

Capinfo Company Limited
Rules and Procedures for Meetings of the Board of Directors

November 2025

Contents

Chapter 1	General Provisions	3
Chapter 2	Composition of the Board of Directors	4
Chapter 3	Functions and Powers of the Board of Directors	8
Chapter 4	Directors and Related Personnel	9
Chapter 5	Rules of Procedures of the Board of Directors	11
Chapter 6	Supplemental Provisions	21

Capinfo Company Limited

Rules and Procedures for Meetings of the Board of Directors

Chapter 1 General Provisions

Article 1 In order to further standardize the work of the Board of Directors of Capinfo Company Limited (hereinafter referred to as the “Company”), to improve the standardization and effectiveness of the Board of Directors’ operation, continuously improve the operational efficiency and standard of the Board of Directors, prevent decision-making risks, and promote the sustainable and healthy corporate development, these Rules are formulated in accordance with laws and regulations and regulatory documents including the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Listing Rules”), the Law of the People’s Republic of China on the State-owned Assets of Enterprises, the Interim Regulations on the Supervision and Administration of State-owned Assets of Enterprises as well as the relevant requirements set out in the Articles of Association of Capinfo Company Limited (hereinafter referred to as the “Articles of Association”) and the Implementation Methods of Capinfo Company Limited to adhere to implement the “Three Importance and One Large” Decision-making System (hereinafter referred to as the “Implementation Methods of Three Importance and One Large”).

Article 2 The Board of Directors is the decision-making body of the Company. The Board follows the principles of legal compliance, collective decision-making, professionalism and high efficiency based on standardized operations to strengthen strategic leadership, enhance risk prevention and control, and make scientific decisions and ensure the Company’s sustainable and healthy development.

Chapter 2 Composition of the Board of Directors

Article 3

The Company shall establish a Board of Directors. The Board of Directors shall comprise twelve Directors, of which two shall be executive Directors, one shall be employee representative Director, five shall be non-executive Directors appointed by the shareholders, and four shall be independent non-executive Directors. At least one of which shall be qualified appropriately in professional qualification or in accounting or related financial management in accordance with the Listing Rules; and at least one of the independent non-executive Directors shall be an expert with influence in information technology or digital economy industries (hereinafter referred to as the “Industry Expert Director”). Independent non-executive Directors refer to Directors who are independent of the shareholders of the Company and do not hold any position within the Company. The Board of Directors shall include one Chairman and eleven Directors. The external Directors (namely, who do not hold a position in the Company, including independent non-executive Directors) shall comprise one half or more of the Board of Directors. The composition of Board of Directors shall be in accordance with the Articles of Association. Employee representative directors are elected by the Company’s employees through employee representative meetings, employee meetings, or other democratic means. Directors shall be elected or replaced at the general meeting each with a term of three years. The term of a Director is renewable by re-election upon expiry. A Director, before his term of office is expired, shall not be removed by the general meeting without cause. The term of a Director shall last from the date of his appointment till the date of expiration of the current session of the Board.

Article 4

Specialised committees under the Board are specialized working bodies within the Board, which conduct fundamental research and provide professional advice and recommendations to the Board on important matters to be considered by the Board or other matters delegated by the Board. Specialised committees are set up by the Board depending on the work required.

Members of the specialised committees shall be elected by the Board of Directors, and the resolutions of the committees shall be valid subject to the approval of a simple majority of all the members thereof.

(I) Strategic Committee

The strategic committee shall consist of three to five directors, including at least one independent non-executive director. The strategic committee primarily exercises the following powers:

1. to conduct research and make recommendations on the Company’s long-term development strategy;

2. to conduct research and make recommendations on the Company's significant investments and financing plans;
3. to conduct research and make recommendations on the Company's significant capital operations and asset management projects;
4. to perform other duties as required by laws and regulations, and the Company's "Strategic Committee Work Rules".

