individually or jointly holding 10% or more of the Company's shares request(s) for the convening of an extraordinary general meeting;

(4) whenever the board of directors deems necessary or the supervisory committee so requests;

(5) other circumstances provided by laws, administrative regulations, departmental rules or the Articles of Association.

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

**Article 59**

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

The independent directors of a sufficient number, the supervisory committee or shareholders who separately or jointly hold shares of the Company in excess of 10% shall have the right to propose to the board of directors and request for convening an extraordinary general meeting. The independent directors, the supervisory committee or shareholders individually or jointly holding 10% or more of shares of the Company may request the convening of an extraordinary general meeting, subject to the following procedures:

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

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

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

any change to the original motion.

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

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

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

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

Where the supervisory committee fails to issue notice of the meeting within the prescribed period, the supervisory committee shall be deemed not to convene and preside over the meeting, and the shareholders individually or jointly holding not less than 10% shares of the Company for a period of ninety (90) consecutive days or more are entitled to convene and preside over the meeting on their own (the shareholding of the convening shareholders shall not fall below 10% prior to the announcement of the resolution(s) passed at the meeting). The convening procedures should be as similar as possible as that in which meetings are to be convened by the board of directors.

Where the supervisory committee or shareholders decide to convene and hold the meeting on their own in accordance with the preceding paragraphs, they should inform the board of directors in writing and file for record with the competent

authorities in accordance with applicable regulations. The board of directors and the secretary to the board of directors shall be cooperative for purpose of the meeting and the board of directors shall provide the register of shareholders. All reasonable expenses incurred for the meeting shall be borne by the Company.

**Article 60** Matters to be discussed and decided at general meetings shall be determined in compliance with requirements of the Company Law and the Articles of Association. General meetings are entitled to make decisions on any matters as stipulated in the Articles of Association.

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

**Article 61** Motions put forward at a general meeting shall be the specific proposals relating to matters which should be discussed at a general meeting. Motions put forward at a general meeting shall satisfy the following requirements:

(1) free of conflicts with the provisions of laws, administrative regulations and the Articles of Association, and within the business scope of the Company and the terms of reference of general meetings;

(2) with definite topics to discuss and specific matters to resolve;

(3) be submitted or served to the convener in writing.

**Article 62** When the Company convenes a general meeting, the board of directors, the supervisory committee and the shareholders either individually or jointly holding 3% or more of the Company's shares may propose motions to the Company.

Shareholders either individually or jointly holding 3% or more of the Company's shares may submit extempore motions to the convener in writing ten (10) days prior to the date of the meeting. The convener shall issue a supplementary notice of the general meeting and announce the contents of such extempore motions within two (2) days upon receipt of the motions. If the listing rules of the place where the Company's shares are listed otherwise stipulates, such other requirements shall be also complied with.

Except for the circumstance provided by the preceding paragraph, the convener

shall not amend the motions set out in the notice of the general meeting or add any new motion subsequent to the issue of the notice of the general meeting.

**Article 63**

When the Company convenes an annual general meeting, the written notice shall be dispatched twenty (20) working days before the date of the meeting. When the Company convenes an extraordinary general meeting, the written notice shall be dispatched ten (10) working days or fifteen (15) days (whichever is longer) before the date of the meeting. Such notice shall notify all of the shareholders whose names appear in the register of shareholders of the matters to be considered at and the date and place of the meeting. Where laws, regulations, securities regulatory authorities and stock exchanges in the place where the shares of the Company are listed stipulate on the abovementioned matter otherwise, such provisions shall prevail.

**Article 64**

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

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

**Article 65**

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

- (1) education background, work experience and any part-time job;

- (2) whether there is any associated relationship between the Company or the controlling shareholders and de facto controller of the Company;
- (3) disclosure of their shareholdings in the Company;
- (4) whether or not they have been penalized by CSRC or other related securities regulatory departments and the stock exchange.

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

**Article 66**

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

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

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

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

**Article 67**

Any shareholder who is entitled to attend and vote at a general meeting shall be entitled to attend the general meeting in person or appoint one or more persons (whether a shareholder or not) as his/her proxy to attend and vote on his/her behalf, and a proxy so appointed shall be entitled to exercise the following rights pursuant to the authorisation from that shareholder:

- (1) the right of the shareholder to speak at the general meeting;
- (2) the voting right shall be exercised in accordance with the applicable laws, administrative regulations, relevant listing rules and the Articles of Association.

Where that shareholder is a recognised clearing house within the meaning of any

applicable rules governing the listing of securities or any other applicable securities laws and regulations, such person or persons authorized by the shareholder as it thinks fit or the corporate representative may act as its representative at any general meeting or any creditors meeting; but if more than one person is so authorized, the power of attorney must specify the number and class of shares in respect of which each such person is so authorized. A person so authorized shall be entitled to exercise the rights on behalf of the recognized clearing house (or its agent) as if such shareholder were an individual shareholder of the Company.

**Article 68** Shareholders shall appoint a proxy in writing which is signed by the principal or his/her/its proxy so authorized in writing, or if the principal is a legal person, sealed by the stamp of the legal person or signed by its directors, or proxies duly appointed.

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

**Article 69** Without violation of relevant laws and regulations and the regulatory rules of the place where the shares of the Company are listed, the instrument appointing a voting proxy shall be deposited at the domicile of the Company or at such other place as specified in the notice of the meeting within the time specified by the Company. If the instrument is signed by another person authorized by the principal, the power of attorney or other document authorizing the signature shall be notarized. The notarized power of attorney or other authorizing document shall be deposited together with the instrument appointing the voting proxy at the domicile of the Company or at such other place as specified in the notice of the meeting.

If the principal is a legal person, its legal representative or such person as is authorized by resolution of its board of directors or other governing body may attend any meeting of shareholders of the Company as a representative of the principal (If such legal person shareholder has appointed a representative to attend any meeting, it shall be treated as being present at the meeting in person).



**Article 70** A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or loss of capacity of the principal, or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given, provided that no notice in writing of such death, incapability, revocation or transfer as aforesaid shall have been received by the Company at its residence before the commencement of the relevant meeting.

**Article 71** The board of directors, independent directors and certain qualifying shareholders (as determined under the criteria made by relevant regulatory authorities from time to time) of the Company or investor protection institutions established in accordance with laws, administrative regulations or the provisions of the CSRC may publicly solicit votes of the Company's shareholders at general meetings, provided that sufficient disclosure of information such as the specific voting preference shall be made to the shareholders from whom voting rights are being solicited. No consideration or other form of de facto consideration shall be involved in the solicitation of voting rights from shareholders. Save for the statutory requirements, the Company shall not impose any limitation related to minimum shareholdings on the solicitation of voting rights. Public solicitation of votes shall be made in accordance with regulations of relevant regulatory authorities and the stock exchange on which the shares of the Company are listed.

**Article 72** For connected transactions to be considered at a general meeting, connected shareholders shall abstain from voting on such connected transactions, and the number of shares carrying voting rights they represent shall not be counted into the valid voting results. And the announcement of resolutions passed at the general meeting shall fully disclose the voting of non-connected shareholders on the transactions. In special circumstances impossible for the connected shareholders to abstain from voting, the Company shall, upon approval from competent authorities, proceed with the normal voting proceedings, and state its detail in the announcement of the resolutions passed at the general meeting.

**Article 73** A shareholder (including proxy) when voting at a general meeting may exercise voting rights in accordance with the number of voting shares represented by

him/her. Each share shall have one vote, except for the adoption of the accumulative voting system for election of directors and supervisors as stipulated in the Articles of Association.

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

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

**Article 74**

Where any shareholder is, under the applicable listing rules as stipulated from time to time, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution at any general meeting, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted. Voting at general meeting will record the name of the voter, that is, by open ballot unless otherwise required by applicable rules governing the listing of securities.

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

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

**Article 75** Shareholders who attend the general meeting in person shall express one of the following indications about the proposal submitted for voting: for, against or abstain. China Securities Depository and Clearing Co., Ltd. is the nominee holder of shares transacted through the mutual connection mechanism between stock markets in Mainland China and Hong Kong, except for reporting on indications expressed by beneficial shareholders.

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

**Article 76** Resolutions of general meetings shall be either ordinary or special resolutions.

To adopt an ordinary resolution, votes representing more than one-half (excluding one-half) of the voting rights represented by the shareholders (including proxies) present at the general meeting must be cast in favour of the resolution.

To adopt a special resolution, votes representing not less than two-thirds of the voting rights represented by the shareholders (including proxies) present at the general meeting must be cast in favour of the resolution.

**Article 77** The following matters shall be resolved by ordinary resolution at a general meeting:

- (1) work reports of the board of directors and the supervisory committee;
- (2) profit distribution plans and loss recovery plans formulated by the board of directors;
- (3) election or removal of members of the board of directors and members of the supervisory committee, their remuneration and manners of payment thereof;
- (4) the Company’s annual financial budgets and final accounts report, balance sheets, income statements and other financial statements;
- (5) the Company’s annual report;
- (6) appointment, removal or non-reappointment of accounting firms and their remunerations;

(7) matters other than those which are required by the laws and administrative regulations or by the Articles of Association to be adopted by special resolution.

**Article 78**

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

(1) increase or reduction of the share capital and issue of shares of any class, warrants or other similar securities;

(2) issue of corporate bonds;

(3) division, merger, dissolution and liquidation (including voluntary winding up) of the Company;

(4) amendment to the Articles of Association;

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

(6) share incentive schemes;

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

**Article 79**

A general meeting shall be presided over and chaired by the chairman of the board of directors. If the chairman of the board of directors is unable or fails to perform his/her duties, the vice-chairman of the board of directors (in case of two or more vice-chairmen, the vice-chairman who is jointly elected by one half or more of the directors) shall preside over and chair the meeting. If the vice-chairman is unable or fails to perform his/her duties, the meeting shall be presided over and chaired by a director jointly elected by one half or more of the directors. If none of the directors can be elected by one half or more of the directors to preside over and chair the meeting, the shareholders present at the meeting may elect one to act as the chairman; If for any reason, the shareholders shall fail to elect a chairman, then the shareholder (including a proxy) holding the largest number of shares carrying the right to vote thereat shall be the chairman of the

meeting.

A general meeting convened by the supervisory committee shall be presided over by the chairman of the supervisory committee, or the supervisor jointly elected by one half or more of the supervisors if the chairman is unable or fails to perform his/her duties.

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

During the course of a general meeting, if the chairman of the meeting is in breach of the rules of procedure and renders it impossible for the meeting to continue, with the consent of the shareholders present at the meeting and representing more than one half of the total voting rights of all shareholders so present, the general meeting may elect one individual to be the chairman of the meeting and the meeting shall continue. The Company's Rules of Procedures for General Meeting specifies in details the procedure for convening and voting at the general meeting, including notification, registration, reviewing of proposals, voting, counting of votes, announcement of voting results, formation of meeting resolutions, minutes of meeting and their signing, public announcements. They shall be stipulated by the Board and approved by the general meeting.

**Article 80** The chairman of the meeting shall be responsible for, according to the voting result, determining whether the resolutions of a general meeting has been passed. His/her decision, which shall be final and conclusive, shall be announced at the meeting and recorded in the minutes of the meeting. The Company shall announce the resolutions of a general meeting in accordance with applicable laws and relevant requirements of the stock exchange on which the shares of the Company are listed.

**Article 81** If the chairman of the meeting has any doubt as to the result of a resolution put to vote at the meeting, he/she may have the votes counted. If the chairman of the meeting fails to have the votes counted, any shareholder who is present in person or by proxy and who objects to the result announced by the chairman of the meeting may demand that the votes be counted immediately after the declaration of the result, and the chairman of the meeting shall have the votes counted

immediately.

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

**Article 82** Minutes of general meetings shall be kept and the secretary to the Board shall be responsible therefor.

The conveners of general meetings shall keep the minutes of the meeting according to the applicable laws, administrative regulations and/or relevant listing rules, and ensure the truthfulness, accuracy and completeness of the minutes of the meeting. The minutes of the meeting together with the signatures of shareholders present at the meeting, proxy forms, and the valid information for on-line and other forms of voting shall be kept at the legal address of the Company for at least ten (10) years.

## **Chapter 9 Board of Directors**

**Article 83** The Company shall have a board of directors, which shall be accountable to the Company's general meetings.

Subject to the requirements of relevant share listing rules as amended from time to time applicable to the Company, the board of directors shall consist of twelve (12) directors, of whom not less than one half shall be external directors and not less than one third shall be independent directors. At least one of the independent directors shall have accounting expertise.

The board of directors shall have one (1) chairman and two (2) vice-chairmen.

**Article 84** Directors shall be elected or changed at the general meeting, for a term of three (3) years, and may be removed from their office by the general meeting prior to the maturity of their term. Upon maturity of the term of office, a director shall be eligible for re-election and reappointment. An independent director shall not serve more than six (6) consecutive years.

The term of office of a director shall commence from the date on which he/she takes office to the expiration of the term of the current session of the board of

directors. Where re-election is not carried out timely after a director's term of office expires, the existing director shall continue to perform the director's duties subject to the laws, administrative regulations, departmental rules and the Articles of Association before a new director is elected to take office.

The general managers and other senior management members may also serve as directors. The total number of directors also serving as general managers, other senior manager members or employees' representatives shall not be more than one half of the total number of the directors of the Company.

**Article 85** The list of candidates for the directors shall be submitted in form of a motion to a general meeting for consideration.

Candidates for directors (other than independent directors) may be nominated by the board of directors, supervisory committee or shareholders individually or jointly holding not less than 3% of the Company voting shares, and shall be elected by the general meetings of the Company.

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

**Article 86** The following procedure shall be followed prior to the election of independent directors:

(1) before nominating a candidate for independent director, the nominator shall seek the consent of the nominee, acquire all the personal particulars of the nominee as to his/her occupation, academic qualification, title, detailed work experience and concurrent jobs, whether there is material discredit and other bad records, and shall provide such particulars in writing to the Company. The candidate shall undertake in writing to the Company that he/she accepts the

nomination, that the information publicly disclosed about him/her is true and complete, and that he will earnestly perform directorship duties if elected;

(2) the person nominating a candidate for independent director shall give opinion on the independence and other qualifications of nominee to act as an independent director and, if required under applicable laws and regulations and/or relevant listing rules, the nominee shall make an open announcement that he/she fulfils the independence and other qualifications to act as an independent director;

(3) where a candidate for independent director is nominated before the Company holds a meeting of the board of directors, the written information regarding the nominee set out in subparagraphs (1) and (2) of this Article shall be, if required under applicable laws and regulations and/or relevant listing rules, announced together with the resolutions of the board of directors;

(4) in the case where a temporary motion for the election of an independent director is put forward by shareholders holding 3% or more of the Company's voting shares, the intent to nominate a candidate for independent director and the written notice indicating the nominee's willingness to accept the nomination, together with the relevant written information and undertakings of the nominee as set forth in subparagraphs (1) and (2) hereof, shall be delivered to the Company no later than ten (10) days before the holding of the general meeting;

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

**Article 87**

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

(1) Before nominating a candidate for non-independent director, the nominator shall seek the consent of the nominee, acquire all the personal particulars of the



nominee as to his/her occupation, academic qualification, title, detailed work experience and concurrent jobs, whether there is material discredit and other bad records, and shall provide such particulars in writing to the Company. The candidate shall undertake in writing to the Company that he/she accepts the nomination, that the information publicly disclosed about him/her is true and complete, and that he/she will earnestly perform directorship duties if elected;

(2) where a candidate for non-independent director is nominated before the Company holds a meeting of the board of directors, the written information regarding the nominee set out in subparagraph (1) of this Article shall be, if required under applicable laws and regulations and/or relevant listing rules, announced together with the resolutions of the board of directors;

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

**Article 88**

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

The provisions of the preceding paragraph shall apply when more than two independent directors are elected at the general meeting.

