

**THE RULES OF PROCEDURES FOR MEETINGS OF THE  
BOARD OF CHINA COMMUNICATIONS CONSTRUCTION  
COMPANY LIMITED**

(Approved at the First EGM of 2006 on 8 October 2006, with the first amendments made at the Second EGM of 2011 on 25 March 2011, the second amendments made at the First EGM of 2015 of the Company on 15 January 2015, and the third amendments made at the AGM of 2019 of the Company on 9 June 2020, respectively.)

**Chapter 1 General Provisions**

**Article 1** In order to further standardize the deliberation methods and decision-making procedures of the Board of Directors of China Communications Construction Company Limited (the “Company”), facilitate the effective implementation of the duties of directors and the Board, and increase the standardized operation and scientific decision making of the Board, the Rules are hereby established pursuant to the Company Law of the People’s Public of China, the Securities Law of the People’s Public of China, the Code of Corporate Governance for Listed Companies, the State Council Guiding Opinions on the Experimental Development of Preference Shares, the Experimental Administrative Measures on Preference Shares, and

other relevant regulations as well as the Articles of Association of China Communications Construction Company Limited (the “Articles of Association”).

**Article 2** The Board is the decision-making body of the Company and decides the important matters of the Company with the authority granted by the shareholders’ general meeting and the Articles of Association. It is responsible to the shareholders’ general meeting and shall report its performance to the shareholders’ general meeting.

**Article 3** The Rules shall apply to the Board of Directors, the special committees under the Board, directors, and relevant departments and persons of the Company involved in the Rules.

## **Chapter 2 Composition and Administrative Body of the Board of Directors**

**Article 4** The Board shall consist of seven (7) to nine (9) members, including one Chairman and one to two Vice Chairmen. At least one-third of the members of the Board shall be independent directors.

**Article 5** Directors shall be elected or changed by the general meeting, and may be dismissed by the general meeting before their terms are expired. The term of office of directors is three (3) years, renewable upon reelection at its expiry. Chairman and Vice Chairman shall be elected and removed by a simple

majority of votes of all directors. The term of office is three (3) years and renewable upon re-election.

**Article 6** The Board of Directors shall establish the Board office as its administrative body, which is responsible for handling daily affairs of the Board.

### **Chapter 3 Duties and Powers of the Board of Directors**

**Article 7** The Board of Directors shall report to the shareholders' general meeting and exercise the following duties and powers:

(1) to convene general meetings and report to the meetings;  
(2) to implement the resolutions passed at general meetings;  
(3) to determine the Company's business plans and investment and financing schemes;

(4) to prepare the Company's annual financial budget plan and final accounts plan;

(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 and for the issuance and listing of corporate bonds or other securities;

(7) to draft plans for material acquisition, share repurchase, merger, division, dissolution or change in corporate form;

(8) to determine matters relating to the Company's external investment, asset acquisition and disposal, asset mortgage/pledge,

external guarantee, asset management mandate and connected transaction within the authorisation of the general meeting;

(9) to determine the establishment of the Company's internal management structure;

(10) to determine the plans for conversion, division, reorganization or dissolution of the Company's subsidiaries;

(11) to determine the income distribution plans for the Company's employees;

(12) to determine the establishment and cancellation of the Company's branches;

(13) to appoint or dismiss the Company's president, the secretary of the Board and the chairmen of the special committees under the Board; and pursuant to the president's nominations, to appoint or dismiss senior officers including vice presidents and chief financial officer of the Company and to decide on their remuneration, rewards and penalties;

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

(15) to determine and to monitor the implementation of the Company's risk management system, including risk assessments, financial control, internal audit and legal risk control;

(16) to formulate the proposed amendments to the Articles of Association;

(17) to deal with information disclosures of the Company;

(18) to propose to the general meeting for appointment or replacement of the accounting firms serving as the auditors of the

Company;

(19) to receive the work report submitted by the president and to review his performance;

(20) to exercise other duties and powers specified in the laws, administrative regulations, rules of regulatory authorities or the Articles of Association and conferred by the shareholders' general meetings.

