

# XINHUA WINSHARE PUBLISHING AND MEDIA CO., LTD.

## Board Meeting Rules

(Approved and became effective at the inauguration meeting, being the first shareholders' general meeting of the Company on 13 May 2005, and amended for the fifth time at the annual general meeting of the Company in 2019 held on 21 May 2020)

### CHAPTER I GENERAL PROVISIONS

- Article 1 These rules of procedures are formulated by Xinhua Winshare Publishing and Media Co., Ltd. (the "Company") in accordance with *the Company Law of the People's Republic of China* 《(中華人民共和國公司法)》 (the "Company Law"), *the Code of Corporate Governance for Listed Companies in China* 《(上市公司治理準則)》, *the Articles of Association of Xinhua Winshare Publishing and Media Co., Ltd.* 《(新華文軒出版傳媒股份有限公司章程)》 (the "Articles of Association") and provisions of other relevant laws, regulations and regulatory documents, by reference to *the Model Rules of Proceeding for the Board of Listed Companies issued by Shanghai Stock Exchange* 《(上海證券交易所上市公司董事會議事示範規則)》, to further improve the corporate governance structure, safeguard the independent, standardized and effective execution of duties of the directors (the "Directors") and the board of directors (the "Board") of the Company under the law so as to ensure the working efficiency and scientific decision-making of the Board.
- Article 2 The Board shall be accountable to the shareholders' general meetings (the "General Meetings").

### CHAPTER II COMPOSITION AND POWER OF THE BOARD

- Article 3 The Board comprises of nine (9) Directors, at least on third of which are independent non-executive Directors and more than one twice are external Directors (refer to Directors who do not hold an office in the Company). Among them, at least one of the independent non-executive Directors shall be a professional accountant and at least one of the independent non-executive Directors shall be ordinarily resident in Hong Kong as required by the Hong Kong Listing Rules. The members of its Board may include staff representatives.
- Article 4 The Board shall have one chairman, and may have vice chairman or vice chairmen. The chairman and vice chairman or vice chairmen shall be appointed and dismissed by more than 50% of all the Directors by election.
- Article 5 The Board carries out the following duties and powers:

- I. To convene General Meetings and report its work to the General Meetings.
- II. To implement the resolutions of General Meetings.
- III. To decide on the Company's business plans and investment plans.
- IV. To formulate the Company's plans on annual financial budgets and final accounts.
- V. To formulate the Company's profit distribution plans and plans on making up losses.
- VI To formulate the plans for increase or decrease of the registered capital of the Company and the plans for issue, listing or voluntary de-listing of the bonds or other securities issued by the Company.
- VII To formulate plans for material acquisition by the Company, acquisition of the Company's stock, merger, division, dissolution and alteration of corporate form of the Company.
- VIII To determine the matters about external guarantees other than requiring approval of the General Meeting, in accordance with any applicable law and regulation, securities listing rules of the stock exchange on which the company's shares are listed (the "Listing Rules"), the Articles of Association and/or these rules.
- IX. To determine the matters about transactions of the Company which meet one of the following criteria (except connected transactions, to which the Rules for Connected Transactions of Xinhua Winshare Publishing and Media Co., Ltd. 《(新華文軒出版傳媒股份有限公司關聯交易制度)》 is applicable), in accordance with any applicable law, regulation, the Listing Rules, the Articles of Association and these rules:
  - (I) a single operating capital of external investment projects with a value exceeding 5% and below 25% of the latest audited net assets of the Company.
  - (II) a single amount of borrowing with a value exceeding 5% and below 10% of the latest audited net assets of the Company.
  - (III) other transaction matters required to be determined by the Board of the Company or to be disclosed and announced in accordance with any applicable law, regulation, regulatory documents, the listing rules of the stock exchange on which shares of the Company are listed.

Item (I) above is applicable to purchase of equity interest, stocks, shares and bonds.