**Article 89**

Subject to compliance with relevant laws and administrative regulations, the general meeting may remove any director (including executive director) by ordinary resolution before the expiration of his/her term of office. However, the director's right to claim for damages which arise out from his/her removal shall not be affected thereby.

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

Where any existing director falls within any of the circumstances specified by the laws, administrative regulations, the relevant listing rules and the Articles of Association where he/she shall not serve as a director of the Company, the board of directors, from the date of obtaining such knowledge, shall immediately cause such director to cease performing his/her duties and propose to the general meeting for the dismissal and replacement of such director.

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

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

Should an independent director fail to attend in person the meetings of the board of directors for two consecutive times and fails to entrust another independent director to attend the meetings on his/her behalf, the board of directors shall, within thirty (30) days from the date of the occurrence of such fact, propose to the general meeting to replace such director.

**Article 90**

A director may tender resignation prior to the expiry of his/her term. A resigning director shall submit to the board of directors a written resignation report which, in case of an independent director, shall contain explanations on matters related to his/her resignation or any other matters that he/she may consider necessary to

be brought to the attention of the shareholders and creditors of the Company. The Company shall disclose the reasons for and concerns about the resignation of an independent director.

In the event that the number of occupied seats on the board of directors of the Company falls below the statutory minimum as a result of the resignation of a director, such resignation shall not become effective until the vacancy resulting from his/her resignation is filled up by a succeeding director. The existing director shall continue to perform the director's duties subject to the applicable laws, administrative regulations, relevant listing rules and the Articles of Association before a new director is elected to take office.

Should the resignation of an independent director result in the proportion of independent directors in the board of directors of the Company or its special committees falling below the requirement as required by the laws, regulations, relevant listing rules or the Articles of Association, or result in a shortage of accounting professionals among the independent directors, the resignation report of the said independent director shall not take effect until the vacancy resulting from his/her resignation is filled up by a succeeding independent director. The independent director who intends to resign shall continue to perform his/her duties until the date on which a new independent director is appointed. The listed company shall complete the by-election of an independent director within 60 days from the date the independent director tenders his/her resignation.

Save for the abovementioned circumstances, the resignation of a director shall take effect when his/her resignation report is served to the board of directors.

**Article 91**

The board of directors shall be accountable to general meetings and exercise the following functions and powers:

- (1) to convene general meetings and to report on its work to the shareholders in general meetings;
- (2) to implement the resolutions of the general meetings;
- (3) to decide on the Company's business plans and investment plans;
- (4) to formulate the Company's annual financial budgets and final accounts;

- (5) to formulate the Company's profit distribution plan and loss recovery plan;
- (6) to formulate proposals for increase or decrease of the Company's registered capital and for issue of corporate bonds or other securities, and listing plans;
- (7) to draw up plans for significant acquisition of the Company, the repurchase of the Company's shares or for merger, division, dissolution and changing the form of the Company;
- (8) to determine external investments, acquisition and disposal of assets, assets pledge, entrusted asset management, connected transactions and external donations of the Company within the authorisation of the general meeting; and to decide on external guarantees; matters other than those requiring approval of the shareholders at general meeting according to the laws, administrative regulations and the provisions of the Articles of Association;
- (9) to decide on the establishment of the Company's internal management structure;
- (10) to appoint or remove the Company's general manager or the secretary to the board of directors and, based on the nomination by the general manager, to appoint or remove senior management members including deputy general manager, financial controller, the chief engineer, the chief economist and the chief legal counsel of the Company and to determine their remunerations, incentives and punishments;
- (11) to formulate the Company's basic management system to facilitate the development of legal governance;
- (12) to formulate proposals for any amendment to the Articles of Association;
- (13) to manage the information disclosure of the Company;
- (14) to propose at general meetings for the appointment or change of accounting firm conducting auditing for the Company;
- (15) to hear the work report and inspect the work of the Company's general manager;
- (16) to exercise any other functions and powers specified in the laws,

administrative regulations and the Articles of Association and conferred by the general meetings.

The board of directors of the Company has established the Audit Committee, the Remuneration and Assessment Committee, the Strategic Committee and the Nomination Committee. All the special committees shall be accountable to the Board, perform their duties in accordance with Articles of Association and the authorization of the Board, and submit resolutions to the Board for consideration and decision. Special committees are all made up of directors, of which the majority of members of Audit Committee, Remuneration and Assessment Committee, and Nomination Committee shall be independent directors who shall also be the convener of the said committees. The convener of the Audit Committee shall be an accounting professional. The board of directors is responsible for formulating the working procedures of the special committees and regulating their operation.

Except for the Board resolutions in respect of the matters specified in subparagraphs (6), (7) and (12) of this Article which shall be passed by two-thirds or more of the directors, the Board resolutions in respect of all other matters (of which external guarantees specified in subparagraph (8) shall also be passed by two-thirds or more of the directors present at the Board meetings) may be passed by more than half of the directors.

If any director is connected with the enterprises that are associated with the matters to be resolved at a Board meeting, he/she shall not exercise his/her voting rights on such matters, nor shall such director exercise voting rights on behalf of other directors. Such a Board meeting may be held if attended by more than one half of the non-connected directors. Decisions made at the Board meetings shall be passed by more than one half of the non-connected directors. The abovementioned matters which require the approval of two-thirds or more of the directors shall be passed by two-thirds or more of the non-connected directors. If the non-connected directors present the Board meetings are less than three, such matters shall be placed before general meeting of the Company for consideration.

The resolutions made by the board of directors in relation to connected

transactions of the Company shall not become effective until being signed by the independent directors.

The opinions of the CPC Committee of the Company shall be heard before the board of directors decides on material issues of the Company.

**Article 92**

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

(1) the provision of guarantees by the Company to other parties should be based on the principles of equality, willingness, fairness, honesty and mutual benefits;

(2) before deciding on the matters relating to the provision of guarantees to other parties or deciding to present such matters before a general meeting for shareholders' consideration, full understanding of the credit records of the parties to which a guarantee is given shall be obtained and sufficient analysis on the interests and risks that such guarantees may bring to the Company shall be made;

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

**Article 93**

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

**Article 94**

In addition to the functions and powers provided by the Company Law, other relevant laws, administrative regulations and the Articles of Association, the independent directors shall have the following specific functions and powers:

(1) to independently engage an intermediary organisation to conduct audits, consultations or verifications on specific matters of the Company;

(2) to propose to the board of directors for holding general meetings;

- (3) to propose to hold a Board meeting;
- (4) to publicly solicit shareholders' rights from the shareholders in accordance with the laws;
- (5) to express independent opinions on matters that may prejudice the interests of the Company or minority shareholders;
- (6) other functions and powers prescribed by laws, administrative regulations, securities regulatory authorities and the Articles of Association.

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

When an independent director exercises the functions and powers listed in Clause (1), the Company shall timely disclose. In the event that above powers can not be exercised in the normal manner, the Company shall the specific circumstances and reasons.

**Article 95**

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

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

**Article 96**

The Company shall hold a meeting exclusively attended by independent directors (the "special meeting of independent directors") on a regular or irregular basis. Matters listed in items (1) to (3) of Article 94, and Article 95 shall be considered at a special meeting of independent directors.

The special meetings of independent directors may study and discuss other

matters of the Company as needed.

The special meetings of independent directors shall be convened and chaired by an independent director jointly elected by more than half of the independent directors; in the event that the convenor is not performing his/her duties or is unable to perform his/her duties, two or more independent directors may convene their own meeting and elect a representative to chair the meeting.

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

**Article 97** Independent directors shall present an annual work report at general meeting of the Company, stating their performance of duties.

**Article 98** In case where the expected value of fixed assets proposed for disposal by the Board, when aggregated with value of fixed assets disposed within four (4) months before the proposed disposal, exceeds 33% of the fixed assets value as shown in the latest balance sheet considered by the shareholders at the general meeting, the board of directors shall not dispose or consent to dispose such fixed assets without prior approval by general meeting.

The term of “disposal of fixed assets” referred to in this Article represents (among other things) transferring interests in certain assets, but not including provision of guarantees by way of fixed assets.

The validity of transactions regarding disposal of fixed assets by the Company will not be affected due to a breach of the first paragraph of this Article.

**Article 99** Unless otherwise provided in the applicable laws and regulations and/or relevant listing rules, the board of directors has the right to make decisions on venture investment which does not exceed 25% of the Company’s net assets. For a major investment falling beyond the scope of authority of the board of directors, the board of directors shall, if required under applicable laws and regulations and/or relevant listing rules, engage relevant experts and professionals to conduct valuation and report it to shareholders at a general meeting for approval.

**Article 100** The chairman and vice-chairmen of the board of directors shall be elected and removed by more than one half of all directors. The term of office of the chairman



and vice-chairman of the board of directors shall be three years, renewable upon re-election and re-appointment.

**Article 101**

The chairman of the board of directors shall exercise the following functions and powers:

- (1) to preside over general meetings and to convene and preside over Board meetings;
- (2) to check on the implementation of resolutions of the board of directors;
- (3) to exercise other functions and powers conferred by the board of directors.

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

**Article 102**

At least four meetings of the board of directors shall be held every year, which shall be convened by the chairman of the board of directors. Notice of a Board meeting shall be served on all of the directors and supervisors fourteen (14) days before the date of the meeting.

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

- (1) when proposed by shareholders representing 10% or more of voting rights;
- (2) when deemed as necessary by the chairman of the board of directors;
- (3) when proposed jointly by one third or more of the directors;
- (4) when proposed jointly by one half or more of the independent directors;
- (5) when proposed by the supervisory committee;

(6) when proposed by the general manager.

Notices of regular Board meetings and extraordinary Board meetings should be served on, either by facsimile, by express mail, by registered airmail, by hand or by electronic mail.

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

**Article 103**

A meeting of the board of directors may not be held unless more than one half of the directors are present.

Each director has one vote. A resolution of the board of directors requires the affirmative votes of more than one half of all the directors in order to be passed, unless otherwise stipulated in the Articles of Association.

**Article 104**

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

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

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

**Article 105**

A written resolution may be accepted by the board of directors in lieu of convening a Board meeting provided that the draft of such resolutions shall be sent to each director by hand, mail, telegram or facsimile. Unless otherwise stipulated by applicable laws and regulations and/or relevant listing rules, when a resolution is endorsed by the directors satisfying the quorum for adoption of such resolution required under the laws, administrative regulations and the Articles of Association and is returned to the secretary to the board of directors by the aforesaid means, such resolution shall become a resolution of the board of directors without convening a Board meeting.

**Article 106**

The board of directors shall keep minutes of resolutions passed at each meeting of the board of directors, and the minutes shall be signed by the directors present at the meeting and the person who recorded the minutes. Each director present at the meeting shall have the right to request explanatory remarks on his/her speech at the meeting to be written down in the minutes. The minutes of Board meetings shall be kept as corporate archives for a period not less than ten (10) years.

**Article 107**

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

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

**Chapter 10 Secretary to the Board of Directors**

**Article 108** The Company shall have one secretary to the board of directors. The secretary to the board of directors is a senior management member of the Company.

**Article 109** The secretary to the board of directors shall be a natural person with the requisite professional knowledge and experience, and shall be appointed by the board of directors. His/her primary responsibilities are:

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

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

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

(4) being responsible for the confidentiality of information disclosure of the Company, and immediately reporting and disclosing to the stock exchange in the event of material information leakage that has not been made public;

(5) paying attention to media reports and taking the initiative to verify the facts and urging the relevant entities such as the Company to respond to the inquiries from the stock exchange in a timely manner;

(6) organising trainings for directors, supervisors and senior management of the Company on relevant laws and regulations and relevant provisions of stock exchanges, and assisting the aforesaid personnel in understanding their respective responsibilities in information disclosure;

(7) being responsible for urging directors, supervisors and senior executives to abide by laws and regulations, relevant regulations of the stock exchange and the

Articles of Association, and earnestly fulfill their commitments. When learning that the Company, directors, supervisors and senior executives have made or may make resolutions that violate relevant regulations, they should be reminded and should be reported to the securities regulatory authorities immediately and truthfully;

(8) being responsible for the management of changes in the Company's shares and derivatives thereon;

(9) to perform other duties as provided in the laws, administrative regulations, the Articles of Association and the listing rules of the stock exchange where the Company's shares are listed.

**Article 110**

Directors or other senior management members may also act as the secretary to the board of directors. The accountant(s) of the certified public accounting firm appointed by the Company shall not act as the secretary to the board of directors.

Provided that where the office of secretary is held concurrently by a director and an act is required to be done by a director and the secretary to the board of directors separately, the person who holds the offices of director and secretary to the board of directors shall not perform the act in dual capacity.

## **Chapter 11 General Manager of the Company**

**Article 111**

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

Where the general manager or a deputy general manager falls within any of the circumstances specified by the laws and regulations or the Articles of Association where he/she shall not serve as a senior management member of the Company, the board of directors, from the date of obtaining such knowledge, shall immediately suspend performance of duties by such general manager or deputy

general manager, and dismiss him/her at a board meeting.

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

**Article 112**

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

(1) to preside over the production, operation and management of the Company and to implement resolutions of the board of directors and report the work to the board of directors;

(2) to draft the Company's development plans, annual production and business plans, annual financial budget and final accounts, proposal on after-tax distribution of profits and proposal on loss recovery;

(3) to organise the implementation of the Company's annual business plans and investment proposals;

(4) to draft the plan for establishment of the Company's internal management organization;

(5) to formulate the Company's basic management system;

(6) to formulate the basic rules and regulations of the Company;

(7) to propose the appointment or dismissal of the Company's deputy general managers and the chief financial officer;

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

(9) to determine the wages, benefits, bonuses and punishment and to decide on the employment and dismissal of the Company's employees;

(10) to propose convening of extraordinary meetings of the board of directors;

(11) to handle significant external business on behalf of the Company;

(12) to exercise other functions and powers conferred by the Articles of Association and the board of directors.