The Board's resolutions on the matters in the preceding paragraph, save for items (6), (7) and (16) which shall require the consent of two-thirds or more of the directors, shall be passed by a simple majority of all directors unless otherwise expressly specified in the listing rules of the jurisdiction where the shares are listed or the Articles of Association.

Under necessary, reasonable and legitimate circumstances, the Board may authorise the president and the management of the Company to determine the specific issues which are relevant to the matters being resolved but are unable or unnecessary to be determined immediately at a Board meeting.

In case of a subject matter falling within the scope of ordinary resolution, an authorisation by the Board to the president and the management shall be passed by a simple majority of all directors; or in case of a significant matter, by two-thirds or more of all members of the Board. The content of authorisation shall be clear and specific.

Resolutions made by the Board in relation to connected

transactions shall not come into effect until signed by independent directors.

**Article 8** The Chairman of the Board shall perform the following duties and powers:

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

(2) to procure and check the implementation of resolutions of board meetings;

(3) to sign securities certificates issued by the Company;

(4) to define the systems necessary for the operations of the Board, and to coordinate its operation;

(5) to sign important documents of the Board and, on behalf of the Company, the legally binding important documents;

(6) to exercise special disposition power on corporate events in accordance with the laws and the Company's interests in case of force majeure or an emergency that precludes the convening of a board meeting on a timely basis, and provide post-event reports to the Board;

(7) to exercise certain duties and powers of the Board as authorised by the Board during the intermission of Board meetings;

(8) other duties and powers under the laws and regulations and the Articles of Association;

(9) other duties and powers as authorised by the Board.

In the event that the Chairman is unable to exercise his duties

and powers, the Chairman may designate a Vice Chairman to exercise on his behalf.

**Article 9** The Board shall not, without prior approval of shareholders in a shareholders' general meeting, dispose of or agree to dispose of any fixed assets of the Company where the aggregate of the expected value of the consideration for the proposed disposal and the value of the consideration for any disposal of fixed assets in the four months immediately preceding the proposed disposal exceeds thirty-three percent of the value of the Company's fixed assets as stated in the latest balance sheet approved by the general meeting.

The "disposal of fixed assets" as referred to in this Article includes the transfer of interest in certain assets but excludes the usage of fixed assets for provision of guarantee.

The effectiveness of transaction of the Company's disposal of fixed assets will not be affected by a breach of the first paragraph of this Article.

**Article 10** Prior to making decisions on material issues of the Company, the Board of Directors shall first hear the opinions of the Party Committee of the Company. When the Board appoints senior management members of the Company, the Party Committee of the Company shall consider and provide opinions on the candidates nominated by the Board of Directors or the president, or recommend nominees to the Board of Directors or the president.

## **Chapter 4 Special Committees of the Board**

**Article 11** The Board shall set up special committees according to the Articles of Association, including strategy and investment committee, audit and internal control committee, remuneration and review committee, nomination committee, etc. Where necessary, the Board may also set up other committees and adjust the existing committees.

**Article 12** These special committees shall develop working rules, which shall take effect after being approved by the Board.

**Article 13** The special committees shall consist of directors of the Company, with members nominated by the Chairman of the Board and elected by the Board of Directors.

**Article 14** The strategy and investment committee shall be composed of not less than three directors and chaired by the Chairman of the Board. The main duties of the committee are:

1. to study corporate development strategies and mid-to-long term development plans, make recommendations, conduct assessment and monitor the implementation thereof;
2. to study the proposal for increases or reductions of the Company's registered capital, issuance of corporate bonds, merger, division and dissolution and make recommendations;
3. to study material business restructuring, external acquisition, merger and disposal of assets of the Company and make recommendations;



4. to study the development initiatives of new markets and businesses and make recommendations;

5. to study the Company's annual investment plans and make recommendations; to study the Company's plans on investments, financing and capital operations that are subject to the approval of the Board and make recommendations;

6. to study the Company's material organisational restructuring and adjustment proposals and make recommendations;

7. to instruct and oversee the implementation of relevant resolutions of the Board;

8. other duties and powers as authorised by the Board.