(II) Remuneration and Appraisal Committee

The remuneration and appraisal committee shall consist of three to five directors, of whom independent non-executive directors shall constitute the majority. The remuneration and appraisal committee shall primarily exercise the following powers:

1. to make recommendation to the Board on the overall remuneration policy, remuneration structure, and appraisal standards for the Company's directors, and senior management personnel, based on the Company's business policies and objectives;
2. to make recommendations to the Board on the remuneration packages of individual executive directors and senior management personnel;
3. to perform other duties as required by laws and regulations, and the Company's "Remuneration and Appraisal Committee Work Rules".

(III) Nomination Committee

The nomination committee shall consist of three to five directors, of whom independent non-executive directors shall constitute a majority, and shall have at least one member of the opposite gender. The nomination committee shall primarily exercise the following powers:

1. to make recommendations to the Board on the size and composition of the Board;
2. to review the criteria and procedures for selecting directors and make recommendations to the Board;
3. to make recommendations to the Board on the appointment or reappointment of directors and on director succession plans;

4. to perform other duties as required by laws, regulations, and the Company's "Nomination Committee Work Rules".

(IV) Audit Committee

The audit committee shall consist of at least three directors, all of whom shall be non-executive directors, and the majority of members (including the chairman) shall be independent persons. At least one of the members shall be an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise as required by Rule 3.10(2) of the Listing Rules. The chairman shall also be an independent non-executive director. The main duties of the audit committee are:

1. to propose the appointment or replacement of an external audit firm;
2. to supervise the Company's internal audit system and its implementation;
3. to be responsible for communication between internal and external audits;
4. to regularly evaluate the work of the Company's finance and audit departments, as well as the work of their respective heads;
5. to inspect the Company's finance and review its financial information and its disclosure;
6. to exercise the powers of the Board of Supervisors as provided for in the Company Law;
7. to perform other duties as required by laws and regulations, the Company's Articles of Association, and the Company's "Audit Committee Work Rules".

(V) Legal and Compliance Committee

The legal and compliance committee shall consist of three directors. Members shall possess the necessary legal knowledge and be familiar with the Company's operations and management. They shall be nominated by the chairman and elected by the Board. The main responsibilities of the legal and compliance committee are:

1. to understand the establishment and operation of the Company's legal and compliance systems;
2. to supervise and evaluate the Company's legal and compliance management work, and inspect the Company's compliance with laws and regulations;
3. to review the Company's organizational structure and responsibilities for legal governance, the annual legal and compliance work plan, and progress reports;
4. to perform other duties as required by laws and regulations, and the Company's "Legal and Compliance Committee Work Rules".

Article 5

The Company shall have independent non-executive directors. The selection, powers and responsibilities of independent non-executive directors shall be carried out in accordance with the relevant provisions of laws, administrative regulations, and the Listing Rules.

To fully leverage on the role of independent non-executive directors, in addition to the powers conferred upon directors by laws, regulations, normative documents and these Articles of Association, independent non-executive directors of the Company shall also have the following special powers:

- (1) related party transactions which require consideration by general meetings shall be submitted to the Board for discussion after approval by independent non-executive directors. Independent non-executive directors may engage an intermediary agency to issue an independent financial advisor report before making a judgment;
- (2) to propose to the Board the appointment or dismissal of an accounting firm;
- (3) to request the Board to convene an extraordinary shareholders' meeting;
- (4) to propose the convening of a board meeting;
- (5) to independently engage external auditing and consulting firms;
- (6) to publicly solicit shareholder voting rights before a general meeting.

The exercise of the above powers by independent non-executive directors shall require the consent of more than half of all independent non-executive directors.

Chapter 3 Functions and Powers of the Board of Directors

Article 6

The Board of Directors shall exercise the following functions and powers according to the Company Law, the Articles of Association and other provisions:

- (1) functions and powers of the Board of Directors as prescribed by the Company Law and the relevant laws and regulations;
- (2) matters that should be decided by the Board of Directors in accordance with the provisions of the Articles of Association, the Implementation Methods of Three Importance and One Large and the relevant rules and regulations of the management and control system of the company group;
- (3) to determine the setup, functions and powers, composition and working rules of specialised committees under the Board of Directors;
- (4) to study and consider the matters proposed by the chairman of the Board for consideration.