**Article 113**

The general manager of the Company shall report the Company's execution and

performance of major contracts, use of funds and profit and loss situation to the board of directors or at the request of the supervisory committee. The general manager must ensure the truthfulness of such reports.

**Article 114** The general manager shall attend board meetings. The general manager who is not a director does not have any voting right at board meetings.

**Article 115** The general manager of the Company, in performing his/her functions, shall act loyalty and diligently and in accordance with the laws, administrative regulations, and the Articles of Association.

**Article 116** The general manager shall formulate detailed work rules of general manager and submit the same to the board of directors for approval before implementation.

The detailed work rules of the president shall include the following:

(1) conditions and procedures for convening a manager meeting and the participating personnel;

(2) specific duties and division of work of the manager and other senior management members;

(3) use of funds and assets, authority of entering into material contracts and the system on reporting to the board of directors and the supervisory committee;

(4) other matters which are deemed necessary by the board of directors.

**Article 117** The general manager and other senior management members may tender their resignations prior to the expiry of their terms of office. The specific procedures and rules in relation to the resignation of other senior officers shall be provided for in the labour contracts entered into between such persons and the Company.

**Article 118** The general manager and other senior management members shall fulfill their duties honestly, protect the best interests of the Company and all the shareholders. The general manager and other senior management members shall be liable for compensation in accordance with law for any damage caused to the interests of the Company and public shareholders as a result of their failure to perform duties with honesty or violation of their fiduciary duties.

## **Chapter 12 Supervisory Committee**

- Article 119** The Company shall have a supervisory committee. The supervisory committee is a standing internal supervisory body of the Company.
- Article 120** The Supervisory Committee shall comprise three (3) supervisors, including two (2) shareholders' representatives and one (1) employees' representative of the Company.
- The term of office of supervisors shall be three years, renewable upon re-election and re-appointment.
- Article 121** The list of shareholders' representative candidates shall be submitted to the shareholders' general meeting in the form of a proposal for a resolution. Shareholders' representative candidates shall be nominated by the board of directors, the supervisory committee or shareholders holding (alone or jointly) 3% or more of the total number of voting shares of the Company, and shall be elected and dismissed by the shareholders' general meeting of the Company.
- Employee representatives shall be democratically elected and removed by the Company's employees.
- Article 122** The Company's directors, the general manager, deputy general managers, the financial controller and the secretary to the board of directors shall not serve concurrently as supervisors.
- Article 123** Where a supervisor falls within any of the circumstances specified by the laws and regulations or the Articles of Association where he/she shall not serve as a supervisor of a listed company, the supervisory committee, from the date of obtaining such knowledge, shall immediately cause such supervisor to cease performing his/her duties and propose to the general meeting or the employees' congress for the dismissal and replacement of such supervisor.
- Article 124** In the event that the terms of supervisors fall upon maturity whereas new members of the board of directors are not re-elected in time, or the resignation of any supervisor during his/her term of office results in the number of members of the Supervisory Committee falling below the statutory or minimum requirement, the existing supervisors shall continue to perform their duties in accordance with



the laws, the administrative regulations and the Articles of Association until the reelected supervisors assume their office.

**Article 125** The supervisory committee shall have a chairman, whose appointment and dismissal shall be passed by not less than two-thirds of its members.

**Article 126** The supervisory committee shall convene at least one meeting every six months, which shall be convened and presided over by the chairman of supervisory committee. Should the chairman of the supervisory committee be unable to, or fail to perform his/her duties, a supervisor elected by half or more of the supervisors shall convene and preside over the meeting.

Notices of the meetings of the supervisory committee shall be delivered in writing to all supervisors ten days before the date on which the meeting is proposed to be held. A meeting notice shall include the following:

- (1) the date, venue, and duration of the meeting;
- (2) the reason for convening the meeting and the agenda;
- (3) the date on which the notice is served.

**Article 127** The supervisory committee shall be accountable to the shareholders' general meeting and exercise the following powers in accordance with law:

- (1) to examine the Company's financial affairs and, when necessary, to separately appoint, in the name of the Company, an accounting firm to independently examine the Company's finances;
- (2) to review and provide a written opinion on the regular reports of the Company prepared by the board of directors;
- (3) to supervise directors, the general manager, deputy general managers and other senior management members in performing their duties to the Company and to propose dismissal of directors and senior management members who violate any laws, administrative regulations, the Articles of Association or resolutions of shareholders' general meetings;
- (4) to demand rectification from a director, the general manager and any other senior management members when the acts of such persons are harmful to the

Company's interest;

(5) to examine the financial information such as the financial report, business report and plans for distribution of profits to be submitted by the board of directors to the shareholders' general meetings and, should any queries arise, to engage, in the name of the Company, certified public accountants and practising auditors to conduct a re-examination;

(6) to submit proposals to the shareholders' general meeting;

(7) to propose the convening of an extraordinary general meeting and to convene and preside over the general meeting when the board of directors fails to perform such duties;

(8) to propose to convene extraordinary meetings of the board of directors;

(9) to deal with or take legal actions against directors and senior management members on behalf of the Company;

(10) to exercise any other powers as specified in relevant laws, regulations and the Articles of Association and conferred by the shareholders' general meetings.

Supervisors may attend board meetings as non-voting participants, and raise enquiries or suggestions regarding resolutions of such meetings.

**Article 128** The supervisory committee may require the Company's directors, general manager, deputy general managers, chief financial officer, secretary to the board of directors, internal auditors or external auditors to attend meetings of the supervisory committee to answer questions on issues of concern to the supervisory committee.

**Article 129** Resolutions of the supervisory committee shall be passed by two-thirds or more of its members for adoption.

**Article 130** Minutes shall be kept for the decisions made on the matters considered at meetings of the supervisory committee. Supervisors attending the meeting and the recorder shall sign the minutes of the meeting. Each supervisor is entitled to request that an explanation of his/her comments made at the meetings be noted in the minutes. The minutes of supervisory committee meetings shall be

maintained as important archives of the Company for a period of at least 10 years.

**Article 131** All reasonable expenses incurred in respect of the employment of professionals such as lawyers, certified public accountants or practicing auditors as are required by the supervisory committee in discharging its duties shall be borne by the Company.

**Article 132** A supervisor shall carry out his/her duties honestly and faithfully in accordance with laws, administrative regulations and the Articles of Association.

### **Chapter 13 Qualifications and Obligations of Directors, Supervisors, General Manager and Other Senior Management Members of the Company**

**Article 133** Directors, supervisors, general managers or any other senior management members of the Company shall be natural persons. A person may not serve as a director, supervisor, general manager or any other senior management member of the Company if they are natural persons and any of the following circumstances applies:

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

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

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

(4) a person who served as the legal representative of a company or enterprise that had its business licence revoked for breaking the law, where such

representative bears individual liability therefor and not more than three years have elapsed since the date of revocation of the business licence;

(5) a person with comparatively large debts that have fallen due but have not been settled;

(6) a person who has been banned from the securities market by the CSRC by prohibiting him/her from serving as a director, supervisor and senior management members of any listed company, where the term of enforcement has not expired;

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

(8) other circumstances prescribed by laws, administrative regulations, or departmental rules.

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

**Article 134**

No more than two persons holding the position of the chairman of the board of directors, vice chairmen of the board of directors or directors of the Company's controlling shareholder may concurrently serve as the chairman of the board of directors, vice chairmen of the board of directors or directors of the Company. Any person holding any executive position other than directors or supervisors in the controlling shareholder of the Company may not concurrently serve as the senior management members including the general manager, deputy general managers, chief financial officer, marketing manager, secretary to the board of directors, the chief engineer, the chief economist and the chief legal counsel of the Company.

**Article 135**

An independent director shall meet the following basic conditions:

(1) to be qualified for listed company directors in accordance with laws,

administrative regulations and other relevant regulations;

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

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

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

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

(6) other conditions specified in the laws, administrative regulations, CSRC regulations, the listing rules of the stock exchange and the Articles of Association.

**Article 136**

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

(1) the persons who are employed by the Company or its subsidiaries, or direct relatives and major social relationships thereof (direct relatives shall refer to spouses, parents, and children; and major social relationships shall include siblings, spouses of siblings, parents of spouses, the siblings of the spouses, spouses of children, parents of spouses of children);

(2) the shareholders of natural persons who directly or indirectly hold not less than 1% of the issued shares of the Company, or who are among the top ten shareholders of the Company, and the direct relatives thereof;

(3) the persons employed by corporate shareholders which directly or indirectly hold not less than 5% of the issued shares of the Company or are among the top five shareholders of the Company, and the direct relatives thereof;

(4) the employees of subsidiaries owned by the controlling shareholders or actual controllers of the Company and their spouses, parents, and children;

(5) persons who have significant business dealings with the Company, its controlling shareholders, de facto controllers or their respective subsidiaries, or

who serve in entities with which they have significant business dealings and their controlling shareholders or de facto controllers;

(6) persons providing financial, legal, consulting and sponsorship and other services to the Company, its controlling shareholders, de facto controllers or their respective subsidiaries; including, but not limited to, all members of the project team of the intermediaries providing the services, reviewers at all levels, persons signing the report, partners, directors, senior management and principals;

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

(8) other persons who do not possess independence as stipulated by laws, administrative regulations, regulations of the CSRC, listing rules of the stock exchange and the Articles of Association.

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

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

**Article 137**

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

**Article 138**

Each of the Company's directors, supervisors, general manager and other senior management members shall safeguard the safety of the Company's assets. Any

director, supervisor, general manager or other senior management member of the Company who assists or indulges the controlling shareholder and any of its subsidiaries in misappropriating the Company's assets shall be subject to punishment by the Company, and even removal or termination of appointment in grave cases of default of obligations; and such person shall be handed over to the judiciary for prosecution of criminal liability when such acts constitute a crime.

**Article 139**

Directors, supervisors, general manager and other senior management members shall comply with the laws, administrative regulations and the Articles of Association and shall have the following obligations of loyalty to the Company:

- (1) not to make use of their powers to accept bribes or other unlawful income or not to appropriate the Company's properties;
- (2) not to misappropriate the Company's funds;
- (3) not to deposit the Company's assets or funds into accounts under their own names or the name of other individuals;
- (4) not to violate the provisions of these Articles of Association, not to lend funds of the Company to others or provide guarantee for others with properties of the Company without consent from the general meeting or board of directors;
- (5) not to enter into contracts or to deal with the Company in violation of the Articles or without prior approval of the general meeting;
- (6) not to make use of their positions to procure business opportunities for themselves or others that shall have otherwise been available to the Company, or operate for their own benefit or managing on behalf of others businesses similar to those of the Company without approval of the general meeting;
- (7) not to accept commission in any deal with the Company for their own benefits;
- (8) not to disclose confidential information of the Company without authorisation;
- (9) not to take advantage of their connected relationship to prejudice the interests of the Company;

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

Income generated by directors, supervisors, general manager and other senior management members in violation of this Article shall belong to the Company. A director, supervisor, general manager and other senior management member who incurs any loss to the Company shall be liable to the Company for compensation.

**Article 140**

The directors and supervisors shall comply with the laws, administrative regulations and the Articles of Association of the Company and owes the following diligent duties to the Company:

(1) shall exercise the rights conferred to him/her by the Company prudently, conscientiously and diligently in order to ensure that the commercial acts of the Company comply with the State's laws and administrative regulations and the requirements of various economic policies of the State. The scope of commercial activities shall not exceed the business scope stipulated in the business licence;

(2) shall treat all the shareholders fairly;

(3) shall familiarise with the operating and management conditions of the Company in a timely manner;

(4) shall sign written confirmations on the regular reports of the Company in order to ensure that all information disclosed by the Company is true, accurate and complete;

(5) shall inform the relevant status and provide the relevant information to the supervisory committee in accordance with the facts, and shall not hinder the supervisory committee or supervisors in exercising their powers;

(6) other duties of diligence stipulated by the laws, administrative regulations, departmental rules and the Articles of Association.

The provisions on the duties of diligence in the above subparagraphs (4), (5) and (7) shall also apply to the general manager and other senior management members of the Company.



**Article 141** Directors, supervisors, general manager and other senior management members of the Company shall attend the shareholders' general meeting, if so required by the shareholders' general meeting, and shall give explanations and clarification to queries and suggestions raised from shareholders.

Directors, supervisors, general manager and other senior management members of the Company shall provide accurate information and materials to the supervisory committee and shall not obstruct the supervisory committee from exercising its powers and performing its duties.

**Article 142** When a director, supervisor, general manager or other senior management member of the Company submits his/her resignation or when his/her tenure expires, his/her loyalty duties towards the Company and shareholders are not automatically terminated prior to the taking effect of his/her resignation or within a reasonable period of time after the taking effect thereof or within a reasonable period of time after the expiry of his/her tenure. His duty of confidence in relation to the Company's business secrets survives the expiry of his/her tenure until such secrets become public information. Other duties may continue for such period as fairness may require depending on the time lapses between such termination or expiry and the act concerned and the circumstances and conditions under which the relevant relationship with the Company terminates or expires.

**Article 143** Any director, supervisor, general manager or other senior management member of the Company who violates any laws, administrative regulations, departmental rules or the Articles of Association in performing his/her duties and causes losses to the Company shall be liable for any indemnity thereto. Any director, supervisor, general manager or other senior management member of the Company who has unduly vacated his/her office without authorisation before his/her tenure expires, thereby causing loss to the Company, shall be liable to indemnify the Company for such loss.

**Article 144** Subject to the approval of the shareholders' general meeting, the Company may purchase liability insurance for its directors, supervisors, general manager and other senior management members, except for liabilities arising from the violation of laws, administrative regulations or the Articles.

## Chapter 14 The CPC Committee

**Article 145** The Company shall establish the CPC Committee consisting of a secretary and several other members. Eligible members of the CPC Committee may be elected as members of the directors, supervisors, general manager and other senior management through statutory procedures. Eligible members in the directors, supervisors, general manager and other senior management who are members of the CPC may be considered and appointed as members of the CPC Committee in accordance with relevant requirements and procedures. Meanwhile, the Company shall establish the Discipline Inspection Committee in accordance with relevant regulations.

**Article 146** The CPC Committee of the Company shall perform its duties in accordance with the Constitution of the CPC and other internal requirements of the CPC.

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

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

(3) to consider and discuss the significant operation and management matters of the Company and support the shareholders' general meeting, the board of directors, the Supervisory Committee and the management to exercise their rights and perform their duties in accordance with the laws;

(4) to strengthen the leadership and gatekeeping role in the process of selection

and appointment of personnel of the Company, and the building of the leading team and talents team;

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

(6) to strengthen the building of grass- root Party organisations and the Party member service, unit and lead officials and employees to devote themselves into the reform and development of the Company;

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

(8) other duties shall be performed in accordance with the Constitution of the CPC and other internal requirements of the CPC.

## **Chapter 15 Financial and Accounting System, Profit Distribution and Audit**

**Article 147** The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and PRC accounting standards formulated by the finance regulatory department of the State Council.