**Article 15** The audit and internal control committee consists of not less than three directors, and independent directors shall be the majority. The committee shall be chaired by an independent director who is nominated by the Chairman of the Board, and is subject to the approval of the Board. The chairman of the audit and internal control committee shall have accounting or financial management related professional experience. All members of the audit and internal control committee shall have relevant professional knowledge and commercial experience to perform the duties of the committee. The main duties of the audit and internal control committee are:

1. to supervise and assess the work of external auditors

(1) to evaluate external auditors' independence and

professionalism, particularly the influence of non-audit services provided by an external auditor on its independence;

(2) to propose the appointment or replacement of an external auditor to the Board;

(3) to review audit service fees and appointment terms for external auditors;

(4) to discuss and communicate with external auditors on the audit scope, audit plan, audit method, and any material matters identified in the audit process;

(5) to supervise and evaluate whether external auditors have fulfilled their duties diligently.

2. to instruct the work of internal auditors

(1) to review the annual internal audit plan of the Company;

(2) to supervise the implementation of the internal auditing plan of the Company;

(3) to review the internal audit reports, evaluate the results of internal audit and supervise the rectification of material matters;

(4) to guide and supervise effective operation of the internal audit department;

(5) to ensure enough source and appropriate position for the functioning of the internal audit department in the Company;

(6) to make recommendations for the appointment and removal of the head of internal auditing function of the Company.

3. to review and comment on the financial report of the Company:

(1) to review the Company's financial and accounting policies and practices;

(2) to review and supervise the Company's financial statements and financial reports (annual report, half-year report and quarterly reports) and accounts, and give opinions on the truthfulness, completeness and accuracy of financial reports;

(3) to focus on significant accounting and audit matters of the Company's financial reports, including adjustments to material accounting errors, changes in significant accounting policies and estimates, issues involving significant accounting judgments, and matters resulting in a failure to receive standard unqualified opinion audit reports;

(4) to pay special attention to the possibilities of fraud, corrupt practice and material misstatements relating to financial reports;

(5) to supervise the rectification of financial reporting matters.

4. to assess the effectiveness of the internal control system, to examine and monitor the effectiveness of the Company's financial reporting system, internal control system and risk management system, including:

(1) to review and examine the Company's financial controls, internal control and risk management systems, and to evaluate the appropriateness of the internal control system;

(2) to review the self-evaluation reports on internal control;

(3) to keep control and daily management of connected transactions of the Company according to relevant laws and regulations and the Company's management rules on connected transactions, including confirming the list of related parties and reporting to the Board of Directors and the Supervisory Committee, as well as reviewing material connected transactions to form and submit written opinions to the Board of Directors for review and report the same to the Supervisory Committee. The committee may engage an independent financial adviser to issue a report as the basis for its judgment;

(4) to review the internal control audit reports issued by external auditors, as well as the matters and improvement measures formulated after communication with the external auditors;

(5) to evaluate the internal control assessment and audit results, and supervise the rectification of deficiencies in internal control;

(6) where an internal audit function exists, to ensure co-ordination between the internal and external auditors; to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company; and to review and monitor its effectiveness;

(7) to review arrangements of the Company, with which the employees of the Company can raise concerns about possible improprieties in financial reporting, internal control or other

matters in confidence. The audit and internal control committee shall ensure that proper arrangements are in place for fair and independent investigation of the matters and for appropriate follow-up action; and

(8) to report to the Board on the matters set out herein.

5. to serve as an intermediate between the management, internal auditors and relevant departments and external auditors, including:

(1) to coordinate communications between the management and external auditors on material audit matters;

(2) to coordinate communications between the internal auditors and external auditors and cooperation provided by the internal auditors for external auditors;

(3) to act as the key representative body for overseeing the Company's relations with external auditors.

6. to conform with the due duties and responsibilities as prescribed under the Corporate Governance Code formulated by The Stock Exchange of Hong Kong Limited.

7. other affairs as authorised by the Board of the Company and other issues involved in related laws and regulations.