Article 7

Matters related to “important decisions, important personnel appointments and removals, important project arrangements and large-scale capital operations” (hereinafter referred to as “Three Importance and One Large”) shall be considered by the Party Committee of the Company as required before the study and consideration by the Board of Directors.

Article 8

In order to improve the efficiency of business decision making, the Board of Directors may, within the scope of its authority, delegate to the general managers of the Company the authority to make decisions on certain types of matters. After the delegation, the Board of Directors still assumes responsibility for the matters delegated. Delegation of authority for specific types of matters shall be done by giving a written authorization that specifies the matter to be authorized, the authorization, and the duration of the authorization, etc., and the duration of authorization shall not exceed the term of the Board of Directors (in principle, not more than 3 years). In addition, the Board office shall take the lead in establishing a mechanism for monitoring and tracking the matter authorized. Delegation of authority for specific decision-making shall be done by means of a resolution of the Board of Directors in accordance with law. Authorization for decision making shall be granted on a case-by-case basis and shall not be granted to other organizations or individuals in general or on a long-term basis.

Chapter 4 Directors and Related Personnel

- Article 9** The Directors shall make decisions on matters within the scope of authority of the Board of Directors and supervise the senior management through Board meetings and by other lawful means, thus earnestly safeguarding the legitimate rights and interests of shareholders and the Company. The Directors shall bear fiduciary and diligent duties to the shareholders and the Company, and shall not abuse their power and convenience in the Company to seek improper benefits. In accordance with the relevant regulations on state-owned assets supervision, for matters that indeed require advance decision by state-owned shareholders, the Directors nominated and recommended by them must complete the internal decision-making process of state-owned shareholders within five working days after receiving the proposal of the Board of Directors, and exercise voting rights at the meeting of the Board of Directors. The specific rights and obligations of the Directors shall be governed by laws, regulations, regulatory documents and the Articles of Association.
- Article 10** Directors are liable for the resolutions of the Board of Directors. Where a resolution of the Board is in violation of any laws, regulations, regulatory documents, the requirements of the Articles of Association and results in serious loss suffered by the Company, the Directors taking part in the adoption of resolution shall be liable for compensation to the Company. Directors who have been proved as having expressed dissenting opinions on the resolution which has been recorded in the minutes of the meeting may be exempted from such liability.
- Article 11** When the term of office of any Director is expired, in the event that the new Director is not elected in time, the incumbent Director shall continue to perform Director's duties in accordance with the relevant laws, regulations, regulatory documents and the Articles of Association until the new Director elected assumes office.
- In case of resignation or expiry of the term of office, a director shall still observe his obligation of confidentiality on the Company's trade secrets, and such obligation shall remain effective after the termination of his office and until such confidential information has entered the public domain without disclosure by such director. The duration of other obligations that the directors undertake to the Company and shareholders shall be determined with the principle of fairness and subject to the length of time between occurrence of the event and resignation and the circumstances and conditions under which the termination occurs.