**Article 148** At the end of each financial year, the Company shall prepare a financial report which shall be examined and verified in compliance with the laws.

**Article 149** The board of directors shall place before the shareholders at every annual general meeting such financial reports as are required by laws, administrative regulations or directives promulgated by local governments and competent authorities to be prepared by the Company.

**Article 150** Each shareholder shall be entitled to obtain a copy of the financial reports referred to in this Chapter. The Company’s financial reports shall be made available for

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

(1) to publish on the website of the Company or on the website designated by the stock exchange where the Company's shares are listed in compliance with the applicable laws, administrative regulations and the relevant listing rules;

(2) to send in accordance with other requirements of the stock exchange and the listing rules.

**Article 151**

The financial statements of the Company shall, in addition to being prepared in accordance with PRC accounting standards and regulations, should also be prepared in accordance with either international accounting standards or that of the overseas place where the Company's shares are listed. If there is any material difference between the financial statements prepared respectively in accordance with the two accounting standards, explanations shall be made in the financial statements. When the Company is to distribute its after-tax profits, the lower of the after-tax profits as shown in the two financial statements shall be adopted.

**Article 152**

Any interim results or financial information published or disclosed by the Company must be prepared and presented in accordance with PRC accounting standards and regulations, and also in accordance with either international accounting standards or that of the overseas place where the Company's shares are listed.

**Article 153**

Subject to the satisfaction at all times and from time to time of laws, regulations and all applicable requirements under relevant listing rules, the Company shall, within every financial year, issue four financial reports: i.e., the first quarterly report shall be issued within 30 days after the first three months' period of the financial year; the interim report shall be issued within 60 days after the first six months' period of the financial year; The third quarterly report shall be issued within 30 days after the first nine months' period of the financial year; and the annual report shall be issued within 120 days after the end of the financial year.

The aforementioned financial and accounting reports shall be prepared in

accordance with the relevant laws, administrative regulations and departmental rules.

**Article 154** The Company shall not keep accounts other than those provided for by law. The Company's assets may not be deposited into any account opened in the name of any individual.

**Article 155** After the Company has paid its various taxes in accordance with tax codes, its after-tax profits shall be distributed in the following order of priority:

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

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

Where the general meeting violates the aforementioned requirements and where profits are distributed to shareholders prior to making up losses of the Company and allocating to the statutory reserve, shareholders must return the profit so distributed to the Company.

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

**Article 156** The Company may distribute dividends in the following manner:

- (1) in cash;
- (2) by shares.

In profit distribution by the Company, cash dividend is prior to share dividend. If

the Company satisfies the cash dividends conditions, it is required to make profit distribution with cash dividends.

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

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

**Article 157** Subject to compliance with relevant laws and administrative regulations, the Company may distribute dividends annually. Having considered the Company's standing and when deemed fit under relevant laws and administrative regulations, the board of directors may also declare an interim dividend.

**Article 158** The Company shall implement active profits distribution methods, give priority to cash dividends, and value reasonable investment returns to investors. The Company shall distribute cash dividends provided that the Company has no significant cash outlay required for its operation and development in the foreseeable future, that the net profit for the year is positive, that the accumulated and undistributed profit at the end of the year is positive, that the cash flow generated from operating activities is positive and that the Company's normal operation will not be affected. The accumulated profit distributed by the Company in cash in the last three years shall not be less than 30% of the average annual distributable profit realized in the last three years.

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

minimum percentage of cash dividend in profit distribution shall be 20%.

**Article 159** The Company's profit distribution plan shall incorporate the opinions of shareholders (minority shareholders in particular) and independent directors before being submitted to the Board for consideration. The Board shall discuss the profit distribution plan adequately and carefully study and demonstrate the time, conditions and minimum proportion of cash dividends, the conditions for adjustment and the requirements for decision-making procedures and so on. Independent directors shall be entitled to express independent opinions if they believe that the specific plan of cash dividends may harm the rights and interests of the Company or minority shareholders. If the board of directors fails to adopt or completely adopt the opinions of independent directors, it shall disclose the opinions of independent directors and the specific reasons for non-adoption in the announcement of resolution of the Board.

**Article 160** Before the general meeting considers the specific plan on distribution of cash dividends, the Company shall communicate and exchange ideas with shareholders (minority shareholders in particular) by phone and email and other channels, and fully heed the opinions and requests of minority shareholders on the cash dividends distribution plan and give timely reply to issues that concern minority shareholders.

**Article 161** When the Company holds an annual general meeting to review the annual profit distribution plan, it may consider and approve the conditions, proportion cap and amount cap of cash dividends for the interim period of the next year. The dividend cap for the interim period of the next year considered at the annual general meeting shall not exceed the net profit attributable to shareholders of the Company for the corresponding period. The board of directors shall formulate a specific interim dividend plan in accordance with the resolutions of the general meeting and subject to the conditions of profit distribution.

**Article 162** The Company shall strictly implement the cash dividend policy stipulated by the Articles of Association and the cash dividend plan considered and approved at the general meeting. If profit distribution plan for the current year cannot be decided in compliance with the cash dividends policy hereof under special

circumstances, the Company shall disclose specific reasons and definite opinions of independent directors in the annual report for the current year. Profit distribution plan for the current year shall be passed by more than two thirds of the voting rights held by shareholders attending the general meeting.

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

**Article 163**

The Company shall ensure the continuity and stability of its profit distribution policy. If it is necessary to adjust or change the profit distribution policy stipulated in the Articles of Association in light of its production and operation conditions, investment plans, needs for long-term development, changes of external business environments and regulatory requirements of CSRC or the Shanghai Stock Exchange, the relevant resolution shall be considered by the Board and then submitted to the general meeting for approval. To be effective, the resolution must be passed by votes representing not less than two-thirds of the voting rights held by shareholders attending the general meeting.

The supervisory committee of the Company shall supervise the implementation of the cash dividends policy and shareholders' return plan by the Board, as well as the execution of appropriate decision-making procedures and information



disclosure. The supervisory committee shall express explicit opinions and urge the Board to make correction in a timely manner in case of any of the following circumstances:

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

If a shareholder misappropriates the Company's capital in violation of relevant regulations, the Company shall deduct the cash bonus distributed to the shareholder so as to offset the capital so misappropriated by him/her.

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

**Article 164**

The Company's reserves shall be used to make up the Company's losses, to expand the Company's production and operations or, through conversion into capital, to increase the Company's capital. However, capital reserve fund shall not be used for recovery of the Company's losses.

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

**Article 165**

After the profit distribution plan has been resolved at a general meeting, or after the board of directors has formulated a specific plan according to the interim dividend conditions and caps for the next year reviewed and approved at the annual general meeting, the board of directors shall complete the dividend (or share) distribution within two months after the holding of such meeting.

**Article 166** Dividends on ordinary shares shall be denominated in RMB. Dividends on domestic-invested shares shall be paid in RMB, and those on overseas-listed foreign-invested shares shall be paid in HK dollars. When dividends are paid in Hong Kong dollars, the exchange rate shall be the average mean of the closing rate of RMB against Hong Kong dollars published by the People’s Bank of China for the calendar week prior to the declaration of payment of such dividends.

**Article 167** The Company shall appoint receiving agents on behalf of the holders of overseas-listed foreign-invested shares. The receiving agents shall receive on behalf of such shareholders dividends declared and all other monies owing by the Company in respect of such shares.

The receiving agents appointed by the Company shall satisfy the relevant requirements of the laws of the place and relevant regulations of the stock exchange where the Company’s shares are listed. The receiving agents appointed on behalf of holders of overseas-listed foreign-invested shares listed on the Hong Kong Stock Exchange shall be a company registered as a trust company under the Trustee Ordinance of Hong Kong.

**Article 168** The Company shall implement an internal audit system, and shall retain full-time auditors to conduct internal audit of its income and expenditure and economic activities.

**Article 169** The internal audit system and duties of the internal auditors of the Company shall be implemented upon the approval by the board of directors. The chief auditor shall be accountable and report his/her work to the board of directors.

## **Chapter 16 Appointment of Accounting Firm**

**Article 170** The Company shall appoint an accounting firm which complies with the requirements under the Securities Law and the listing rules of the place(s) where the Company is listed to audit the accounting statements, carry out net asset verifications and provide other related consulting services.

The appointment, dismissal or non-renewal of engagement of an accounting firm

shall be decided by the shareholders' general meetings.

**Article 171** The term of office of an accounting firm appointed by the Company shall be one year commencing from the conclusion of the annual general meeting and expiring at the conclusion of the next annual general meeting of the Company. At the expiration of its term of appointment, it may be reappointed.

**Article 172** The accounting firm appointed by the Company shall have the following rights:

(1) a right to inspect at any time the books, records and vouchers of the Company, and to require the directors, general manager or other senior management members of the Company to provide any relevant information and explanation thereof;

(2) a right to require the Company to take all reasonable steps to obtain from its subsidiaries such information and explanation as are necessary for the performance of duties by such accounting firm;

(3) a right to attend shareholders' general meetings and to receive all notices of, and other communications relating to, any shareholders' general meeting which any shareholder is entitled to receive, and to be heard at any shareholders' general meeting in relation to matters concerning its role as the accounting firm of the Company.

**Article 173** Before the convening of the shareholders' general meeting, the board of directors may fill any casual vacancy in the office of the accounting firm; however, if there are other accounting firms holding the position of accounting firm of the Company while such vacancy persists, such accounting firms may continue to act.

**Article 174** The shareholders' meeting may, by way of ordinary resolution, remove an accounting firm before the expiration of its office, notwithstanding the stipulations in the contract between the Company and the firm, but without prejudice to the firm's right to claim, if any, for damages in respect of such removal.

**Article 175** The remuneration of an accounting firm or the manner in which such firm is to be remunerated shall be determined by the shareholders' general meeting. The

remuneration of an accounting firm appointed by the board of directors to fill in vacancy shall be determined by the board of directors, subject to the approval of the shareholders' general meeting.

**Article 176** Prior to the removal or the non-renewal of the appointment of an accounting firm, a ten days prior notice of such removal or non-renewal shall be given to such firm and such firm shall be entitled to make representation at the shareholders' general meeting. Where the accounting firm resigns from its post, it shall make clear to the shareholders' general meeting whether there has been any impropriety on the part of the Company.

## **Chapter 17 Merger and Division**

**Article 177** The Company may carry out mergers or divisions in accordance with the law.

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

Shareholders who oppose the plan of merger or division of the Company shall have the right to request that the Company or the shareholders who consent to such plan purchase their shares at a fair price.

A special document of the Company's resolution on the merger or division should be prepared for inspection by the shareholders.

**Article 178** The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company.

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

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

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

In the event of a division of the Company, all the parties involved shall execute a division agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within ten (10) days of the date of the Company's resolution on division and shall make newspaper announcement within thirty (30) days of the date of the Company's resolution on division.

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

**Article 180** When the merger or division of the Company involves changes in registered particulars, such changes shall be registered with the company registration authority in accordance with law. When the Company dissolves, the Company shall cancel its registration in accordance with law. When a new company is established, its establishment shall be registered in accordance with law.

## **Chapter 18 Labour Management**

**Article 181** The Company formulates its systems regarding labour management, wages and welfare and social insurance in accordance with the Labour Law of the People's Republic of China, and other relevant laws and administrative regulations of the PRC:

(1) The Company implements a contract system for employees of all levels. The Company may decide by itself on its staffing, and may exercise its own discretion to recruit and dismiss management personnel as well as other employees in accordance with law;

(2) The Company shall have the right to, based on its own economic efficiency, decide by itself the levels of wages and welfare benefits for all levels of management personnel and other employees to the extent as provided for in the relevant administrative regulations;

(3) The Company shall arrange for medical insurance, retirement insurance,

labour insurance, retirement insurance, unemployment insurance and other social insurance for its employees in accordance with relevant regulations of the central and local governments, and thus ensure labour protection.

## **Chapter 19 Labour Union**

**Article 182** The Company sets up the labour union organization. Employees are entitled to participate in labour union activities in accordance with PRC laws. The labour union committee of the Company shall be democratically elected by the congress of member representatives of the labor union. The Company shall appropriate and use labor union expenditures in accordance with relevant laws and regulations.

## **Chapter 20 Dissolution and Liquidation**

**Article 183** The Company shall be dissolved if:

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

**Article 184** Where the Company is dissolved under subparagraphs (1), (2), (4) and (5) of the preceding Article, a liquidation committee shall be set up within fifteen (15) days

from the occurrence of the dissolution events, to carry out a liquidation, and members of liquidation committee shall be determined by shareholders at a general meeting by way of ordinary resolution. If a liquidation committee is not set up within the specified period to carry out liquidation procedures, creditors may apply to the people's court for appointment of relevant persons to form a liquidation committee so as to proceed with the liquidation.

**Article 185**

The liquidation committee shall notify creditors within ten (10) days from the date of its establishment and make a public announcement in the newspapers within sixty (60) days of that date. Creditors shall, within thirty (30) days as of the receipt of the notice or within forty-five (45) days as of the publications of the public announcement in the case of failing to receiving the notice, declare credits against the liquidation committee.

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

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

**Article 186**

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

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

**Article 187**

After ascertaining the Company's assets and preparing a balance sheet and an

inventory of assets, the liquidation committee shall formulate a liquidation plan and submit the same to a shareholders' general meeting or the people's court for confirmation.

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

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

If there are no applicable laws or regulations, such liquidation shall be carried out in an order as deemed fair and reasonable by the liquidation committee.

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

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

**Article 188**

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

After the Company is declared bankrupt by a ruling of the people's court, the liquidation committee shall transfer the liquidation matters to the people's court.

**Article 189**

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



termination.

## **Chapter 21 Procedures for Amendments to the Articles of Association**

**Article 190** The Company may amend these Articles of Association in accordance with laws, administrative regulations and these Articles of Association.

**Article 191** The Company shall amend the Articles of Association under any of the following situations:

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

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

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

**Article 192** Any amendment to the Articles of Association subject to approval by competent authorities must be submitted to the competent authorities for approval. If there is any change relating to the registered particulars of the Company, change of registration shall be made in accordance with laws.

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

## **Chapter 22 Notices and Announcements**

**Article 193** Unless otherwise prescribed in applicable laws, regulations and/or relevant listing rules, notices of the Company shall be given by the following means:

(1) by hand;

(2) by mail;

(3) by way of a public announcement;

(4) by email;

(5) by any other means as provided for in the Articles of Association.

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

Unless otherwise specified in relevant listing rules or these Articles of Association, notices, information or written statements sent by the Company to holders of overseas-listed foreign-invested shares must be delivered by electronic means by default; a holder of overseas-listed foreign-invested shares may also choose in writing to receive the printed copy of the aforementioned documents by post.

**Article 194**

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

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

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

**Article 195**

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

**Article 196**

Unless otherwise provided, any notice or report required or permitted to be given by public announcement under the Articles of Association must be published by the Company in at least one newspaper with national circulation approved by the State Council securities regulatory authorities and in other Chinese newspapers specified by the board of directors, and must be simultaneously published on the same day in English and Chinese languages, respectively, in at least one major

English and one major Chinese newspaper in Hong Kong.