- X. To determine matters including external investment, acquisition and disposal of assets, pledge of assets, external guarantees, designated financial management and connected transactions of the Company, etc, in accordance with any applicable law, regulation, the Listing Rules, the Articles of Association and these rules and within the authorization of the General Meeting.
- XI. To determine the establishment of the Company's internal management structure.
- XII. To appoint or remove the general manager, secretary to the Board of the Company, and to appoint or remove the deputy general manager, chief financial officer and other senior management of the Company upon nomination by the general manager and to decide on their remunerations, rewards and punishments.
- XIII. To formulate the basic management system of the Company.
- XIV. To formulate proposals for amendment to the Articles of Association.
- XV. To manage information disclosure of the Company.
- XVI. To propose the appointment or removal of the Company's auditors to the General Meetings.
- XVII. To hear the work report and inspect the work of the general manager of the Company.
- XVIII. To appoint or remove other key management personnel other than the senior management of the Company upon nomination by the general manager and to decide on their remunerations.
- XIX. To exercise other powers conferred by any applicable law, regulation, the Listing Rules, the Articles of Association, these rules and/or the Board and the General Meetings.

Except for the Board resolutions in respect of the matters specified in items VI, VII and XIV of this Article which shall be passed by not less than two-thirds of the Directors who are not connected with the matter, the Board resolutions in respect of all other matters may be passed by the affirmative vote of a simple majority of the Directors who are not connected with the matter (Item VIII shall be passed by over two-thirds of the Directors of the Company who are present at the meeting).

Article 6 In cases 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 set out in the latest balance sheet considered by the General Meeting, the Board shall not dispose or consent to dispose such fixed assets without prior approval by the General Meeting.

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

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

Article 7 The Chairman of the Board is entitled to the following powers:

- I. To preside over General Meetings and to convene and preside over Board meetings.
- II. To supervise and check on the implementation of resolutions of the Board.
- III. To sign the securities certificates issued by the Company.
- IV. To determine the external investment as well as borrowings issues of the Company in accordance with any applicable law, regulation, the Listing Rules, the Articles of Association and these rules and within the following scope:
  - (I) a single operating capital of external investment projects with a value exceeding 2.5% and below 5% of the latest audited net assets of the Company.
  - (II) a single amount of borrowing with a value exceeding 1% and below 5% of the latest audited net assets of the Company.

Item (I) above is applicable to purchase of equity interest, stocks, shares and bonds.
- V. To represent the Company to deal with single business transaction in an amount exceeding RMB10 million and enter into contract in relation thereof, in accordance with any applicable law, regulation, the Listing Rules, the Articles of Association and these rules.
- VI. To exercise the powers of the legal representative.
- VII. In case of emergency circumstances of force majeure events such as extraordinary natural disasters, to exercise special disposal powers which are in compliance with any applicable law, regulation, the Listing Rules and the Articles of Association and are in the interests of the Company on matters of the Company and provide post-event reports to the Board and the General Meeting.
- VIII. To exercise other powers conferred by any applicable law, regulation, the Listing Rules, the Articles of Association, these rules, the Board and/or the General Meetings.

Article 8 The Vice Chairman or Vice Chairmen shall assist the Chairman. If the Chairman of the Board is unable to or does not perform his/her duties, the Vice Chairman shall perform his/her duties (should the Company have two or more vice chairmen, the Vice Chairman jointly elected by not less than half of the members of the Board shall perform the duties of the Chairman); where the Vice Chairman is unable to or does not perform his/her duties, a Director jointly elected by not less than half of the members of the Board shall perform the duties of the Vice Chairman.