- Article 12** The chairman of the Board is the primary responsible person for the effective operation of the Board, and is responsible for establishing and continuously improving the working system and working organization of the Board to promote the standardized and effective operation of the Board. The chairman of the Board shall be elected and removed by a simple majority of Directors. The chairman of the Board is the legal representative of the Company, who shall exercise the following functions and powers:
- (1) to preside over the general meetings and to convene and preside over meetings of the Board;
 - (2) to examine the implementation of resolutions passed by the Board;
 - (3) to sign the share certificates issued by the Company;
 - (4) to exercise other functions and powers conferred by the Board of Directors and the Articles of Association.
- Article 13** The chairman of the Board is responsible for evaluating the rationality of establishment of the specialised committees under the Board, effectiveness of operation and performance of the Board secretary, and may, if necessary, propose adjustments to the Board for discussion and voting.
- Article 14** The chairman of the Board is responsible for establishing a mechanism to monitor and inspect the implementation of resolutions to have full overview of implementation of the resolutions of the Board of Directors.
- Article 15** Under emergency circumstances in which it is impossible to convene a Board meeting in time, the chairman of the Board may exercise his special right of decision and disposal to the affairs of the Company in compliance with laws and regulations and in the interests of the Company and the rights and interests of its shareholders, and report forthwith to the Board of Directors afterwards.
- Article 16** External Directors shall perform their duties primarily through participation in meetings of the Board of Directors and its specialised committees. External Directors may participate in or attend meetings such as corporate workshops, seminars and work concluding sessions, participate in on-site research, inspect information documents, and communicate with relevant personnel of the Company to gain a timely, comprehensive and in-depth understanding of the Company's strategic planning, operation management, business development, financial position, risk management and other relevant information.

- Article 17** External Directors should ensure that they have sufficient time and energy to perform their duties effectively. The Company shall create conditions for and facilitate external directors to perform their duties, and the Board secretary shall be responsible for providing daily work support and service guarantee for external directors.
- Article 18** The Board secretary of the Company is a senior officer of the Company who shall be nominated by the chairman of the Board and appointed and removed by the Board of Directors. Generally, the Board secretary shall be assumed by a specially-appointed person to ensure that he/she has adequate time and energy required for performing his/her duty.
- Article 19** The Board secretary shall be responsible for communication between the Board of Directors and the general meeting, the Party Committee and managers.
- Article 20** The Company has established the Board office, which is the working body of the Board of Directors, with staff dedicated in accordance with the principle of competence and efficiency to ensure the effective operation of the Board of Directors and its specialised committees.

Chapter 5 Rules of Procedures of the Board of Directors

- Article 21** Discussion of matters of the Board of Directors shall be conducted by way of meeting. Board meetings can be regular meetings and extraordinary meetings.
- Article 22** Board meetings are named according to the session of the Board and order of meetings, and regular and extraordinary meetings are numbered consecutively.
- Article 23** Regular Board meetings shall be convened at least four times each year. Generally, the following matters shall be included in regular Board meetings:
- (1) annual business plans, investment plans, audit plans and work plans of specialised committees;
 - (2) annual financial budget and profit distribution;
 - (3) appraisal and remuneration of senior officers;
 - (4) annual work report of the general managers;
 - (5) annual report on law compliance, annual report on audit, annual work report of the Board of Directors, and annual report on the implementation of Board resolutions;

- (6) annual or quarterly financial analysis;
- (7) other matters which, in the opinion of the Board, should be included for consideration at regular meetings.

Article 24

Under any of the following circumstances, an extraordinary Board meeting is generally convened and presided by the chairman of the Board within 10 working days from the receipt of eligible proposal:

- (1) as proposed by the Party Committee;
- (2) as deemed necessary by the chairman of the Board;
- (3) as jointly proposed by three or more Directors;
- (4) as proposed by two or more independent non-executive Directors;
- (5) as proposed by shareholder(s) representing more than 10% of the voting rights;
- (6) as proposed by the general manager;
- (7) other circumstances specified in the Articles of Association.

Article 25

The Board meetings shall be held on-site or via video conference in principle. When necessary, as long as the Directors are able to fully express their opinion, and with the consent of the convener (chairperson of the meeting) and proposer, meetings may also be held by telephone, facsimile or email. In addition, on-site meeting and other means of meeting can be simultaneously adopted for the meeting of the Board.

The number of the attending directors shall be counted based on the directors present at the Board meeting in person, in the live video, expressing opinions on the phone, as well as on the valid votes delivered via fax, email or other means within the prescribed period or the written confirmation letters submitted by the Directors afterwards in confirmation of their attendance of the meeting.