## **Chapter 23 Supplementary Provisions**

- Article 197** For the purposes of these Articles of Association, the term “accounting firm” shall have the same meaning as the term “auditor”.
- Article 198** These Articles of Association are written in Chinese and English; both versions carry the same validity. In case of any discrepancies between the two versions, the Chinese version shall prevail.
- Article 199** The right to interpret these Articles of Association shall vest in the board of directors of the Company.
- Article 200** The terms “not less than”, “within” and “not more than” in these Articles of Association shall include the number itself; and the terms “more than half of”, “less than”, “other than”, and “more than” shall not include the number itself.
- Article 201** The appendices to these Articles of Association include the Rules of Procedures for General Meetings, the Rules of Procedures for the Board of Directors, and the Rules of Procedures for the Supervisory Committee.

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



**华电国际电力股份有限公司**

**HUADIAN POWER INTERNATIONAL  
CORPORATION LIMITED**

**RULES OF PROCEDURES FOR GENERAL  
MEETINGS**

**(Approved by way of special resolution at the 2023 annual general meeting convened on 17 June 2024)**

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## **Chapter 1 General Provisions**

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

powers according to laws.

**Article 5** All shareholders who lawfully and effectually hold the Company's shares and whose names appear on the register of members on the shareholding record date are entitled to attend the general meeting in person or by proxy, and shall enjoy various rights thereat according to laws, including the right to be informed, the right to speak, question and vote.

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

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

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

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

**Article 9** General meetings can be classified as annual general meetings (the "AGM") and extraordinary general meetings.

**Article 10** The AGM is convened once every year and shall be held within six months from the end of the preceding financial year.

Where an AGM cannot be held within the aforesaid time limit, the Company shall report to the local office of the China Securities Regulatory Commission (the "CSRC") in the place where the Company is located as well as the stock exchange on which the Company's shares are listed and traded, giving reasons therefor, and making an announcement accordingly.

**Article 11** Extraordinary general meetings are convened from time to time. The Company shall convene an extraordinary general meeting within two months from the date of the occurrence of one of the following circumstances:

- (1) the number of directors is less than the quorum required by the Company Law or two-thirds of the number of directors specified in the Articles of Association;
- (2) the unrecovered losses of the Company amount to one-third of the total amount of its paid-up share capital;
- (3) shareholders individually or jointly holding 10% or more of the Company's shares request for the convening of an extraordinary general meeting;
- (4) the Board deems necessary;
- (5) the supervisory committee so requests;
- (6) such other circumstances as provided for by laws, administrative regulations, departmental rules or the Articles of Association.

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

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

**Article 12** The Board, independent directors and qualified shareholders (as determined under the criteria made by relevant regulatory authorities from time to time) or investor protection institutions established in accordance with laws, administrative regulations or the provisions of the CSRC may collect voting rights from the Company's shareholders at general meetings. Open collection of voting rights from the Company's shareholders by the said persons shall comply with the provisions of relevant regulatory authorities and the stock exchanges on which the shares of the Company are listed and traded.

**Article 13** The Board and other conveners shall take necessary measures to safeguard the proper order of the general meeting. The Board shall take measures to stop and report in a timely manner to the relevant authorities for investigation any acts of disturbing the general meeting, stirring up fights and causing troubles, and infringing upon shareholders' legitimate rights and interests.

**Article 14** The Company shall, in connection with the holding of a general meeting, engage



lawyers to issue legal opinions in respect of the following matters and make announcements accordingly:

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

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

**Article 15** The general meeting shall exercise the following functions and powers:

- (1) to determine the Company's operating policies and investment plans;
- (2) to elect and replace directors and to determine matters relating to the remuneration of directors;
- (3) to elect and replace supervisors who are not employee's representatives and to determine matters relating to the remuneration of supervisors;
- (4) to consider and approve the reports of the Board;
- (5) to consider and approve the reports of the supervisory committee;
- (6) to consider and approve the Company's annual financial budget and final accounts;
- (7) to consider and approve the Company's profit distribution plan and loss recovery plan;
- (8) to pass resolutions on the increase or reduction of the Company's registered capital;
- (9) to pass resolutions relating to matters including the merger, division, dissolution, liquidation or changing the form of the Company;

- (10) to pass resolutions on the issuance of bonds by the Company;
- (11) to pass resolutions on the appointment, dismissal or non-reappointment of accounting firms by the Company;
- (12) to amend the Articles of Association;
- (13) to pass resolutions on transactions relating to the purchases and disposals of the Company's material assets within one year, which exceed 30% of the Company's latest audited total assets;
- (14) to pass resolutions on guarantees provided to third parties which shall be considered and approved at the general meeting as required by laws, administrative regulations and the Articles of Association;
- (15) to consider and approve matters relating to changes in the use of proceeds raised;
- (16) to consider share incentive plans and employee share ownership plans;
- (17) to determine other matters which shall be subject to the resolution of general meetings, as required by laws, administrative regulations, departmental rules, the Articles of Association and listing rules.

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

**Article 16**

Any guarantees provided to third parties by the Company shall be subject to consideration and approval by the Board. The following guarantees shall be submitted to the general meeting for consideration and approval after being considered by the Board:

- (1) any guarantee provided after the total amount of guarantees provided to third parties by the Company and its controlled subsidiaries has exceeded 50% of the Company's latest audited net assets;
- (2) any guarantee, which when aggregated on a cumulative basis for 12 consecutive months, is in excess of 30% of the Company's latest audited total assets;

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

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

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

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

(7) other guarantees subject to the consideration and approval of the general meeting as provided in laws, regulations and the Articles of Association.

**Article 17** Matters to be determined by the general meeting as provided for in laws, administrative regulations, departmental rules and the Articles of Association shall be subject to consideration and approval of the general meeting so as to ensure the right of the Company's shareholders to decide on such matters.

**Article 18** Where necessary and reasonable, a general meeting may authorise the Board to determine, within the scope of authorisation as to be granted by such general meeting, specific issues relating to matters which shall be resolved but can not be determined upon immediately at such meeting.

Where the authority granted by the general meeting to the Board is related to a matter subject to an ordinary resolution, it shall be passed by votes representing more than one-half (excluding one-half) of the voting rights held by the shareholders (including their proxies) present at the general meeting; where it is related to a matter subject to a special resolution, it shall be passed by votes representing not less than two-thirds of the voting rights held by the shareholders (including their proxies) present at the general meeting. The substance of the authorisation shall be clear and specific.

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

**Article 19** Proposals tabled at the general meeting shall be the specific resolutions put forth

in relation to the matters to be discussed at such meeting.

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

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

**Article 20**

When the Company convenes a general meeting, the Board, the supervisory committee, and shareholders individually or jointly holding 3% or more of the Company's shares shall have the right to submit proposals to the Company.

Shareholders individually or jointly holding 3% or more of the Company's shares may submit extra proposals to the convener in writing 10 days prior to the general meeting. The convener shall issue a supplementary notice of the general meeting and announce the contents of such extra proposals within 2 days after receipt thereof. If there are other provisions in the listing rules at places where the Company's shares are listed, such provisions shall also be satisfied.

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

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

**Article 21**

Shareholders individually or jointly holding 10% or more of the Company's shares may propose to convene an extraordinary general meeting by signing one or several written requests with the same format and contents in which the Board shall be required to convene an extraordinary general meeting and the agenda of the meeting shall be set out clearly, and submit to the Board proposals which

meet the requirements of these Rules.

**Article 22**

The Board shall provide to all shareholders (and their proxies), directors, supervisors and other senior management members present at the general meeting with a document containing the agenda, proposals and relevant background information in respect of the topics to be considered at such meeting, to ensure the attendees' knowledge of the content to be considered at such meeting. In case that the supervisory committee or shareholders convene a general meeting in accordance with laws, the convener shall provide such document as required above.

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

**Article 23**

When the Company convenes an annual general meeting, the written notice shall be dispatched twenty (20) working days before the date of the meeting. When the Company convenes an extraordinary general meeting, the written notice shall be dispatched ten (10) working days or fifteen (15) days (whichever is longer) before the date of the meeting. Such written notice shall notify all of the shareholders whose names appear in the register of shareholders of the matters to be considered at and the date and place of the meeting. Where laws, regulations, securities regulatory authorities or stock exchanges at the places where the shares of the Company are listed otherwise stipulate on the abovementioned matters, such provisions shall prevail.

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

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

For holders of domestic shares, the notice of a general meeting shall be given by

way of announcement or other forms prescribed by the Articles of Association.

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

Save and except for other provisions stipulated by applicable laws, the above notice period shall commence from the date when the notice is dispatched (the date for convening such meeting shall be excluded).

**Article 24** Notice of the general meeting shall include the following:

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

**Article 25** For matters to be discussed which involve the election of directors and supervisors, the notice of general meeting will fully disclose the detailed information of the candidates for such directors and supervisors, which should at least include the following:

- (1) education background, work experience and any part-time job;
- (2) whether there is any associated relationship with the Company or the

controlling shareholders and de facto controller of the Company;

(3) disclosure of their shareholdings in the Company;

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

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

**Article 26**

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

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

**Article 27**

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

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

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

meeting by itself.

**Article 28**

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

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

**Article 29**

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

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

If the Board does not agree to hold an extraordinary general meeting, or gives no response within 10 days after receipt of such request, shareholders individually or jointly holding 10% or more of the Company's shares shall have the right to make a proposal to the supervisory committee for the holding of such meeting, and such request shall be in writing.

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



approval of the relevant shareholders.

If the supervisory committee fails to issue the notice of such meeting within the specified time limit, it shall be deemed to have failed to convene and preside over such meeting, and shareholders individually or jointly holding 10% or more of the Company's shares for not less than 90 consecutive days, shall have the right to convene and preside over such meeting by themselves.

**Article 30** When the supervisory committee or shareholders decide to convene a general meeting by themselves, they shall notify the Board in writing, and file with the relevant competent authorities pursuant to applicable provisions. The Board and the secretary to the Board shall be cooperative for purpose of the meeting and the Board shall provide the register of shareholders as at the shareholding record date. If the Board fails to provide the register of shareholders, the convener may apply to the securities registration and settlement institutions to obtain such register by presentation of the relevant announcement in relation to the notice for holding the general meeting. The register of shareholders so obtained by the convener shall not be used for other purposes other than the holding of the general meeting.

Prior to the announcement of the resolution of a general meeting, the proportion of shares held by the convening shareholders shall not be less than 10%.

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

**Article 31** Shareholders may attend general meetings in person or appoint proxies to attend and vote thereat on their behalf.

When convening the general meeting, all directors and supervisors and the secretary to the Board of the Company shall attend the meeting, and the general manager and other senior management members shall also be present as non-voting participants.

**Article 32** An individual shareholder who attends a general meeting in person shall produce share account cards, his/her own identity card or other valid documents or proof evidencing his/her identity. Where a shareholder intends to appoint a proxy to

attend and vote at a general meeting on his/her behalf, the proxy shall produce the proxy form issued by the shareholder and his/her own valid identity documents. A legal person shareholder shall attend and vote at the meeting by its legal representative or a proxy appointed by the legal representative. If the legal representative attends the meeting, he/she shall produce his/her own identity card and a valid proof of his/her legal representative status. If a proxy has been appointed to attend the meeting, such proxy shall produce his/her own identity card and the proxy form in writing issued by the legal representative of the legal person shareholder according to laws. A legal person shareholder who appoints a proxy to attend any meeting shall be deemed to be present in person.

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

- (1) the name of the proxy;
- (2) the number of shares held by the shareholder who appoints the proxy;
- (3) whether or not the proxy is entitled to vote;
- (4) the instructions as to whether the proxy should vote for or against or abstain from voting on each item to be considered at the general meeting;
- (5) a proxy form shall indicate whether or not, in the absence of specific instructions by the relevant shareholder, the proxy of the shareholder may vote at his/her own discretion;
- (6) the date and period of validity of the proxy form.

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

**Article 33**

Without violation of relevant laws and regulations and the regulatory rules of the place where the shares of the Company are listed, proxy forms appointing proxies with the authority to vote shall be deposited at the address of the Company or

such other place as may be specified in the notice of the relevant meeting within the time specified by the Company. Where a proxy form is signed by a person under a power of attorney on behalf of the appointer, such power of attorney or other authorization document shall be notarized. A notarized copy of that power of attorney or other authorization document, together with the proxy form appointing a proxy with the authority to vote, shall be deposited at the address of the Company or such other place as may be specified in the notice of the relevant meeting.

**Article 34** A register of attendance at general meetings shall be prepared by the Company. Such register shall set forth the names of attendees (or the names of the companies they represent), their identity card numbers, residential address, number of voting shares held or represented, and the names of the appointers of proxies (or the appointing companies), etc. The convener and the lawyer shall examine legality of the shareholders' qualifications according to the register of members provided by the securities registration and settlement institutions.

**Article 35** Shareholders and their proxies shall enter the meeting venue prior to the beginning of the meeting. The number of the shareholders and their proxies attending the meeting as well as the total number of shares with voting rights held by them shall be based on the register of attendance. The chairman of the meeting shall announce the number of shareholders and proxies attending the meeting and the total number of shares with voting rights held by them prior to the voting. The registration for a meeting shall end before such announcement by the chairman of the meeting. Those who enter the meeting venue after close of the registration shall be taken as attendees without voting rights and the shares held by such persons shall not be counted into the total number of shares carrying voting rights. The total number of shares carrying voting rights shall not be affected by shareholders and their proxies who fail to fill in the voting tickets due to midway exit or other reasons.

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

**Article 36**

A general meeting shall be convened and presided over by the chairman of the Board. Where the chairman of the Board is unable or fails to perform his/her duties, the vice chairman shall convene and preside over the meetings (and if the Company has two or more vice chairmen, such meetings shall be presided over by the vice chairman jointly elected by not less than a half of the directors); if the vice chairman is unable or fails to perform his/her duties, a director shall be jointly elected by not less than a half of the directors to convene and preside over the meetings. Where not less than half of the directors fail to elect one director to convene and preside over the meeting, shareholders attending such meeting may elect one person to chair the meeting. If, for any reason, the shareholders cannot elect a chairman, the shareholder (including his/her proxy) present at the meeting and holding the largest number of voting shares shall preside over the meeting.

For a general meeting convened by the supervisory committee itself, such meeting shall be presided over by the chairman of the supervisory committee. If the chairman of the supervisory committee is unable or fails to perform his/her duties, a supervisor jointly elected by not less than half of the supervisors shall preside over the meeting.

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

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

**Article 37**

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

**Article 38**

After announcing the agenda of the general meeting, the chairman shall read out

proposals and demand explanation provided by proposers when necessary.