Article 9 The Audit Committee and the Remuneration and Review Committee and Nomination Committee shall be established by the Board of the Company. The Audit Committee shall comprise at least three (3) Directors, who shall be non-executive Directors only. The majority of the Audit Committee shall be independent non-executive Directors and at least one of them shall acquire appropriate professional qualifications, or accounting or related financial management expertise as required by the Hong Kong Listing Rules. The convenor shall be an independent non-executive Director and a professional accountant. The Remuneration and Review Committee shall comprise at least three (3) Directors, with a majority of its members being independent non-executive Directors and one of them acting as the convenor. The Nomination Committee shall comprise at least three (3) Directors, with a majority of its members being independent non-executive Directors and one of them acting as the convenor.

The Strategy and Investment Planning Committee and the Editorial and Publication Committee may also be established by the Board as required.

The main responsibilities of the Audit Committee are: (1) to recommend the engagement or removal of external audit institutions; (2) to supervise the internal audit system and its enforcement; (3) to be responsible for the communications between internal audit and external audit; (4) to audit the Company's financial information and its disclosure; (5) to review the Company's internal control system; (6) to implement controlling and daily management of the connected transactions; and (7) to perform other duties designated by any applicable law, regulation, the Listing Rules and/or the Board and the General Meetings.

The main responsibilities of the Remuneration and Review Committee are: (1) to examine the assessment criteria of Directors and managers, conduct assessment and provide recommendations; and (2) to examine the remuneration policies and packages applicable to the Directors and senior management officers; and (3) to perform other duties designated by any applicable law, regulation, the Listing Rules and/or the Board and the General Meetings.

The main responsibilities of the Strategy and Investment Planning Committee are to examine and advise on the Company's long-term development strategies and major investment decisions, and to perform other duties designated by any applicable law, regulation, the Listing Rules and/or the Board and the General Meetings.

The main responsibilities of the Nomination Committee are: (1) to formulate the standards and procedure for selecting Directors, managers, and making proposals in connection therewith; (2) to identify for competent candidates of Directors and managers; (3) to evaluate candidates of Directors and managers, and to make proposals in connection therewith; (4) to assess the independence of independent non-executive Directors; and (5) to perform other duties designated by any applicable law, regulation, the Listing Rules and/or the Board and the General Meetings.

The main responsibilities of the Editorial and Publication Committee are to examine and advise on material matters about the Company's editorial and publication businesses, and to perform other duties designated by any applicable law, regulation, the Listing Rules and/or the Board and the General Meetings.

The special committees may engage intermediaries for professional advice. The expenses incurred there from shall be borne by the Company.

Each of the special committees shall report to the Board and submit its proposals to the Board for consideration and approval.

Article 10 The Company shall have a secretary to the Board, which shall be accountable to the Board.

### **CHAPTER III CONVENING BOARD MEETINGS**

Article 11 Regular meetings of the Board shall be held at least four times a year, with about once a quarter, including an interim meeting and an annual meeting:

- I. The interim meeting shall be convened within sixty (60) days after the end of the first six months of the Company's accounting year or at such other time as deemed appropriate by the Board, primarily to consider the Company's interim result, interim work report and other related matters.
- II. The annual meeting shall be held within three (3) months after the end of the accounting year of the Company, primarily to consider the Company's annual result and the matters to be submitted to the Annual General Meeting. The time of the annual meeting of the Board shall ensure that the Annual General meeting be held successfully within six (6) months after the end of the Company's fiscal year.

Article 12 Meetings of the Board shall be convened by the chairman. All Directors, supervisors and general manager are to be notified in writing fourteen (14) days before the meeting.

Article 13 Under one of the following circumstances, the Chairman of the Board shall convene and chair a special Board meeting within ten (10) days after the proposal is received:

- I. when it is jointly proposed by not less than 10% of the Directors.
- II. when not less than one-third of the Directors jointly propose.
- III. when the Supervisory Committee requests.
- IV. when the Company's general manager requests.
- V. when not less than half of the independent non-executive Directors jointly propose.
- VI. when the Chairman considers necessary.
- VII. when securities regulatory authorities request.
- VIII. when any law, regulation, the Listing Rules and/or the Articles of Association considers appropriate.