The Board of the Company shall evaluate the independence and performance of duties of the members of the audit and internal control committee on a regular basis, and may replace those who are not suitable to remain in the position when necessary.

**Article 16** The remuneration and assessment committee consists of not less than three directors, and independent directors shall be the majority. The committee shall be chaired by an independent director who is nominated by the Chairman of the Board, and is subject to the approval of the Board. The main duties of the remuneration and assessment committee are:

1. to study the criteria of performance assessment of directors, supervisors and senior management, and to conduct assessments and make recommendations;

2. to determine the specific remuneration package for all executive directors and senior management, including benefits in kind, pension rights and compensation payments (including any compensation payable for loss or termination of their office or appointment), and make recommendations to the Board of Directors on the remuneration of the non-executive directors. The remuneration and assessment committee shall consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, recruitment conditions for other positions of the Company, and whether to determine the remuneration based on performance, etc.;

3. to review and approve performance-based remuneration by reference to corporate goals and objectives passed by the Board from time to time;

4. to review and approve compensation payable to executive directors and senior management for any loss or termination of

office or appointment to ensure that they are determined based on relevant contractual terms and are otherwise fair and reasonable and not burdensome for the Company;

5. to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are determined based on relevant contractual terms and are otherwise reasonable and appropriate;

6. to ensure that no director or any of his associates is involved in determining his own remuneration;

7. if the service contract of a director is subject to approval by the shareholders as required by the regulatory rules of the place where the shares of the Company are listed, the remuneration and assessment committee shall make recommendations to the shareholders as to how to cast their votes;

8. other duties as delegated by the Board.

**Article 17** The nomination committee consists of not less than three directors. The committee shall be chaired by the Chairman or an independent non-executive director, and independent non-executive directors shall be the majority. The main duties of the nomination committee are:

1. to set up a policy concerning diversity of the members of the Board and disclose its policy or summary on the Corporate Governance Report;

2. to review the structure, size and composition of the Board (including the skills, knowledge and experience) at least annually

and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

3. to study the selection criteria, procedures and methods for the Company's directors, the president and the secretary of the Board, and make recommendations to the Board;

4. to review the candidates to directors, the president and the secretary of the Board and make recommendations;

5. to assess the independence of independent directors;

6. to make recommendations to the Board on relevant matters relating to the appointment or reappointment of directors and succession planning for directors in particular the Chairman and the president;

7. to assess the candidate to the secretary of the Board nominated by the Chairman and candidates to vice presidents, chief financial officer and other executives nominated by the president, and submit an assessment report to the Board;

8. to identify candidates for the recruiting posts from domestic and overseas talent markets and internal resources;

9. other duties and powers as authorised by the Board.

**Article 18** The special committees are special working organs subordinated to the Board of Directors, providing advice, opinions and suggestions for the Board's major decisions.

(1) The special committees shall establish regular meeting systems, put forward special opinions on a proposal of the Board meeting, and enhance the scientific and democratic nature of



decision-making procedures of the Board meeting;

(2) When the special committees perform their duties and powers, the directors shall fully express their opinions. Upon any disagreement, the different opinions shall be submitted to the Board of Directors with explanations;

(3) The special committees cannot make any resolution in the name of the Board of Directors;

(4) The special committees may engage intermediaries to provide professional advice at the cost of the Company;

(5) The senior management and business division of the Company is obliged to provide services for the Board and its special committees. Under the consent of the Board, the senior management and head of the business divisions of the Company can take part in the work of the special committees;

(6) When necessary, the special committees can set up the working groups. The working groups consist of the senior management and heads of relevant departments of the Company, is mainly responsible for providing services for the special committees, communicating with the relevant authorities (including the agencies engaged by the special committees in the proceedings), and organizing the Company's subsidiaries and functional departments to provide necessary documents for the special committees.

## **Chapter 5 Board Meetings**

**Article 19** Board meetings include regular meetings and extraordinary meetings.

**Article 20** The Board shall at least hold one regular meeting in the first half and in the second half of each year respectively.