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

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

**Article 39** For matters included in the meeting agenda, the chairman of meeting may determine at his/her discretion as to whether a summary report, item-based consideration and voting shall be adopted, or the method of reporting, considering and voting item by item shall be adopted for complicated matters.

**Article 40** At the AGM, the Board and the supervisory committee shall report to the general meeting their work in the preceding year, and each independent director shall also make a work report.

**Article 41** At the AGM, the supervisory committee shall make a supervisory report on specific matters of the Company for the preceding year, the contents of which shall include:

(1) the result of the examination of the financial position of the Company;

(2) the performance of the duties of the directors and senior management and the execution of laws, regulations, the Articles of Association and the resolutions passed at general meetings;

(3) other significant events deemed by the supervisory committee as necessary to be reported to the general meeting.

If the supervisory committee thinks necessary, it may provide its opinion on the proposals to be considered at the general meeting and submit an independent report in relation thereto.

**Article 42** In accordance with relevant laws, regulations, the Articles of Association or other company policies, independent directors shall provide comments on matters that require their opinions.

**Article 43** The Board shall explain to the general meeting any non-standard auditors'

opinions issued by the certified accountants regarding the financial statements of the Company.

**Article 44** For proposals included in the agenda of the general meeting, reasonable question time shall be provided for each proposal before voting.

**Article 45** Shareholders and their proxies present at general meetings may require to speak thereat either in writing or spoken form. Speeches by such shareholders and their proxies shall be subject to the approval of the chairman of the meeting, who can arrange for such speech based on meeting proceedings. In general, each shareholder and his/her proxy shall not address each proposal more than twice, with each speech running not more than 10 minutes. The speech so made by shareholders and their proxies shall not interrupt any reports or speeches by others at the meeting.

**Article 46** When considering proposals at the general meeting, only the shareholders and their proxies have the right to speak. Any speaker shall obtain the permission of the chairman of the meeting by show of hands before speaking.

**Article 47** Shareholders and their proxies may make inquiries or suggestions in connection with content of proposals, and the chairman of the meeting shall offer corresponding replies or explanations in person or by designating directors, supervisors and other relevant persons. The chairman of the meeting may decline to respond in connection with the following circumstances but shall specify the reasons:

(1) when a speech is not related to the proposal;

(2) when inquiries are pending further investigation;

(3) where it involves the Company's commercial secrets which cannot be revealed at the general meeting;

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

(5) other important reasons.

**Article 48** When considering a proposal at the general meeting, no change shall be made

thereto. Otherwise, such related change shall be treated as a new proposal which shall not be put up for voting at the general meeting.

**Article 49** Save for the cumulative voting system, all proposals shall be voted at the general meeting separately. Unless a general meeting is suspended or no resolution can be passed due to force majeure or other special reasons, no proposal shall be set aside or rejected for voting at the general meeting. In case of different proposals for the same matter, the proposals shall be voted according to the order of being proposed accordingly.

**Article 50** For proposals regarding the election of directors and supervisors, the general meeting shall vote on each candidate of directors and supervisors one by one.

**Article 51** Shareholders or their authorized proxies shall exercise their voting rights at a general meeting according to the number of shares with voting rights they represent, with one vote for each share, except for such situations where cumulative voting system is applicable according to the Articles of Association and the requirements herein.

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

**Article 52** In the case of voting of the proposal to elect directors (including independent directors, same as below) or supervisors at the general meeting, the cumulative voting method is adopted in accordance with relevant requirements of the Articles of Association, and details for the cumulative votingsystem are as follows:

(1) the cumulative voting method must be adopted where the number of directors or supervisors to be elected is not less than two;

(2) when the cumulative voting method is adopted, each of the shares held by a shareholder shall carry the same number of voting rights as the number of directors or supervisors to be elected;

(3) the notice of the general meeting shall notify shareholders of the adoption of the cumulative voting method for electing directors or supervisors. The meeting

convener shall prepare such ballot papers as are suitable for carrying out the cumulative voting method and specify and explain, in writing, the method for casting cumulative votes, completing the ballot papers and calculating the votes;

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

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

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

(7) in the event that the number of affirmative votes received by a director or



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

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

**Article 53** When considering matters in relation to connected transactions at the general meeting, the connected shareholders should abstain from voting and the number of shares with voting rights represented by them shall not be calculated in the total number of valid votes. The announcement on the resolutions at the general meeting should contain a sufficient disclosure of the voting details of non-connected shareholders.

**Article 54** The poll taken on each matter considered at the meeting shall be counted and scrutinized by a lawyer, two shareholder representatives and one supervisor, and the voting result shall be made public on the spot by vote counters. In case of consideration of matters in relation to connected transactions, connected shareholders shall not participate in counting the votes so cast. A shareholder of the Company or his/her proxy who has voted through the internet or other voting

methods shall be entitled to inspect his/her own voting result through the corresponding voting system.

**Article 55** In the event that the chairman of a general meeting has any doubt as to the voting result in respect of a resolution tabled at the meeting, he/she may check the numbers of relevant votes cast. If the chairman of the meeting fails to do so, any shareholder or proxy present at the meeting who objects to the result announced by the chairman of the meeting shall have the right to demand that the numbers of relevant votes cast be checked immediately after the declaration of the voting result, in which case the chairman of the meeting shall have the numbers of relevant votes cast checked immediately. The shareholder or his/her proxy who objects to the voting result can participate in scrutinizing ballot counting, but the counting result shall be final. Any objection subsequent to the meeting shall be deemed as null and void.

**Article 56** The chairman of the meeting shall decide whether a resolution has been passed based on the voting result, which shall be final and shall be declared at the meeting and filed in the minutes of the meeting.

**Article 57** Shareholders attending the general meeting shall submit their voting on the proposals in the following ways: “for”, “against” or “abstain”, except for the securities registration and settlement institutions which, being the nominal holders of shares under the interconnection mechanism for transactions in the Mainland and Hong Kong stock markets, shall make declarations according to the intentions of the actual holders.

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

**Article 58** Resolutions of general meetings are divided into ordinary resolutions and special resolutions.

(1) ordinary resolution

An ordinary resolution of a general meeting shall be passed by votes representing

more than one half (excluding one half) of the voting rights held or represented by the shareholders (including their proxies) present at the general meeting.

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

- (i) work reports of the Board and the supervisory committee;
- (ii) profit distribution plan and loss recovery plan formulated by the Board;
- (iii) appointment and removal of members of the Board and the supervisory committee, their remuneration and methods of payment thereof;
- (iv) the Company's annual financial budgets and final accounts, balance sheets, income statements and other financial statements;
- (v) the Company's annual report;
- (vi) appointment, removal or termination of appointment of accounting firms and their remunerations; and
- (vii) matters other than those required by laws and administrative regulations or the Articles of Association to be approved by special resolutions.

(2) special resolutions

A special resolution of a general meeting shall be passed by votes representing not less than two-thirds of the voting rights held or represented by the shareholders (including their proxies) present at the meeting.

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

- (i) the Company's increase or decrease in the share capital, issue of shares of any class, warrants and other similar securities;
- (ii) issuance of corporate bonds;
- (iii) division, merger, dissolution and liquidation (including voluntary winding up) of the Company;
- (iv) amendments to the Articles of Association of the Company;
- (v) acquisition or disposal of material assets or provision of guarantees by the

Company within 1 year which involves an amount exceeding 30% of the Company's latest audited total assets;

(vi) share incentive plans;

(vii) such other matters as may be required by laws, administrative regulations, departmental rules or the Articles of Association or which, pursuant to ordinary resolutions passed at general meetings, are considered to have material effects on the Company and require approval by special resolutions.

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

**Article 59** The chairman of the meeting has the right to announce the temporary adjournment of general meetings in accordance with the arrangement and the proceedings of such meetings. The chairman of the meeting also has the right to announce the adjournment of the meeting as necessary.

**Article 60** Following the approval of resolutions at general meetings without objection from shareholders and their proxies, the chairman of the meeting shall announce the conclusion of the meeting.

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

**Article 61** The general meeting shall pass resolutions on the proposals included in the agenda of such meeting.

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

**Article 62** Minutes of general meetings shall be kept. The minutes of such meeting shall

include the following matters:

- (1) the date, place and agenda of the meeting, and the name of the convener;
- (2) the name of the chairman of the meeting, and the names of directors, supervisors, the Secretary to the Board, managers and other senior management members of the Company attending the meeting (with or without the right to vote);
- (3) the number of shareholders and proxies attending the meeting, the total number of shares with voting rights held or represented by them and the percentage thereof in relation to the total number of shares in the Company;
- (4) the discussions carried out, major comments made, and voting results in respect of each resolution;
- (5) details of the inquiries or suggestions of the shareholders, and the corresponding answers or explanations;
- (6) the names of lawyers, vote counting officers and scrutineer;
- (7) such other matters which shall be recorded in the minutes of the meeting as required by the general meeting and the provisions of the Articles of Association.

**Article 63** The directors, supervisors, the Secretary to the Board, the convener or his/her representative, and the chairman of the meeting shall sign the minutes of the meeting. The minutes of the meeting shall be kept with the registration record of attendant shareholders, authorization letters of proxies, valid record on internet voting and other means of voting by the Secretary to the Board as the Company's archives for a term not less than 10 years.

**Article 64** The register of attendance, power of attorney, copies of identification cards, voting statistics, meeting minutes, resolutions of such meetings and etc. shall be maintained by the Secretary to the Board.

## **Chapter 10 Information Disclosure**

**Article 65** The Board shall strictly implement the State's relevant laws, regulations and the provisions regarding information disclosure issued by the stock exchanges where

the Company's shares are listed and traded, and disclose the issues discussed and/or resolutions passed at the general meeting in a timely, true, accurate and complete manner, and announce in a timely manner. The announcement shall set out the number of shareholders and proxies attending the meeting, the total number of shares held with voting rights and the percentage in the total number of shares of the Company with voting right, method of voting, voting result of each proposal and the details of each resolution which has been passed. If any proposal has not been passed or modification has been made to a resolution of the preceding general meeting by the current general meeting, a special note should be contained in the announcement on resolutions of the general meeting.

## **Chapter 11 Supplementary Provisions**

- Article 66** These Rules are an appendix to the Articles of Association. These Rules are prepared by the Board and will come into force, subject to the approval of the general meeting by way of special resolution. Any amendment thereto shall be proposed by the Board and come into effect upon approval of the general meeting by way of special resolution.
- Article 67** The Board is authorized by the general meeting to interpret these Rules.
- Article 68** In the event that matters not covered in these Rules are inconsistent with laws, administrative regulations, other regulatory documents and the Articles of Association, the laws, administrative regulations, other regulatory documents and the Articles of Association shall prevail.
- Article 69** The term "not less than" referred to in these Rules is inclusive, while such terms as "exceed", "less than", "more than" and "more than one half" are exclusive.

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



**华电国际电力股份有限公司**

**HUADIAN POWER INTERNATIONAL  
CORPORATION LIMITED**

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

(Approved by way of special resolution at the 2023 annual general meeting convened on 17 June 2024)

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## **Chapter 1 General Provisions**

- Article 1** These Rules are formulated in accordance with provisions of the Company Law of the People’s Republic of China (“Company Law”), the Guidelines to Articles of Association of Listed Companies, the Standards for Corporate Governance of Listed Companies and the relevant PRC laws and regulations, the rules governing the listing of securities or stocks on the stock exchanges where the Company’s shares are listed (including but not limited to The Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange) (collectively referred to as “Listing Rules”) and Articles of Association (“Articles of Association”) of Huadian Power International Corporation Limited (the “Company”) to specify the work procedures of the board of directors (“the Board”) of the Company, so as to ensure efficient work and rational decision-making of the Board.
- Article 2** As appointed by the general meeting, the Board is responsible for operating and managing the Company’s corporate properties as a decision-making centre of the Company’s business. The Board reports to the general meeting.

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

- Article 3** In accordance with the Articles of Association, the Board is structured with proper percentages of independent directors and external directors.
- Article 4** Directors shall be elected or changed by the general meeting, for a term of three (3) years, and may be removed from their office by the general meeting prior to the maturity of their term. Upon maturity of the term of office, a director shall be eligible for re-election and reappointment, provided that independent directors shall not serve more than six (6) consecutive years.
- The term of office of a director shall commence from the date on which he/she takes office to the expiration of the term of the current session of the board of directors. Where re-election is not carried out timely after a director’s term of office expires, the existing director shall continue to perform the director’s duties subject to the laws, administrative regulations, departmental rules and the

Articles of Association before a new director is elected to take office.

Each newly appointed director shall, at his/her first inauguration, be provided with a full and formal instruction specific to his/her office, as well as necessary introduction and professional development thereafter to ensure a proper understanding of the Company's operation and business, and the full awareness of his/her duties under regulations, common laws, legal provisions applicable to the Listing Rules and other regulatory provisions as well as the Company's business and corporate governance policies.

The general manager and other senior management members may also serve as directors. The total number of directors also serving as general manager, other senior management members or employees' representatives shall not be more than one half of the total number of the directors of the Company.

**Article 5**

In the event that the term of directors falls upon maturity whereas new members of the Board are not re-elected, the existing members of the Board shall continue to perform their duties in accordance with laws, administrative regulations, departmental rules and the Articles of Association until the re-elected directors assume their office.

**Article 6**

The Board shall have one (1) Chairman and two (2) vice Chairmen which shall be elected and dismissed by over one half of all members of the Board.

The Chairman of the Board is entitled to exerting the following powers:

- (1) to preside over general meetings and to convene and preside over Board meetings;
- (2) to examine the implementation of resolutions of Board meetings;
- (3) to exercise other powers vested by the Board and the Listing Rules.

The vice Chairman shall assist the Chairman in performing his/her duties. If the Chairman is unable or fails to perform his/her duties, such duties shall be performed by the vice Chairman (and if the Company has two or more vice Chairmen, such duties shall be performed by the vice Chairman jointly elected by not less than a half of the directors). In the event that the vice Chairmen is unable or fails to perform his/her duties, a director shall be elected jointly by not

less than a half of the directors to perform such duties.

The Board has one (1) secretary to the Board, who are nominated by the Chairman and is appointed or dismissed by the Board. The secretary to the Board reports to the Board. Responsibilities of the secretary to the Board mainly include:

(1) to address and coordinate information disclosure of the Company, organize and formulate information disclosure management system of the Company, and urge the Company and relevant information disclosure obligors to observe relevant provisions concerning information disclosure;

(2) to be responsible for the investor relations management, and coordinate communication and liaison between the Company and securities regulatory authorities, investors and actual controllers, intermediaries and the media;

(3) to organize and prepare Board meetings and general meetings, attend general meetings, Board meetings, the meetings of the supervisory committee and meetings related to senior management, and maintain and sign the minutes of Board meetings;

(4) to be responsible for the confidentiality of information disclosure of the Company and promptly report to SEHK when significant undisclosed information was disclosed;

(5) to follow media coverage and seek for confirmation, and urge relevant entities including companies to make prompt replies to SEHK;

(6) to organize the trainings on relevant laws, regulations and relevant provisions of SEHK for directors, supervisors and senior management members of the Company, and provide assistance for aforesaid personnel in understanding their duties in the information disclosure;

(7) to urge and supervise directors, supervisors and senior management members to abide by laws, regulations, relevant provisions of SEHK and the Articles of Association, and faithfully fulfill their commitments; remind the Company, directors, supervisors and senior management members of their existing or possible resolutions in violation of relevant provisions, and forthwith report to

securities regulatory authorities in a faithful manner;

(8) to manage the change of the Company's shares and their derived varieties;

(9) to perform other duties as provided in relevant laws and regulations, the Articles of Association and the Listing Rules of the stock exchange where the Company's shares are listed.