In principle, Board meetings for the purpose of consideration of the decisions on the “Major Matters” shall be held in the form of physical meetings.

Article 26

Board resolutions shall be made in written form. If a Director is unable to sign on a resolution at a meeting, he/she shall responsively affix the written signature.

Article 27

A Board meeting may not be convened for the following matters, provided that written resolution will be issued by the Board of Directors:

- (1) matters of a procedural nature that are not within the authority of the Board of Directors pursuant to the Articles of Associate, the Implementing Methods of Three Importance and One Large and these Rules, or matters for which the Board of Directors has delegated authority to the management to decide, but for which a Board resolution needs to be issued externally;
- (2) matters for which the Board of Directors has held a meeting within the past year to resolve specific matters, and there has been no material change in the conditions and contents on which decisions are made, but a new Board resolution needs to be issued externally;
- (3) an application to bank for granting of credit limit (provided that the use of specific loans shall not be voted by means of written resolutions).

A Board resolution issued in writing requires unanimous approval of all Directors to be effective. Matters not to be voted by means of written resolution as required by the Listing Rules shall not be resolved by written resolution.

Article 28

The Board of Directors shall enhance the forward-looking and planning nature of Board meetings. The Board secretary is responsible for leading the Board office in soliciting discussion topics for regular Board meetings at the beginning of each year and formulating an annual plan on discussion topics.

Article 29

For subject matters included in the decision-making agenda of the Board, the proposers are responsible for preparing discussion materials and submitting them to the Board office. The Board secretary is responsible for reviewing the discussion materials. The subject matters submitted for consideration by the Board of Directors shall be subject to the relevant review and approval procedures of the Company.

For subject matters involving the immediate interests of employees, before the meeting, the trade union should be consulted, or the opinions of the employees should be solicited through employees' representative meetings. Matters involving legal issues shall be submitted in advance to the general legal adviser for legal review, and the general legal adviser shall issues an independent legal opinion or a written legal opinion. Matters involving financial issues shall be subject to prior financial audit procedures. Subject matters with unfulfilled necessary procedures or incomplete materials, or have problems with legal compliance, shall not be included in the discussion of the Board of Directors.

Except for subject matters proposed by the Company's Party Committee, all other subject matters shall be submitted to the chairman of the Board for approval after solicitation of opinions, departmental signatures, and review by the leaders and the general managers. Matters involving the "Three Importance and One Large" decision shall be submitted to the Company's Party Committee for consideration after approval by the chairman of the Board before the Board of Directors' decision.

Article 30

The Board office shall serve notice of the meeting to all Directors at least fourteen days before a regular meeting and at least five days before an extraordinary meeting. Such notice shall be copied to attendees. Directors shall inform the Company by telephone, facsimile, email, etc. whether he will attend the meeting three days before the meeting is convened. Notice of meetings shall be issued by the chairman of the Board and generally include the following:

- (1) the time, place and date of the meeting;
- (2) the manner of convening the meeting;
- (3) the reasons and subject matters;
- (4) the date of the notice;
- (5) the contact person and contact information.

The notice of Board meetings may be given by hand, facsimile, courier, email, etc. Where three or more Directors or the general managers of the Company propose(s) resolutions in respect of urgent matters after the notice of Board meeting is served but three days before the Board meeting is convened, such proposals may be treated as the supplemental or amended documents of the meeting materials, and be served to the Directors of the Company in writing by post or email, and be discussed, considered and resolved at the Board meeting. With consent by a simple majority of all Directors, the advance notice requirement may be waived, and such extraordinary Board meeting can be convened promptly as necessary.

Article 31

The documents, information and other materials provided to the Directors shall be true, accurate and complete so as to enable the Directors to have a timely, accurate and comprehensive understanding of the subject matters to be discussed at the Board meetings. If, prior to a Board meeting, a Director considers that the content of the agenda item is unclear or non-specific or the materials is insufficient, he/she may request the relevant department or personnel through the Board secretary for additional information or further explanation. When one-fourth or more of the Directors or two or more external Directors believe that the information is insufficient or argument concerning the issue is unclear, they may jointly propose to postpone the consideration of the topic, which shall be adopted by the Board of Directors. The Board office shall promptly send notice to the Directors and attendees upon receipt of a written request from the Directors to suspend part of the agenda of a Board meeting.