**Article 21** Before the notice convening the regular board meeting is given, the Board office shall seek the opinion of the directors separately to form a preliminary proposal of the meeting for finalizing by the Chairman.

The Chairman, if necessary, shall consult the president and other senior management members before finalizing the proposal.

**Article 22** The Board shall convene an extraordinary meeting in one of the following situations when it is:

- (1) proposed by the shareholders representing more than one-tenth of the voting shares;
- (2) proposed by more than one-third of the directors;
- (3) proposed by the Supervisory Committee;
- (4) considered necessary by the Chairman of the Board;
- (5) proposed by more than half of independent directors;
- (6) proposed by the president of the Company;
- (7) other circumstances under the relevant laws and regulations or the Articles of Association.

**Article 23** If an extraordinary board meeting is proposed to be held according to the preceding Article, a written proposal with the signature (seal) of proposer shall be submitted through the

office of the Board or directly to the Chairman. A written proposal shall include the following:

(1) name of the proposer;

(2) reason for the proposal or objective matters on which the proposal is based;

(3) convention time or timeframe, venue and method proposed;

(4) clear and specific proposal;

(5) contact details of the proposer, date of the proposal, etc.

**Article 24** The content of the proposal shall be relevant to the matters within the duties and powers of the Board specified in the Articles of Association. The materials relevant to the proposal should be submitted together.

**Article 25** Upon receiving the above written proposal and relevant materials, the office of the Board shall present them to the Chairman on the same day. If the Chairman believes the proposal is not clear or specific, or the related materials are inadequate, the proposer may be requested to make modification or supplementation. The Chairman shall convene and preside over a meeting of the Board within ten (10) days upon receipt of the proposal or the request of the securities regulatory authorities.

**Article 26** The meetings of the Board shall be convened and presided over by the Chairman. If the Chairman is unable to or does not perform his/her duties, the meetings shall be convened and presided over by the Vice Chairman. If there is not a vice

chairman or the Vice Chairman is unable to or does not perform his/her duties, a director jointly elected by a half or more of the directors shall convene and preside over the meetings.

**Article 27** The office of the Board shall send the written notice of meeting bearing its seal to all directors and supervisors, president and the secretary of the Board by hand, fax, email or other modes within ten (10) days or five (5) days respectively before a regular or extraordinary board meeting. Where the notice is not served by direct delivery, telephone acknowledgement and relevant records shall be made.

Where an extraordinary board meeting needs to be convened as soon as possible in emergency, the notice of meeting may be sent by telephone or by other oral means, but the convener shall make explanations at the meeting.

**Article 28** A written notice of board meeting shall at least include:

- (1) time and venue of the meeting;
- (2) the form of the meeting;
- (3) matters to be considered (proposals to the meeting);
- (4) convener and chair of the meeting, the proponent of the extraordinary meeting and his written proposal;
- (5) meeting materials needed for voting of directors;
- (6) requirement for directors to attend the meeting in person or by proxy;
- (7) date on which the notice is sent, contact person and means

of contact.

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

**Article 29** If, after the written notice of a regular board meeting is sent, it is necessary to change the time, venue, etc. of the meeting or add, change or cancel proposals to the meeting, a written notice of change shall be sent three (3) days before the original designated date for convening the meeting, to explain why and provide contents and documents relating to the new proposals. Where the notice of change is sent in less than three (3) days in advance, the date of meeting shall be postponed accordingly or the meeting shall be held on schedule upon approval by all the attending directors in writing.

If, after the notice of a provisional board meeting is sent, it is necessary to change the time, venue, etc. of the meeting or add, change or cancel proposal for the meeting, then it shall be necessary to seek the prior consent of all the attending directors and make relevant records.

**Article 30** A board meeting shall be attended by a simple majority of all directors. If the quorum of the meeting cannot be met as a result of any director's refusal to attend or absence without reasons, the Chairman and the secretary of the Board shall report to the shareholders' general meeting and regulatory authorities in time.

The president and the secretary of the Board shall attend board meetings; supervisors and head of the disciplinary committee may attend board meetings. The chair of meeting may, if considers necessary, notify other relevant persons to attend the Board meeting.