Article 14 Where an extraordinary meeting is proposed in accordance with provisions as set out in the preceding Article, a written proposal signed (stamped) by such proposer is to be submitted, either through the Board office or directly to the chairman of the Board. The written proposal is to include:

- I. names of the proposers.
- II. reasons or objective grounds for the proposal.
- III. time or duration, venue and method of meeting proposed.
- IV. definite and specific motions.
- V. contact methods of the proposer Supervisors and date of proposal.

The contents of the proposal shall be within the terms of reference of the Board specified in the Articles of Association, and the relevant materials relating to the proposal shall be submitted together with the proposal.

The Board office shall forward the above-mentioned written proposal and relevant materials to the Chairman on the same day upon receipt. The Chairman may require the proposer to make amendments or provide supplements if he/she is of the opinion that the content of the proposal is not clear or specific or the relevant materials are not adequate.

Subject to any applicable law, regulation, the Listing Rules and the Articles of Association, The Chairman shall notify all of the Directors about the extraordinary Board meeting three (3) days beforehand. In case of emergency, the manner of notification for the meeting as specified under the preceding paragraph shall not apply; however, a reasonable notice shall be issued.

Article 15 The notice of Board meetings shall include the following:

- I. the venue, date and time of the meeting.
- II. the form of the meeting.
- III. the duration of the meeting.
- IV. the meeting procedure, subject and agenda.
- V. convener and chairman (the “Chairman”) of the meeting and the proposer of an extraordinary meeting and his/her written proposal.
- VI. the documents necessary for Directors’ consideration for voting.
- VII. the requirement of Directors to attend in person or by proxy of other Directors.
- VIII. the contact person and contact method.
- IX. the date of the notice was issued.

Verbal meeting notice shall at least include items (I) and (II) above and the explanation of the emergency of holding extraordinary board meeting.

Article 16 Notice of a meeting of the Board may be delivered in person, by facsimile, email, express delivery service, registered mail or other means, to all Directors and supervisors, general manager and secretary to the Board of the Company. If the notice is not sent by direct delivery, Directors may be contacted through telephone to confirm receipt of such notices, and the confirmation of which is to be recorded. When it is necessary to convene an extraordinary meeting of the Board due to emergency, notice may be given by telephone or otherwise verbally at any time, provided that the convener should make necessary explanations at the meeting.



- Article 17 A notice shall be delivered by the Board to all Directors within the time limit stipulated herein, together with sufficient information, including the relevant background information concerning the agenda and other information and data which may help the Directors understand the business progress of the Company. If 1/4 or more of the Directors or two (2) or more external Directors or two (2) or more independent non-executive Directors think that the information is insufficient or the elaboration is unclear, they may jointly propose to the Board to postpone the Board meeting or review relevant matters at a later time, and the Board shall adopt such proposal.
- Article 18 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 withdraw any proposal to or from the meeting, subject to any applicable law, regulation, the Listing Rules and the Articles of Association, a written notice for such changes shall be sent three (3) days before the date originally scheduled for the meeting providing explanations and details of the new proposals and the relevant documents. If the notice of change is sent less than three (3) days, the date of meeting shall be postponed accordingly unless unanimously approved by all the participating Directors.
- Article 19 If, after the notice of an extraordinary Board meeting is sent, it is necessary to change the time, venue, etc. of the meeting or add, change or withdraw any proposal to or from the meeting, prior consent of all participating Directors must be sought and proper records shall be maintained.
- Article 20 The meetings of the Board may be held by way of on-site meetings or telecommunication meetings such as telephone conferences, video conferences, written resolution meetings or by any other means of telecommunications, in accordance with all applicable laws, regulations, the Listing Rules, the Articles of Association and these rules.