Article 32

Directors may obtain the information required for decision-making from the Board secretary, the proposer, members of the management level, relevant functional departments, persons in charge of enterprises, and the accounting and law firms appointed by the Company before the meeting.

For major investments and complex decisions-making, the Company may assist the Directors in understanding the situation by arranging special reports and on-site surveys for Directors, and if necessary, arrange relevant personnel and departments to report and communicate with the Directors in advance for any questions about the issue, so as to enhance the Directors' understanding of the issue to be decided and improve the scientific standard and efficiency of decision-making.

Article 33

More than half of the Directors shall form the quorum of Board meetings. Where a Director is unable to attend a meeting for any reason, he/she shall take leave of absence from the chairperson of the meeting and review the meeting materials in advance so as to submit a written proxy form indicating his/her voting preference to the proxy Director and the Board secretary prior to the meeting. Where a Director appoints another Director to attend the meeting, he shall indicate expressly on the written authorization the subject proposals for authorization and his own opinions therefor. The attorney shall produce the signed or sealed authorisation when attending the meeting and exercise his rights within the scope of authorisation. Any comment that the proxy wishes to make at the meeting should be provided in writing together with the proxy form. It is inappropriate for a Director to give a blank form of proxy, nor is a Director to delegate full power to the proxy. Authorisation shall be for one particular issue only. As a matter of principle, a Director may not accept proxies from more than two Directors are present at the meeting at any one time. A Director who attends a meeting in place of another Director shall exercise his/her powers within the scope of the authority delegated to him.

- Article 34** The general managers (if not a director) and secretary to the Board shall attend the Board meetings. The secretary of the discipline committee, the financial controller and the general legal adviser attend Board meetings in accordance with relevant regulations. Depending on the circumstances of the subject matter, and with the consent of the chairman of the Board, the secretary to the Board may notify other relevant persons to attend the Board meeting. Members of the Board of Directors of the Company and attendees shall not divulge the contents of Board meetings to any outsiders.
- Article 35** A Board meeting shall be convened and chaired by the chairman of the Board. If the chairman of the Board is unable to convene and chair the meeting for any reason, a Director jointly elected by the chairman or more than half of Directors shall convene and chair the meeting.
- Article 36** Each subject matter shall be considered individually at a Board meeting. The proposer must attend the meeting on time and report on the content of the subject matter. If the proposer cannot attend the meeting due to special reasons, he/she should apply for leave of absence from the chairperson of the meeting at least one working day before the meeting and appoint a deputy to report on his/her behalf.
- Article 37** The participating directors shall express their opinions or recommendations independently, objectively and prudently after carefully reading the relevant meeting materials and being briefed on the subject matter. In the case of a proxy, the proxy shall express the opinion of the appointer in addition to his/her own opinion. Where a subject matter has been considered by a specialized committee, the specialized committee shall submit written advice to the Board of Directors, which shall be read before the subject matter is discussed.
- The chairperson of the meeting is responsible for the effective maintenance of order at the meeting venue and the adequate protection of the rights of participating Directors to speak, discuss, inquire and vote. Before the members of the Board of Directors speak, it is generally not appropriate for the chairperson to express biased opinions.
- Article 38** Where a Director fails to attend a Board meeting or fails to appoint a proxy to attend such meeting, he shall be deemed to have abstained from voting at such meeting, but his liability to the relevant resolution is not thereby waived.
- Where a Director fails to attend two consecutive Board meetings in person or appoint another Director to attend or vote on the Board meetings without any reason, he shall be deemed to be unable to perform his duties, and the Board of Directors may accordingly propose to the general meeting for replacement.