**Article 31** In principle, directors shall attend board meetings in person. If a director is unable to attend the meeting in person for any reason, he shall review the meeting materials and furnish clear opinions in advance and appoint other director to attend the meeting on his behalf.

The power of attorney shall set out:

- (1) names of the principal and the proxy;
- (2) brief opinions of the principal on each proposal;
- (3) scope and term of validity of the authorisation and the principal's directions for voting intent on respective proposals;
- (4) signatures of the principal and the proxy, date, etc.

The director who appoints other director to sign a written confirmation on regular report on his behalf shall specify such authorisation in the power of attorney.

The proxy director shall present the power of attorney in written to the chair of meeting and explain proxy attendance in the attendance book.

**Article 32** A director appointed as the proxy of another director to attend the meeting shall exercise the rights of a director within the scope of authority conferred by the appointing director.

Where a director is unable to attend a board meeting and has not appointed a proxy to attend the meeting on his behalf, he shall be deemed to have waived his right to vote at the meeting.

**Article 33** Where an appointing director and the proxy director attend the meeting of the Board, the following principles shall be followed:

(1) When considering connected transactions, the unconnected directors shall not authorise the connected directors to attend the meeting, and the connected directors shall not accept the appointment by an unconnected director;

(2) The independent directors shall not authorise the non-independent directors to attend the meeting, and the non-independent directors shall not accept the appointment by the independent directors;

(3) The directors shall not authorize in their sole discretion other directors to attend the meeting without giving their personal opinions and voting intentions on the proposed resolutions, and the relevant directors shall not accept appointment with full discretion or with unclear authorisation;

(4) A director shall not accept authorization from more than two directors, and the directors shall not authorize other directors who have already been granted authorization by two other directors.

**Article 34** In principle, a meeting of the Board shall be held on-site. When necessary, the meeting may also be held as voting

via video, telephone, fax, or e-mail, etc. upon consent of the convener and the proponents so long as the directors are able to fully express their opinions. A meeting of the Board can also be held on-site in combination with other means.

In case that a meeting is not held on-site, the number of attending directors shall be calculated by including the directors who are on the spot as showed by video, the directors who have expressed opinions in the telephone conference, valid votes actually received within the prescribed deadline via faxes, e-mails, or the written confirmation letters submitted by the directors after the meeting proving that they have attended the meeting.

## **Chapter 6 Consideration Procedures and Resolution of the Board Meeting**

**Article 35** The chairman of the meeting shall request all the directors attending the meeting of the Board to express clear opinions in respect of each proposal.

If a proposal requires prior approval by independent directors according to relevant regulations, the presider of the meeting shall, before the discussion of such proposal, designate an independent director to read out the written approval opinions reached by the independent directors.

In case any director repeats the same proposal or the speech of any director exceeds the scope of the discussion item, the chairman of the meeting shall stop such director from affecting



the speech of other directors or hindering the normal progress of the meeting promptly.

Unless it is unanimously agreed by all attending directors, the meeting of the Board shall not vote on any proposal not included in the notice of the meeting.

A director who acts as the proxy of another director to attend the Board meeting shall not vote on any proposal not included in the notice of the meeting on behalf of other directors.

**Article 36** The directors shall carefully read documents relating to the meeting and shall express well-informed, independent and discreet opinions.

The directors may, before the meeting, inquire about information needed for decision making from relevant persons or institutions such as the Board office, the convener of the meeting, the president and other senior management members, each of the special committees, the accounting firm and the law firm, or may, while the meeting is underway, suggest to the chair of the meeting that the aforesaid persons or institutions attend the meeting to make relevant explanations.

**Article 37** After adequate discussion of a proposal, the chair of the meeting shall submit it separately to voting by the attending directors when appropriate.

One person shall have one vote when voting on the resolution of the meeting, by open ballot and in writing.

**Article 38** Provided that the directors can fully express their

opinions, an extraordinary board meeting can be convened and resolutions can be resolved by means of facsimile and shall be signed by the directors attending the meeting.