If the meetings of the Board are telephone conferences or video conferences, it shall be ensured that the participating Directors are able to hear clearly other Directors' speeches and are able to communicate with each other. Sound records and video records shall be made for such meetings and kept permanently. Where the Directors are not able to sign the meeting minutes immediately at such meetings, they shall cast their votes orally and complete the signing on written resolutions as soon as possible. Oral voting by the Director shall have the same effect as signature in writing, but the signature in writing shall be consistent with the earlier oral voting at the meetings. If there is any discrepancy between such signature and oral voting, the oral voting shall prevail.

Subject to any applicable law, regulation, the Listing Rules, the Articles of Association and these rules, under emergency, the meetings of the Board may be held by way of written resolution meetings, which means the proposals are served, separately or in sequence, to the Director for their review and resolution, and the Director shall state clearly their affirmative or negative opinions on the resolutions. Where a written resolution meeting is to be held, the notices of voting shall state the time limit for the voting, which shall be no shorter than five (5) days following the day of service of such notices, unless all the Directors agree to waive in writing the time limit requirement of such notices. If the Directors vote in advance, they are considered to waive the time limit requirement of such notices.

Article 21 The meeting of the Board shall be held only when over half of the Directors attend the meeting. If the quorum of the meeting cannot be met as a result of Directors' refusal to attend or absence without reasons, the Chairman of the Board and the Secretary of the Board shall timely report such circumstances to the regulatory authority.

Supervisors may attend Board meetings as non-voting attendees. The general manager and the secretary of the Board who do not serve concurrently as Director shall attend Board meetings as a non-voting attendee. If considered necessary, the chairman of the meeting may notify other relevant persons to attend the meeting as non-voting attendees.

Article 22 Directors shall attend Board meetings in person. If they for some reason cannot attend, they may review the materials to be tabled at the meeting in advance and formulate their views for submission at the meeting by other Directors appointed by them as proxy in writing.

The power of attorney shall specify:

- I. the names of the principal and proxy.
- II. brief opinion on each proposal.
- III. scope of authorization and instructions for voting on the proposals.
- IV. signature of the principal, and date etc.
- V. term of the power of attorney.

Where any Director signs the written confirmation for regular reports by proxy, the said Director shall specify such authorization in the power of attorney.

The proxy Director shall submit the written power of attorney to the chairman and explain the proxy attendance in the attendance book of the meeting.

The Director attending the meeting by proxy shall exercise the rights as granted by the principal. Should a Director fails to attend a meeting of the Board either in person or by proxy, the said Director shall be deemed as having waived his/her right to vote at the meeting.

Article 23 Proxy attendance at Board meetings shall follow the principles below:

- I. where related party transactions are considered, a non-related Director shall not appoint a related Director to attend the meeting on his/her behalf; a related Director shall not accept the appointment of a non-connected Director.
- II. an independent non-executive Director shall not appoint a non-independent Director to attend the meeting on his/her behalf and a non-independent Director shall not accept the appointment by an independent non-executive Director.
- III. a Director shall not give any other Director carte blanche to attend the meeting and vote on his/her behalf without providing his/her own opinions and voting intent on the proposals, and the relevant Director shall also not accept the carte blanche or any appointment not well defined.
- IV. a Director shall not accept the appointment by more than two Directors, and a Director shall also not appoint any Director who has been appointed by two other Directors to attend the meeting on his/her behalf.

Article 24 If any Director fails to attend Board meetings in person or by proxy in accordance with relevant laws, regulations, the Listing Rules, the Articles of Association and/or these rules for two (2) consecutive times, or if any independent non-executive Director has not attended Board meetings in person for three (3) times consecutively, the Board shall propose to the General Meeting to replace the said Director or independent non-executive Director.

#### **CHAPTER IV REVIEW, VOTING AND RESOLUTION OF THE BOARD**

Article 25 The chairman of the meeting is to announce commencement of the meeting at the scheduled time and report the number of attendees in person or by proxy.

Article 26 A Board meeting is to be presided over by the chairman of the meeting, and the proposer or relevant person is first to make statement on proposals to be discussed.