Pursuant to the provisions of the Articles of Association, a Director who is unable to perform his duties shall not have voting rights on all proposed resolutions before his replacement at the general meeting. Any Director disqualified in accordance with the laws shall also have no voting rights.

Article 39

After full discussion of each subject matter, the chairperson of the meeting is responsible for promptly requesting the directors to vote. If more than one subject matters are to be decided at the meeting, each matter shall be voted on individually.

Article 40

Resolutions of Board meetings can be ordinary resolutions or special resolutions. An ordinary resolution of the Board of Directors must be approved by more than half of all Directors; a special resolution of the Board of Directors must be approved by more than two-thirds (including two-thirds) of all Directors.

The following matters shall be approved by special resolutions:

- (1) formulation of proposals for the increase or reduction of the registered capital of the Company;
- (2) formulation of proposals for the issue of the bonds of the Company;
- (3) formulation of proposals for merger, division or dissolution and change of company form of the Company;
- (4) formulation of proposals for amendments to the Articles of Association;
- (5) such other matters so stipulated by laws, regulations or the Articles of Association.

The resolutions of the Board shall truthfully reflect the voting of Directors at the meeting and summarise accurately and briefly the decisions made and the requirements set out in respect of the subject matters of the meeting by the Directors.

Each Director shall have one vote when voting on the resolution of the Board of Directors. There are three ways of voting, namely, voting in writing, voting by hands and verbal voting. The chairperson of the meeting shall determine the way of voting based on the subject matters for discussion.

The voting opinions of the directors are categorised as for, against or abstain. Directors shall choose only one opinion of the above; if a Director makes no choice or chooses two or above opinions at the same time, the chairperson of the meeting shall request him/her to make a choice or choose once again and deem as abstain shall he/she refuses; a Director who leaves the meeting halfway and fail to authorise another Director to vote on his/her behalf on any matter not yet discussed by the Board of Directors is also deemed as abstain, but his/her voting which has already been made shall be valid.

In principle, the meeting of the Board of Directors shall not consider subject matters not listed in the notice of the meeting. Under special circumstances, extraordinary matters may be considered and voted upon with the unanimous consent of all Directors of the Company.

Article 41

The Industry Expert Director shall be entitled to one-vote veto power on the following matters that require resolution by the Board of Directors: strategic planning, business plans and investment plans of the Company.

If the above matters are not approved when first considered, the matters, after revision, may be resubmitted to the Board of Directors for consideration. The Industry Expert Director shall not be entitled to one-vote veto power in the case of re-consideration.

Article 42

Directors shall attend Board meetings seriously and in a responsible manner and express clear opinions and suggestions for matters of the Company under discussion. Where there is conflict of interests between the Directors and the Company, they shall act in the best interest of the Company.

When a Director has related party relationship with an enterprise involved in the subject matter to be considered at a Board meeting, he/she shall withdraw from voting and submit a written explanation of the reasons for withdrawing to the Board secretary. Where any Director is required to withdraw from voting, the Board meeting may be held by the presence of a majority of the Directors with no related party relationship, and the resolutions made at the Board meeting shall be passed by the votes of the directors with no related party relationship in accordance with the voting mechanism stipulated in these Rules and the Articles of Association. Directors who are required to withdraw from voting shall not be counted in the quorum in the vote counting.

Article 43

When exercising his/her one-vote veto power, the Industry Expert Director should also state the reasons for their veto and propose changes to the subject. The one-vote veto power shall not be exercised without justifiable reasons to the detriment of the interests of the Company and all shareholders.