**Article 39** The voting intent of a director may be “for”, “against” or “abstain”, from which each attending director shall choose one. The chair of meeting shall require those who fail to choose or simultaneously choose two or more intents to re-choose, otherwise such directors shall be deemed as having abstained from voting; anyone who has left the meeting midway without coming back and failed to choose shall be deemed as having abstained from voting.

**Article 40** Where one-fourth or more of the attending directors or two or more independent directors consider any proposal not clear or specific, or that judgement cannot be made due to other reasons including inadequate meeting materials, such directors may jointly request that the board meeting or the discussion of certain matters at the meeting or proposals to be postponed, and the Board shall accept such request.

The directors who propose for postponing the voting shall put forward specific requirements for reconsideration of the subject proposal.

**Article 41** After voting by the directors present at the meeting, the securities affairs representative and relevant personnel from the office of the Board shall collect the votes of directors in time, and hand them over to the secretary of the Board

of Directors for counting under the supervision of an independent director or other directors.

**Article 42** If the meeting of is held in the form of on-site meeting, the chair of the meeting shall announce the voting results forthwith. In other cases, the chair of the meeting shall require the secretary of the Board of Directors to notify the directors of the voting results before the next business day after the close of the specified voting time.

**Article 43** If the directors vote after announcement of the voting results by the chair of the meeting or after close of the specified voting time, their votes shall be disregarded.

**Article 44** Except as specified in Article 45 herein, a resolution on a proposal considered and passed at a board meeting shall be voted for by more than half of all directors, each entitled to one ballot. If the approval of more directors is required in reaching the resolutions of the board meeting by laws, administrative regulations and the Articles of Association, such requirements shall apply.

A resolution made by the Board on any guarantee within its scope of authority in accordance with the Articles of Association shall be subject to the approval of a simple majority of all directors and two-thirds or more of the directors present at the meeting.

If different resolutions conflict with each other in content and meanings, the resolution formed later shall prevail.

**Article 45** In any of the following circumstances, a director shall abstain from voting on relevant proposals and shall not vote on half of other directors:

(1) where the director shall abstain from voting as required by the listing rules of the stock exchange(s) on which the shares of Company are listed;

(2) where the director himself considers he should abstain from voting;

(3) other circumstances that the director is connected with the enterprises that are involved in proposals of the meetings and shall therefore abstain from voting as required by the Articles of Association.

Where any director abstains from voting, the relevant Board meeting may be held with attendance of a simple majority of non-connected directors, and the resolutions made shall be passed by a simple majority of non-connected directors. If the number of non-connected directors present at the meeting is less than three (3), the relevant proposals shall not be voted on and shall be submitted to the general meeting for consideration.

**Article 46** The Board shall transact business in strict compliance with its scope of authority as mandated by the shareholders' general meeting and laid down in the Articles of Association, and shall not adopt any resolution beyond its authority.

**Article 47** In making decisions on issues such as external

investment, asset acquisition and disposal, asset mortgage or pledge, external guarantee, trusted asset management and connected transactions, the Board of Directors shall establish strict examination and decision-making procedures; and organise relevant experts and professionals to make assessments on major investment projects. The aforesaid matters, if subject to consideration at the shareholders' general meeting under relevant laws and regulations or the regulatory rules of the jurisdiction where the shares are listed, shall be approved by the Board of Directors before submitting to the general meeting for approval.

**Article 48** The Board of Directors authorizes the Chairman or the management to exercise the following duties and powers during the intervals between the meetings of the Board:

In order to ensure and improve the daily working efficiency of the Company, during the intervals between the meetings of Board of Directors, the Board may authorize the Chairman or the management to exercise the decision-making power on matters within the jurisdiction of the Board including investment and financing, disposal and purchase of assets, the establishment and cancellation of branches, unless the laws and regulations and the regulatory rules of the place where the Company is listed explicitly require that such matters shall be decided by the Board. The Board of Directors shall implement explicit plan as to the content, scope, amount and procedures of relevant matters under authorization.