The Board meetings are to adopt democratic discussions and fully respect opinions of every Director.

In order to fully understand the key points and situation of every proposal, the Board meeting may require person-in-charge from relevant departments of the Company to be present at the meeting and attend to questions concerned.

Article 27 Regarding any proposal requiring prior consent of independent non-executive Directors, the written consent formed by the independent non-executive Directors is to be read out by a designated independent non-executive Director before the relevant proposal is discussed thereat.

The chairman of Board meeting shall promptly prevent any Director from hindering the normal progress of the Board meeting or interrupting another Director who is making a speech.

Without unanimous consent by all attending Directors, resolution not contained in the notice of the meeting may not be put to vote at a Board meeting. A Director acting as a proxy of another Director may not vote on behalf of any other Director on any resolution not contained in the notice of the meeting.

Article 28 The meeting chairman is to seek explicit opinions on each proposal from the attending Directors.

Article 29 The Directors are to carefully read the materials to be tabled at the meeting and express their well-informed, independent and discreet opinions.

The Directors may, before the meeting, inquire about information necessary for decision making from relevant persons or institutions, such as the office of the Board, the convener of the meeting, managers of the Company and other senior management, special committees, accounting firms or law firms, and may, while the meeting of the Board is underway, suggest the chairman of the meeting to invite the aforesaid persons or institutions to give explanations thereat.

Article 30 Meeting of the Board is to vote on each proposal respectively, and this means voting is to start after each proposal has been considered. A proposal may not be put to vote unless the previous one is voted.

Article 31 After adequate discussion, the chairman of the meeting is to put each resolution to the vote of the attending Directors. Each Director has one vote. The meeting of the Board may be voted by show of hands or by ballot, but the specific method is to be determined by the chairman of the meeting. All attending Directors are to vote for or against proposals or abstain from voting.

Any attending Director has to select one of the above choices. If any Director does not make any choice or selects two or more choices, the chairman of the meeting is to require the Director to make his/her choice again, or else the Director is to be deemed to have abstained from voting. Any Director who has left the meeting without making any choice is deemed to have abstained from voting.

Article 32 A Director who is connected with enterprises involved in any proposal to be resolved at the meeting of the Board may not vote, in person or as proxy of another Director, on such proposal. The meeting of the Board may be convened by half or above of the unconnected Directors attend and resolutions adopted are to be passed by half or above of the unconnected Directors. Where the number of unconnected Directors attending the meeting falls below three (3), the proposal is to be submitted to the General Meeting for consideration.

Article 33 Unless otherwise provided in any applicable laws, regulations, the Listing Rules, the Articles of Association and/or these rules, resolutions made by the Board may only be passed by half or above of the unconnected Directors. If different resolutions conflict with each other, in terms of content or implication, the resolutions passed at the latter time are to prevail.

Article 34 After voting of the attending Directors, the Company's securities affairs representative and the Board office staff are to collect ballots cast by the Directors without delay, and ballots are to be counted by the secretary to the Board under the supervision of a supervisor or independent non-executive Director.

Where the meeting is held on-site, the chairman is to announce the statistics on-site; in other circumstances, the chairman is to require the secretary to the Board to announce the voting result before the next workday after the prescribed voting deadline.

The ballots cast by Directors after the time when the chairman announces the voting result or after the prescribed voting deadline may not be counted.

If any resolution is not passed, the same resolution may not be considered by the Board meeting within one (1) month unless the relevant conditions and factors have changed significantly.

Article 35 If more than half of the attending Directors or more than two independent non-executive Directors are of the view that the relevant proposal is not clear or specific, or the materials provided are inadequate and that no judgment can be made thereon, the chairman of the meeting is to demand a suspension of voting on the said proposal. A Director proposing suspension of a proposal is to state the specific information required for resubmission of the proposal.