**Article 7**

The Board may establish and maintain special committees including Strategies, Audit, Nomination, Remuneration and Assessment committees pursuant to relevant resolutions of general meetings. All the special committees shall be accountable to the Board, perform their duties in accordance with Articles of Association of the Company and the authorization of the Board, and submit resolutions to the Board for consideration and decision.

Special committees are all made up of directors, of which the majority of Audit Committees, Nomination Committees, and Remuneration and Assessment Committees shall be independent directors who shall also be the convener of the said committees. The member of the Audit Committee shall be directors who have no senior management positions in the Company, and the convener shall be an accounting professional. The Board is responsible for formulating the working procedures of the special committees and regulating the operation.

### **Chapter 3 Powers of the Board**

**Article 8**

The Board reports to general meetings and exercises the following powers:

(1) to convene general meetings and report its work to general meetings;

(2) to implement the resolutions passed at general meetings;

(3) to decide the Company's business plans and investment schemes;

(4) to formulate the Company's annual budget scheme and budget implementation proposal;

(5) to formulate the Company's profit distribution plan and loss recovery plan;

(6) to formulate proposals for increases or reductions of the Company's

- registered capital, the issue of corporate debentures or other securities and listing;
- (7) to draw up plans for material acquisition and acquisition of the Company's shares or the proposal for merger, division, dissolution and changing the form of the Company;
- (8) to determine the external investment, purchase and sale of assets, assets mortgage, entrusted asset management, connected transactions, external donations of the Company and the external guarantees other than those requiring approval of the general meeting in accordance with relevant laws, administrative regulations or the Articles of Association within the authorization of the general meeting;
- (9) to determine the establishment of the Company's internal management structure;
- (10) to appoint or dismiss the Company's general manager and the secretary to the Board, and pursuant to the general manager's nominations to appoint or dismiss the senior management members including the deputy general managers, financial officers, chief engineer, chief economist and chief legal counsel of the Company and determine their remuneration, bonus and punishment;
- (11) to formulate the Company's basic management system and to promote legal construction;
- (12) to formulate the proposed amendments to the Articles of Association;
- (13) to manage the information disclosure of the Company;
- (14) to propose at general meetings for the appointment or change of accounting firms providing audit service for the Company;
- (15) to hear the work report and inspect the work of the general manager;
- (16) to exercise any other powers specified in relevant laws, regulations or the Articles of Association and conferred by general meetings.

**Article 9**

With authorisation of the Board, the Chairman is entitled to exercise certain powers of the Board during the intermission of Board meetings.

## Chapter 4 Rules for Board Meetings

**Article 10** The Board meetings comprise regular meetings and extraordinary meetings. Regular meetings comprise annual meeting, interim meeting, first quarterly meeting and third quarterly meeting of the Board.

(1) regular meetings

(i) annual meeting

An annual meeting shall be held within 120 days following the end of the financial year of the Company or other appropriate time as determined by the Board, primarily to consider resolutions to be proposed at the annual general meeting. The holding time of the Board's annual meeting shall allow the convening of the annual general meeting within six (6) months following the end of financial year.

(ii) interim meeting

An interim meeting shall be held within 60 days following the end of the first six months in the financial year or other appropriate time as determined by the Board, primarily to consider the interim report of the Company and deal with other relevant matters.

(iii) first quarterly meeting and third quarterly meeting

The said meetings are held respectively in the first month of the second and fourth quarters of a calendar year, primarily to consider the quarterly report of the Company for the previous quarter.

(2) extraordinary meeting

The Chairman of the Board shall convene an extraordinary Board meeting, not being subject to time limit of notice to Board meetings (provided that reasonable notices shall be served on all directors), within ten (10) business days in case of any of the following circumstances:

(i) when proposed by shareholders representing 10% or more of voting rights;

(ii) when deemed as necessary by the Chairman of the Board;

- (iii) when proposed jointly by not less than one-third of the directors;
- (iv) when proposed jointly by more than one half of the independent directors;
- (v) when proposed by the supervisory committee; and
- (vi) when proposed by the general manager.

**Article 11** The Board meeting can be held by way of on-site meeting, teleconference meeting, written proposal meeting, etc.

The Board meeting can be held by way of teleconference meeting or by virtue of similar telecommunication devices. So long as the participating director can hear and communicate with each other, all participating directors are deemed to have participated in such meeting in person. An oral poll may be adopted for any proposed resolution unable to be signed at the meeting by directors, provided that the directors shall complete the execution thereto as soon as practicable. Oral poll by directors has the same effect as that of execution in writing, however subsequent execution in writing shall be consistent with oral poll at such meetings.

The proposals to be resolved at a meeting shall be dispatched to each director, either by hand, mail, facsimile or e-mail, in case that a written proposal is adopted by the Board instead of convening the Board meeting. A resolution shall come into effect without otherwise convening a Board meeting upon that the number of directors signing consent meets the quorum for resolution as required by laws, regulations and the Articles of Association in connection therewith, and the signed resolution is returned to the secretary to the Board by the aforesaid means.

**Article 12** The Board meetings shall be convened and presided over by the Chairman of the Board. In the event that the Chairman of the Board is unable or fails to convene and preside over the meetings, the vice Chairman shall convene and preside over the meetings (if there are two or more vice Chairmen, the one who is jointly elected by not less than a half of directors shall convene and preside over the meetings); if the vice Chairman of the Board is unable or fails to convene and preside over the meetings, a director shall be jointly elected by not less than a half of directors to convene and preside over the meetings.

**Article 13** The Board meetings may not be held unless not less than half of the Directors are present (including attendance in person and by other directors through written power of attorney under due provisions).

**Article 14** A director shall attend the Board meeting in person, or appoint in writing another director to attend the meeting on his/her behalf due to his/her absence. The name of the proxy, the matters for entrustment, the authorisation scope and the validity period shall be specified in the power of attorney which shall be signed or sealed by the entrusting director.

**Article 15** Any of the other director's failing to attend, either in person or by other director on his/her behalf, two consecutive Board meetings shall be deemed as default of his/her duties, and shall be removed from his/her office as proposed by the Board to the general meeting.

The independent directors shall attend the Board meetings in person. If the independent director is unable to attend the meeting in person for any reason, he/she shall review the meeting materials in advance, form a clear opinion and entrust other independent directors in writing to attend the meeting on his/her behalf. If an independent director fails to attend two consecutive meetings of the Board in person and does not delegate another independent director to attend the meeting on his/her behalf, the Board shall, within thirty days from the date of such fact, propose to convene a shareholders' meeting to remove such independent director from his/her position.

## **Chapter 5 Proposals of Board Meetings**

**Article 16** The proposals of Board meetings are put forward for the following:

- (1) matters proposed by the Chairman;
- (2) matters proposed jointly by not less than one-third of the directors;
- (3) matters proposed by the supervisory committee;
- (4) matters proposed by the special committees under the Board;
- (5) matters proposed by the general manager;



(6) matters proposed jointly by more than one half of independent directors;

(7) matters proposed by shareholders representing not less than 10% of the voting rights in the Company;

(8) other circumstances as specified by relevant laws, regulations and the Articles of Association.

**Article 17**

The secretary to the Board is responsible for collecting proposals for matters to be considered at Board meetings. The relevant proposals and explanatory information shall be filed with the secretary to the Board five days prior to dispatch of the notice of the Board meeting. Matters that involves related party transactions that shall be disclosed according to law, plans for the listed company and related parties to change or waive commitments, and decisions made and measures taken by the board of directors of the listed company to be acquired in relation to the acquisition, shall be submitted to the board of directors for consideration after being approved by a majority of all independent directors of the Company. After collecting relevant materials, the secretary to the Board shall submit the time, venue and agenda of the Board meeting to the chairman or the convener.

**Article 18**

The secretary to the Board is responsible for communication and liaisons with the directors during the period from dispatch of the notice of the Board meeting to the convening of the Board meeting, and shall supplement the information for decision- making by directors on the proposed matters on a timely basis. The Board and each director shall have independent access to the senior management members of the Company.

Should not less than one quarter of the directors or at least two (2) external directors hold that the information is insufficient or the argumentation is imprecise, they can jointly propose in writing to postpone the Board meeting or postpone the consideration of certain matters on the meeting agenda, and the Board shall accept the proposal. Saved for proposed directly at the Board meeting, the secretary to the Board shall, upon receiving such proposal jointly proposed in writing by directors to postpone the Board meeting or postpone the consideration of certain matters on the meeting agenda, dispatch a notice to

directors, supervisors and participants on a timely basis.

Any director may seek independent professional advice as appropriate upon reasonable request, with relevant fees payable by the Company. The Board shall separately resolve on providing independent profession advice to its member so as to assist them in performing their duties.

## **Chapter 6 Notices of Board Meetings**

**Article 19** A prior notice shall be served on all directors, supervisors and other participants to the Board meeting before its convening. The notice of such meeting shall be issued by the secretary to the Board.

The notice of such meeting shall set out the following matters:

- (1) the time and venue of the meeting;
- (2) the duration of the meeting;
- (3) agenda, subject, topic and other related information;
- (4) date on which the notice is dispatched.

**Article 20** The notice of the Board meeting shall be served in accordance with the requirements or by means as follows:

(1) the notice of a regular meeting of the Board shall be sent 14 days prior to the date of the meeting; for an extraordinary meeting of the Board, the aforesaid limitation on the notification period shall not apply but the reasonable notice should be sent to all directors. A notice of the time, venue and duration of the meeting, the reason for convening the meeting and agenda thereof, and the date of issuing the meeting notice shall be sent by the secretary to the Board, either by facsimile, express mail, registered mail, by hand or e-mail according to the aforesaid time requirements.

(2) the notice shall be in Chinese and an English version may be attached as necessary.

**Article 21** A confirmation on participation in the meeting shall be made two (2) days prior

to the convening with the secretary to the Board by the recipient of such notice.

In the case of participation in effect and without objection to not being served with the notice of Board meeting prior to or upon his/her participation, the director shall be deemed as if he/she has been served with the notice of meeting.

**Article 22** In case of delay or cancellation, a notice shall be served on participants one (1) day prior to the original date.

## **Chapter 7 Consideration of and Voting at Boarding Meetings**

**Article 23** The Chairman of the Board meeting shall announce the beginning of the Board meeting as scheduled.

**Article 24** The meeting shall be presided over by the chairman of the meeting. At the beginning, the proposer or relevant person shall make explanations to his/her proposal to the Board.

**Article 25** In the spirit of democracy for discussions, each director's opinion shall be respected at Board meetings.

In accordance with relevant requirements of the Articles of Association, the opinions of the CPC Committee of the Company shall be heard before the board of directors decides on material issues of the Company.

**Article 26** In order to get informed of key points and background, the Board may request the heads of relevant departments to attend Board meetings as non-voting participants, and answer relevant inquiries for the purpose of consideration of relevant proposals or matters. In case of any uncertainty or questionable feasibility for a certain matter during the course of consideration, the Board may determine to postpone the consideration of such matter.

**Article 27** Non-voting participants may speak at the meeting but have no voting rights. Before a proposal is resolved, the Board shall fully consider the opinions of non-voting participants.

**Article 28** Independent directors shall give their independent opinions on the matters that harm the rights and interests of the Company or minority shareholders according

to the law.

The categories of opinions to be duly made by the independent directors are: consent; qualified opinion and the reasons thereof; dissent and the reasons thereof; unable to present opinions and the obstacles thereto.

The Company shall announce the independent directors' opinions on discloseable matters. If no consensus is reached by the independent directors, the Board shall disclose the opinions of each independent director respectively.

**Article 29** For proposals under consideration by the Board, all directors present at the Board meeting shall give such opinions as "For", "Against" or "Abstain". A proposal shall be resolved by show of hands or a poll, as decided by the chairman of the Board meeting.

The director attending such meeting on behalf of another entrusting director shall exercise relevant rights within the authorization scope.

**Article 30** Should a director neither attend a Board meeting nor appoint another director to attend on his/her behalf, the said director shall be deemed as having waived his/her voting rights at the meeting.

**Article 31** Except for the Board's resolutions in respect of the matters specified as below which shall be passed by not less than two thirds of the directors, the Board's resolutions in respect of any other matters may be passed by more than one half of the directors:

- (1) to formulate proposals for increases or reductions of the Company's registered capital, the issue of corporate debentures or other securities and listing;
- (2) to draw up the Company's plans for material acquisition, acquisition of the Company's shares or the proposal for merger, division, dissolution and changing the form of the Company;
- (3) to formulate proposals for any amendments to the Articles of Association;
- (4) other matters as specified by relevant laws, regulations and the Articles of Association.

In addition, any resolution on the Company's external guarantees shall be

approved by more than one half of all the directors and by not less than two-thirds of the directors present at Board meetings.

**Article 32** Each director has one vote. Should the dissenting votes equal to consenting votes, the Chairman of the Board is entitled to an additional vote.

**Article 33** If a director or his/her associate (as defined by applicable securities listing rules as revised from time to time) is directly or indirectly interested in any contract, transaction or arrangement to be considered by the Board (other than an employment contract of each director with the Company), such director shall disclose to the Board the nature and extent of his/her interest therein, abstain from voting and shall not exercise any voting right on behalf of other directors. Such Board meeting can be held when more than one half of the non-connected directors are present; any resolution passed at such meeting shall be approved by more than one half of the non-connected directors. The matters requiring approval of not less than two-thirds of the directors present at a board meeting as specified herein shall be approved by not less than two-thirds of the non-connected directors. Where the number of the non-connected directors is less than three, relevant matters shall be submitted to the general meeting for consideration.

## **Chapter 8 Resolutions and Minutes of Board Meetings**

**Article 34** In general, a matter proposed at the Board meeting for consideration shall be resolved as a resolution.

**Article 35** The resolutions made by the Board on connected transactions of the Company shall come into effect only upon signature by independent directors.

**Article 36** Any written resolution without execution by directors in accordance with legal procedures, even though voted on by each director by various means shall not have the legal effect of Board resolutions.

**Article 37** Detailed minutes shall be prepared for the matters discussed at Board meetings, and set out the following information:

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

**Article 38** The minutes shall be circulated among all directors for review as soon as practicable. The directors who wish to make amendments or supplements to the minutes shall submit their opinions in written form to the Chairman of the Board within one week commencing from receipt of the minutes.