- Article 44** The Board of Directors shall make resolutions in writing on all matters considered and approved.
- Article 45** A resolution of the Board of Directors shall include at least the following:
- (1) the date, place, manner and name of chairperson of the meeting;
 - (2) the quorum, number of Directors present and the authorisation of proxy;
 - (3) the particulars of the resolutions passed and the voting results of each resolution (which shall include the number of votes for, against, abstaining from, or withdrawing from);
 - (4) the proceedings of meeting and validity and legality of votes;
 - (5) other matters that should be explained and recorded.
- A resolution of the Board of Directors shall be made at least in duplicate and shall be signed by Directors. The Board of Directors may, as needed, make Board resolutions either individually for each decision-making matter or in combination for matters considered at a single meeting.
- Article 46** Directors present at the meeting and those voting on behalf of other Directors shall sign the Board resolution. The Directors shall be responsible for the Board resolution. If a Director holds different opinion on the resolution, he or she may state so in writing when signing the resolution.
- Article 47** If there is a obvious disagreement or major dispute among the Directors present at the meeting regarding a subject matter, the chairperson of the meeting may, with the consent of a majority of all the Directors, announce the suspension of voting on the subject matter, and at the same time, expressly put forward requirements on the time limit for re-submission of the subject matter and the conditions to be satisfied.
- Article 48** The Board office is responsible for preparing Board resolutions and compiling minutes of meetings. The Directors present the meetings have the right to request their speeches made at the meetings be recorded in the minutes as explanatory notes. Directors have the rights of access to the minutes of meeting. If a Director objects to the minutes, he/she has the right to propose amendments, supplements or written explanations within three days after requesting to view the minutes. Other personnel may view the minutes with the consent of the chairman of the Board.

- Article 49** The Company shall keep archives of Board meetings. The archives shall include notices of meetings, proxies for Directors to appoint proxies to vote, meeting materials, minutes and resolutions confirmed by Directors' signatures, and audio and video recordings of meetings held by video conference or teleconference, and original facsimile copies and emails of voting. The minutes and resolutions of Board meetings shall be kept permanently.
- Article 50** The chairperson of the meeting may decide to collect meeting documents and materials at the end of the Board meeting based on the need for confidentiality.
- The Directors and personnel attending the meeting shall properly keep the meeting documents and bear the responsibility and obligation to keep the meeting documents and the contents of the meeting resolutions confidential before the contents of such resolutions of the meeting are officially disclosed.
- Article 51** The Board of Directors is responsible for establishing a mechanism to monitor and review the implementation of resolutions. The Board secretary is specifically responsible for the follow-up and monitoring of the Board resolutions and shall report the progress to the Board on a regular basis. If a Board resolution cannot be implemented or become unnecessary to be implemented due to a change in circumstances, the Board secretary shall report to the Board in a timely manner, and the chairman of the Board shall decide whether to refer the matter to the Board for reconsideration and result in a change of resolution based on the circumstances. The Board secretary shall summarise and analyse the annual implementation of the resolution and make recommendations to the Board.
- After the Board of Directors has made a resolution, the Board office shall inform on and make known the contents of the Board resolution. Directors who hold opposing opinions during voting of the Board of Directors shall obey and implement the decision made by the Board of Directors and shall not act in contradiction in the course of implementation or act according to their personal wish.
- Article 52** After the resolutions are passed by the Board of Directors, the general managers shall organise and implement the resolutions which fall within their functions and powers or which the Board authorises the general managers to do so, and shall report to the chairman of the Board or the Board of Directors on the implementation of the resolutions. For other matters, the Board office shall urge relevant personnel to implement the resolution of the Board of Directors, follow up on the implementation of the resolution, and report the implementation of the resolution to the chairman of the Board.

Article 53 Any person who violates these Rules and causes significant losses or serious consequences shall be held accountable in accordance with relevant regulations. Those suspected of committing crimes shall be dealt with in accordance with relevant national laws and regulations.

Chapter 6 Supplemental Provisions

Article 54 Where any matter is not covered by these Rules or where these Rules are inconsistent with the laws, regulations and regulatory documents, and the Articles of Association, those laws, regulations, and regulatory documents shall prevail.

Article 55 These Rules are interpreted by the Board office.

Article 56 The Board of Directors shall formulate these Rules and Procedures, which shall become effective and be implemented upon approval at a general meeting.