Article 36 Resolutions of the Board meeting are subject to announcement and relevant procedures in accordance with any applicable laws, regulations, codes, the Listing Rules, and/or the Articles of Association. Prior to announcement of the resolutions, the attending Directors, non-voting attendees, recorder and service personnel are obliged to keep the content of the resolutions confidential.

Article 37 The chairman shall urge the staff to implement the resolutions of the Board, examine the implementation thereof and notify the implementation of resolutions that have been formed at the following meetings of the Board.

## CHAPTER V MINUTES OF THE MEETING OF THE BOARD

- Article 38 The meeting of the Board is required to keep minutes, which at least include the following:
- I. the session, time, place and form of the meeting.
  - II. the sending of the meeting notice.
  - III. the convener and the chairman of the meeting.
  - IV. the attendance of Directors, in person or by proxy, of the meeting.
  - V. the proposals reviewed in the meeting and the speech points and main opinions concerning relevant matters and the voting intention for the proposals of each Director.
  - VI. the voting form and voting result of each proposal (the specific voting numbers of for, against and abstention is to be stated).
  - VII. other matters that the attending Directors consider necessary to be recorded.

Article 39 Directors who attend the Board meeting are to sign the minutes and resolutions of the meeting. Attending Directors have the right to demand explanation of their speech at the meeting be recorded in the minutes. Any Director who has different views on the meeting minutes or resolutions may make a written explanation when signing the minutes; when necessary, he/she shall report it to the regulatory authorities without delay; he/she may also make a public statement. Where any Director fails to sign for confirmation as provided in the foregoing provision, to make a written explanation on his/her different views, to report it to the regulatory authorities or to make a public statement, he/she is deemed to have fully agreed with the contents of the meeting minutes and resolutions.

Meeting minutes of the Board are to be complete and true, and to include, in sufficient detail, matters considered and decisions reached thereat, including any concerns raised or dissenting views expressed by the Directors. The secretary to the Board is to seriously record and organize matters discussed at the meeting.

Meeting minutes of the Board are to be properly kept as important records of the Company, so that they may serve as important basis for clarifying Directors' responsibilities in future.

Meeting minutes of the Board are to be kept by the secretary to the Board as the Company's archives for a period of no less than ten (10) years.

Article 40 Archives of the meeting of the Board include the notice of the meeting, meeting materials, attendance book, power of attorney for Directors to attend the meeting on behalf of others, sound recordings, voting ballots, minutes signed by Directors attending the meeting, resolutions of the meeting and announcement of the resolutions, etc., which are to be kept by the secretary to the Board.

Archives of the meeting of the Board are to be kept for at least ten (10) years.

Article 41 Directors are to sign the resolution of the Board meeting and assume responsibilities thereto. Directors, who participate in resolutions that cause serious loss to the Company due to violation of laws, regulations, the Listing Rules, the Articles of Association and/or these rules, are liable to reimburse the Company. However, if it can be proven that a Director expressly objected to such resolutions during voting, and that such objection is recorded in the minutes of the meeting, such Director may be released from such liability.

## **CHAPTER VI SUPPLEMENTAL PROVISIONS**

Article 42 In these rules, the term “related party” is to be interpreted in accordance with the Listing Rules, as amended from time to time. Other than this, unless otherwise specified in the context, all the terms used herein have the same meanings as those in the Articles of Association.

Article 43 For matters not covered under these rules, or in case of any inconsistency between these rules and relevant applicable laws, regulations, rules, the Listing Rules and/or the Articles of Association (as promulgated from time to time), the relevant laws, regulations, rules, the Listing Rules and/or the Articles of Association are to prevail.

Article 44 These rules, once adopted by the Company’s General Meeting, will become effective from the date on which the A shares publicly issued by the Company are listed on Shanghai Stock Exchange.

Article 45 These rules are to be construed by the Board. Any amendments to these rules are subject to review and approval by special resolutions at the Company’s General Meeting.