**Article 39** The directors and the recorder present at the meeting shall sign on the meeting minutes. A director has the right to request to make descriptive statements of his/her speech at the meeting minutes. The minutes of Board meetings shall be properly maintained at the domicile of the Company as important archives for a term of not less than 10 years.

**Article 40** Should a resolution of the Board constitute violation of laws or regulations or the Articles of Associations, the directors who have voted for it therefore shall assume direct liabilities; whereas the director who is proven to have expressly objected to the resolution during voting with his/her dissenting vote recorded in the meeting minutes may be exempted from such liabilities. The director who abstains from voting at the meeting, or neither attends the meeting nor entrusts others to attend on his/her behalf shall not be exempted from such liabilities. The director who expressly disputes the resolution during discussion but fails to specifically cast a dissenting vote in the poll shall also not be exempted from such liabilities.

## **Chapter 9 Information Disclosure of Board Meetings**

**Article 41** The Board shall strictly observe relevant State laws, regulations and the information disclosure requirements from the stock exchange where the Company's shares are listed, and disclose the proposed matters and/or resolutions of Board meetings on a timely, truthful, accurate and complete basis.

**Article 42** Each participant of a Board meeting shall by no means divulge the Board's resolutions or even thereby advance his/her own interests before any resolution is disclosed through legitimate sources.

## **Chapter 10 Implementation of and Feedback to Board Resolutions**

**Article 43** Implementation of the following matters shall be subject to consideration and approval by the Board meeting and a further approval by the general meeting:

- (1) formulating the Company's proposals for annual financial budget and final accounts;
- (2) formulating the Company's profit distribution plan and loss recovery plan;
- (3) formulating proposals for increases or reductions of the Company's registered capital, the issue of corporate debentures or other securities and listing;
- (4) drawing up the Company's plans for material acquisition, acquisition of the Company's shares or the proposal for merger, division, dissolution and changing the form of the Company;
- (5) formulating proposals for any amendments to the Articles of Association;
- (6) proposing to the general meeting the appointment or change of the accounting firms which provide audit service for the Company.

**Article 44** After a resolution is passed, the matters falling within the term of reference of the general manager or authorisation to the general manager by the Board shall be organised and carried out by the general manager, who shall then report the implementation result to the Board. Save for the aforesaid, the Board shall designate relevant departments to carry out all other matters and hear the relevant reports. The secretary to the Board is responsible for delivering the above-mentioned written reports to the directors.

**Article 45** The Chairman of the Board has the right to inspect, and supervise, either in person or by appointing the vice Chairman or other directors, the implementation of the resolutions passed at Board meetings.

**Article 46** Under the leadership of the Board and the Chairman, the secretary to the Board shall take initiatives to get informed of implementation of Board resolutions, and report any important issue in implementation to the Board and the Chairman timely and provide his/her suggestions.

## **Chapter 11 Supplementary Provisions**

**Article 47** These Rules are an appendix to the Articles of Association. These Rules shall be formulated by the Board and come into effect upon approval of the general meeting by way of special resolution. Any amendment thereto as proposed by the Board shall take effect only upon approval of the general meeting by way of special resolution.

**Article 48** The Board is authorized by the general meeting to interpret these Rules.

**Article 49** The laws, regulations, other relevant regulatory documents, the Articles of Associations and the Rules of Procedures for General Meetings shall prevail over these Rules for any uncovered matters herein or any inconsistency therewith.

**Article 50** The term “not less than” referred to in these Rules is inclusive, while such terms as “more than” and “more than one half” are exclusive.



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



**华电国际电力股份有限公司**

**HUADIAN POWER INTERNATIONAL  
CORPORATION LIMITED**

**RULES OF PROCEDURES FOR  
SUPERVISORY COMMITTEE**

**(Approved by the 2022 annual general meeting convened on 31 May 2023)**

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## **Chapter 1 General Provisions**

**Article 1** These rules of procedures (“these Rules”) are formulated in accordance with the relevant PRC laws and regulations including the Company Law of the People’s Republic of China (“Company Law”), the Guidelines to Articles of Association of Listed Companies, and the Standards for Corporate Governance of Listed Companies, as well as the requirements of the rules governing the listing of relevant securities or shares on the stock exchanges (including but not limited to the Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange) where the Company’s shares are listed (collectively as the “Listing Rules”) and the Articles of Association (“Articles of Association”) of Huadian Power International Corporation Limited (the “Company”) to specify the work procedures of the Supervisory Committee of the Company, so as to ensure the Supervisory Committee performs its duties authorized by shareholders.

**Article 2** The Company’s Supervisory Committee is accountable to the Company’s general meeting, supervises the financial affairs of the Company as well as the compliance of laws and regulations by directors, general manager(s) and other senior management of the Company during their performance of duties, and safeguards the lawful rights and interests of the Company and its shareholders.

## **Chapter 2 Composition of the Supervisory Committee**

**Article 3** The supervisory committee shall comprise three members, including two (2) shareholders’ representatives and one (1) employees’ representative.

In addition to the qualifications stated in the Company Law and the Articles of Association, supervisors shall also have professional knowledge or experience such as in law and accounting.

**Article 4** The Supervisory Committee shall have one chairman.

The chairman of the Supervisory Committee shall take charge of the Supervisory Committee and exercise the following powers:

(1) to convene and preside over meetings of the Supervisory Committee;

- (2) to organise the formulation of work plans and implementation of resolutions of the Supervisory Committee;
- (3) to execute relevant documents of the Supervisory Committee;
- (4) to make work reports to the general meeting on behalf of the Supervisory Committee;
- (5) to supervise and inspect the implementation of the resolutions of the Supervisory Committee;
- (6) to exercise any other powers as specified in relevant laws, regulations and the Articles of Association or conferred by the Supervisory Committee.

In the case that the chairman of the Supervisory Committee is unable or fails to exercise his powers, a supervisor jointly elected by not less than half of all supervisors shall perform such duties on the chairman's behalf.

**Article 5** The term of office of supervisors is three (3) years; supervisors are eligible for re-election and re-appointment upon expiration of their office.

If a supervisor is not re-elected in time upon expiration of his office or the members of the existing Supervisory Committee fall below the quorum due to resignation of a supervisor during his term, the original supervisor shall perform his supervisory duty pursuant to the laws, administrative regulations and the Articles of Association until a new supervisor is appointed.

### **Chapter 3 Duties of Supervisory Committee**

**Article 6** The Supervisory Committee shall be accountable to the general meeting and exercise the following powers in accordance with law:

- (1) to check the financial affairs of the Company, and separately appoint accounting firms in the name of the Company to check the Company's financial affairs on an independent basis when necessary;
- (2) to review the Company's regular reports prepared by the board of directors (the "Board) and produce review opinions in writing;

(3) to examine whether the directors, general manager(s) and other senior management act in contradiction with the laws, regulations and the Articles of Association during their performance of duties; and to propose the removal of the directors and other senior management members for any violations of the laws, administrative regulations, the Articles of Association or any resolutions of the general meetings;

(4) to demand rectification from directors, general manager(s) and other senior management members when the acts of such persons are harmful to the Company's interest;

(5) to verify the financial information such as the financial report, operating report and plans for profit distribution to be submitted by the Board to the shareholders' general meeting and, should any queries arise, appoint certified public accountants and practising auditors in the name of the Company to re-examine the financial information;

(6) to submit proposals to the general meetings;

(7) to propose the convening of an extraordinary general meeting and, in case the Boards does not perform the obligations to convene and chair general meetings, to convene and chair such meetings;

(8) to propose the convening of extraordinary meetings of the Board;

(9) to represent the Company in negotiation with or raise a legal action against a director or a senior management member;

(10) to exercise any other powers as specified in relevant laws, regulations and the Articles of Association and conferred by the general meeting.

The supervisors may attend the Board meeting as observers and make inquiries or suggestions on the resolutions of the Board meeting.

#### **Article 7**

At the annual general meeting, the Supervisory Committee shall declare the special supervision report on the Company for the preceding year, including the following:

(1) inspection of the financial performance of the Company;

(2) compliance of relevant laws, regulations, the Articles of Association and execution of resolutions of general meetings by the directors, general manager(s) and other senior management members;

(3) other significant events deemed as necessary by the Supervisory Committee to be reported at general meetings.

The Supervisory Committee may, wherever it holds as necessary, provide comments on the proposals discussed at the general meeting, and produce its independent report thereto.

**Article 8** During performance of its supervisory duties, the Supervisory Committee shall report to the Board, general meetings or securities regulatory authorities under the State Council and other relevant authorities, in case that the Company's financial affairs are in contradiction of laws or regulations, and directors, general manager(s) or other senior management members act in contradiction with laws, regulations or the Articles of Association.

**Article 9** The Company shall provide supervisors with necessary assistance to smoothly perform their duties, and no one shall intervene or hinder. The Company shall bear reasonable expenses incurred from performance of duties by the supervisors.

**Article 10** To exercise its powers, the Supervisory Committee may engage experts such as lawyers and accounting firms, to provide professional assistance if necessary, reasonable expenses incurred for which shall be borne by the Company.

**Article 11** In the exercise of its supervisory powers, the Supervisory Committee shall not perform the duties in lieu of the Board or the general manager, nor undertake any operating activity on behalf of the Company.

**Article 12** In the exercise of its powers, the Supervisory Committee or the supervisors shall perform their supervisory duties under the applicable laws and the Articles of Association, and discharge the obligations of honesty and diligence, and protect and secure the lawful interests of shareholders and the Company from any damage.

Upon submission of a resignation or expiration of the tenure of a supervisor, the obligations owed by such supervisor to the Company do not necessarily cease

when his resignation has not yet been effective or within a reasonable period of the resignation and within a reasonable period of the expiration of tenure. His obligations of confidentiality in respect of commercial secrets of the Company shall survive the expiration of his tenure until the same has become open information. The duration of other obligations shall be decided on a fair basis.

#### **Chapter 4 Rules for Supervisor Committee Meetings**

**Article 13** Meetings of the Supervisory Committee shall be held at least once every six months. A supervisor may propose to convene an extraordinary meeting of the Supervisory Committee.

**Article 14** Proposals of the Supervisory Committee shall be put forward mainly based on the matters considered by the Board or raised by supervisors.

**Article 15** The notice of a Supervisory Committee meeting shall include: the date, venue, period, subjects and topics of the meeting, and date on which the notice is served. The notice of such meeting shall be served by fax, express mail, registered mail, by hand or by e-mail on all members of the Supervisory Committee ten (10) days prior to the date of the meeting.

**Article 16** Meetings of the Supervisory Committee shall be convened and chaired by the chairman of the Supervisory Committee. If the chairman of the Supervisory Committee is unable or has failed to perform his duties, a supervisor shall be elected by a simple majority of supervisors to convene and chair such meetings. The quorum of the meeting of the Supervisory Committee shall be two-thirds or more of its members. Directors, the general manager or other senior management members, if necessary, may be required to attend the meeting of the Supervisory Committee as observers.

**Article 17** A supervisor shall attend the meeting of the Supervisory Committee in person, or appoint in writing another supervisor to attend the meeting on his/her behalf due to his/her absence. The name of the proxy, the matters for entrustment, the authorities and the validity period shall be specified in the power of attorney which shall be signed or sealed by the entrusting supervisor. Any supervisor

failing to attend, either in person or by proxy, shall be deemed to waive his/her voting rights thereat.

**Article 18** The chairman of a Supervisory Committee meeting shall announce the beginning of such meeting as scheduled. Upon the unanimous agreements concerning agenda of the meeting made by present supervisors, the proposed topics shall be reviewed one by one at the meeting. All the present supervisors are required to declare their opinions by affirmative votes, dissenting votes or abstaining votes. The supervisor attending the meeting on behalf of the entrusting supervisor shall exercise due rights within the authorization scope.

At the Supervisory Committee meeting prior to the annual general meeting, the Supervisory Committee shall review its special supervision report for the preceding year in accordance with Article 7 herein.

**Article 19** The Supervisory Committee may request the directors, general manager, deputy general manager, financial controller, the Secretary to the Board, as well as internal and external auditors to attend Supervisory Committee meetings and answer the concerned issues of the Supervisory Committee.

**Article 20** The proposals shall be voted on an item-by-item basis at a Supervisory Committee meeting. Voting on resolutions at such meeting shall be conducted by poll or show of hands. Each supervisor has one vote. All resolutions of such meetings shall come into force subject to the approval by not less than two-thirds of the committee members.

**Article 21** Resolutions shall generally be passed in respect of all proposals at Supervisory Committee meetings. The resolutions of such meetings shall be announced prior to the closing of the meeting and signed by all present supervisors.

**Article 22** Minutes shall be kept for meetings of the Supervisory Committee. The minutes shall include: the date and place of the meeting, name of the chairman; the name of present supervisors and entrusting supervisors and the proxies; agenda of the meeting; the key points of supervisors' speeches; the voting method and results of each resolution (the voting results shall include the number of affirmative votes, dissenting votes and abstaining votes).



The supervisors attending such meeting and the minutes-keeper shall sign on the meeting minutes. A supervisor has the right to request to make descriptive statements of his speech in the meeting minutes. Minutes for meetings of the Supervisory Committee shall be kept as the Company's significant archives for not less than ten (10) years.

**Article 23** The inspection and audit department of the Company, as a routine organ under the Supervisory Committee, is responsible for various preparation and organization work for the committee meetings.

## **Chapter 5 Information Disclosure of Supervisor Committee Meetings**

**Article 24** It is the duty of the chairman of the Supervisory Committee to supervise and inspect the implementation of the resolutions of Supervisory Committee meetings. The Company shall file and/or announce the resolutions of such meetings in accordance with applicable laws and relevant provisions of the stock exchanges where the Company's shares are listed and traded.

## **Chapter 6 Implementation of the Resolutions of Supervisor Committee Meetings**

**Article 25** For resolutions which involve suggestions on the Company's operation and management or require responses from the Board and management, the Supervisory Committee shall designate supervisor(s), who shall be responsible for negotiation with the Board and the general manager for implementation of the resolutions, and file a written report to the Supervisory Committee in respect of implementation of such resolutions.

## **Chapter 7 Supplementary Provisions**

**Article 26** These Rules are an appendix to the Articles of Association. Formulated by the Supervisory Committee, these Rules shall come into effect subject to approval of

the general meeting by way of special resolution. Any amendment thereto shall be proposed by the Supervisory Committee and subject to approval of the general meeting by way of special resolution.

**Article 27** The Supervisory Committee is authorized by the general meeting to interpret these Rules.

**Article 28** The laws, regulations, other relevant regulatory documents, the Articles of Associations and the Rules of Procedures for General Meetings shall prevail over these Rules for any uncovered matters herein or any inconsistency therewith.

**Article 29** As mentioned in the articles, the term “more than” shall include the number itself; and the terms “exceeding” and “more than one half” shall not include the number itself.