**Article 49** Where matters such as profit distribution and transfer of capital reserve into share capital shall be resolved at the board meeting, but the certified public accountants have not yet provided the official auditors' report, resolutions shall be made in accordance with the draft auditors' report (where other financial data except those concerning profit distribution and transfer of capital reserve into share capital have been determined) provided by the certified public accountants at the meeting. After the certified public accountants provide the official auditors' report, further resolutions shall be made on relevant matters at the meeting.

**Article 50** In the event that a proposal is not approved, the Board meetings shall not consider the proposal with the same content within one (1) month in case there are no significant changes in the relevant conditions and factors.

**Article 51** For board meetings held onsite or through video, telephone, etc., the entire process may be recorded when deemed necessary.

**Article 52** The secretary of the Board shall arrange the Board office staff to keep the minutes of the Board meeting. The secretary of the Board shall make the minutes of meetings openly available for inspection in any reasonable period of time by any director, who has made a reasonable notice in respect thereto. Such minutes shall include the followings:

- (1) numbering and session, time, venue and form of the

meeting;

(2) despatching of the notice of meeting;

(3) convener and chair of the meeting;

(4) information of the directors attending in person or by proxy;

(5) explanations on procedures and convening of the meeting;

(6) the proposals considered at the meeting; the gist of speech, key opinions on relevant matters and voting intents for the proposals of each director;

(7) voting method and result in respect of each proposal (provide the number of votes of “for”, “against” and “abstain” respectively);

(8) other matters to be recorded in the opinion of the attending directors.

**Article 53** In addition to the minutes of meeting, the secretary of the Board may also arrange staff members of the office of the Board to make summaries on the convening of the meeting, and make separate records of resolutions passed at the meeting according to the voting results.

**Article 54** The attending directors shall sign their names on the minutes of meeting, meeting summaries and resolution records for confirmation on behalf of themselves or the directors who appoint them to attend the meeting. Where a director holds different opinions on the minutes, summaries or resolutions of

meeting, written explanation may be made upon signing. If necessary, it shall be timely reported to regulatory authorities or announced through public statements.

Where a director neither signs as required by the preceding paragraph nor provides the written explanation for his different opinions or reports to regulatory authorities or gives public statement, the said director shall be deemed as agreeing with minutes, summaries or resolutions record of meeting.

**Article 55** The announcement of the resolutions adopted by the Board shall be made by the secretary of the Board of Directors according to the relevant provisions of the stock exchange in the place where the shares are listed. Before the disclosure of an announcement of resolutions, the attending directors, the persons attending the meeting as non-voting delegates, the personnel for recording and other services, etc. shall be obliged to keep the resolutions confidential.

**Article 56** The Chairman shall procure the relevant persons to implement the resolutions formed by the Board, check the implementation of resolutions, and report at future meetings of the Board the implementation of resolutions adopted.

**Article 57** Archives of board meetings, including notices of meeting, meeting materials, attendance book, power of attorney for attendance by proxy, voice recording of meeting, ballots, meeting minutes signed by the attending directors for confirmation, meeting summaries, resolution records,



announcement of resolutions, etc., shall be kept by the secretary of the Board.

Archives of board meetings shall be kept for at least ten (10) years.

## **Chapter 7 Supplemental Provisions**

**Article 58** For any matter not covered in the Rules, or in the event of any conflict with any provisions of the laws, regulations, listing rules of the place where the Company is listed or the Articles of Association promulgated or amended after the Rules become effective, the provisions of such laws, regulations, listing rules of the place where the Company is listed or the Articles of Association, shall prevail in resolving such conflict.

**Article 59** Unless otherwise stated, terms used in the Rules shall have the same meanings as those defined in the Articles of Association.

**Article 60** The Rules are adopted at the shareholders' general meeting by a resolution and are the appendix to the Articles of Association, and shall come into effect at the same time as the Articles of Association does.

**Article 61** The amendments to the Rules shall be proposed by the Board of Directors and submit to the shareholders' general meeting for consideration and approval.

**Article 62** The Board of Directors shall be responsible for interpreting the Rules.

