



**Guotai Junan Securities Co., Ltd.**

**國泰君安證券股份有限公司**

*(A joint-stock company incorporated in the People's Republic of China with limited liability)*

## **ARTICLES OF ASSOCIATION <sup>1</sup>**

(Amended under the authorization of the 2023 annual general meeting,  
the 2024 second A share class meeting and the 2024 second H share class meeting  
of the Company on 21 May 2024)

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*Note 1: this document has Chinese and English versions and the Chinese version shall prevail.*

## CHAPTER 1 GENERAL PROVISIONS

Article 1 These Articles of Association (the “Articles of Association”) are formulated 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 Guidelines for Articles of Association of Listed Companies, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”) and other relevant provisions, to safeguard the legitimate rights and interests of Guotai Junan Securities Co., Ltd. (the “Company”), its shareholders and creditors, and to regulate the organization and activities of the Company.

Article 2 The Company is a joint stock limited company established in accordance with the Company Law, the Securities Law and other relevant provisions.

The Company was established in Shanghai as a joint stock limited company on 18 August 1999 by way of promotion through the merger of Guotai Securities Co., Ltd. and Junan Securities Co., Ltd. with the approval of the China Securities Regulatory Commission (the “CSRC”) under the Reply on Approval of the Merger of Guotai Securities Co., Ltd. and Junan Securities Co., Ltd. and the Establishment of Guotai Junan Securities Co., Ltd. (Zhengjian Jigou Zi [1999] No. 33) (關於同意國泰證券有限公司和君安證券有限責任公司合併及籌建國泰君安證券股份有限公司的批覆(證監機構字[1999]33號文)) and the Reply on Approval of the Establishment Proposal of Guotai Junan Securities Co., Ltd. (Zhengjian Jigou Zi [1999] No. 69) (關於同意國泰君安證券股份有限公司籌建方案的批覆(證監機構字[1999]69號文)). The Company was registered with and obtained a Business License for Enterprise Legal Person by the Shanghai Administration for Industry & Commerce. The Company’s business license number upon its establishment was 310000000071276.

Article 3 As approved by the CSRC on 9 June 2015, the Company initially issued 1,525,000,000 RMB-denominated ordinary shares (the “A Shares”) to the public which was listed on the Shanghai Stock Exchange on 26 June 2015.

As approved by the CSRC on 13 March 2017, the Company issued 1,040,000,000 overseas listed foreign shares (the “H Shares”) which were listed on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) on 11 April 2017.

As a result of the partial exercise of Over-allotment Option by the Joint Representatives on 28 April 2017 according to the resolution approved on the first extraordinary shareholders’ general meeting in 2016 and the approval by the CSRC, the Company additionally issued an 48,933,800 H Shares which were listed on 9 May 2017.

As approved by the CSRC, the Company issued 194,000,000 H Shares on 17 April 2019 which were listed on the Hong Kong Stock Exchange on 18 April 2019.

Article 4 The registered name of the Company is 國泰君安証券股份有限公司

The English name of the Company is GUOTAI JUNAN SECURITIES CO., LTD.

Article 5 Address of the Company: No. 618, Shangcheng Road, China (Shanghai) Pilot Free-Trade Zone; Postal code: 200120. Telephone number: 86-21-38676666; Fax number: 86-21-38670666.

Article 6 The registered capital of the Company is RMB8,903,730,620.

Article 7 The Company is a joint stock limited company with perpetual existence.

Article 8 The chairman of the board of directors shall be the legal representative of the Company.

Article 9 Total assets of the Company are divided into shares with same par value per share. Shareholders shall assume their liabilities to the extent of their respective subscribed shares in the Company, and the Company shall be liable to the extent of its total assets for its debts. The Company may invest in other limited liability companies and joint stock limited companies. It shall be liable to the extent of the amount of its investments for such invested companies.

Article 10 In accordance with the Constitution of the Communist Party of China (“CPC”), the Company Law, Regulations on the Work of the Communist Party of China for its Grassroots Organizations at State-owned Enterprises (Trial) and other relevant provisions, the Company shall provide necessary support through establishing a CPC organization and developing working organizations of the Party with a certain number of full-time or part-time Party workers, and guarantee the working funds for Party organizations to facilitate the CPC organizations’ activities. The Party Committee shall play a leading role to maintain strategic directions, manage the overall situation and ensure effective implementation in the Company. When making decisions on material matters of the Company, especially significant operation and management matters involving national macro-control, national development strategies and national security, the board of directors shall consider the opinion of the Party Committee of the Company first.

Article 11 The Articles of Association shall, from the date when it comes into force, constitute a legally binding document regulating the organization and activities of the Company, the rights and obligations between the Company and each shareholder and among the shareholders, and shall be binding on the Company and its shareholders, directors, supervisors and senior management. All aforementioned persons shall be entitled to claim their rights regarding matters related to the Company in accordance with the Articles of Association. Shareholder may sue other shareholders, and shareholders may sue directors, supervisors, president and other senior management of the Company. Shareholders may sue the Company and the Company may sue the shareholders, directors, supervisors, president and other senior management of the Company according to the Articles of Association.

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

Article 12 “Senior management” in the Articles of Association refers to the president, vice president, chief financial officer, chief risk officer, chief compliance officer, secretary to the board of directors of the Company, chief legal counsel, chief auditor, and other personnel resolved by the board of directors to hold important positions and meet the qualifications required by laws, regulations and rules of the CSRC.

**CHAPTER 2 BUSINESS SCOPE AND OBJECTIVES**

Article 13 The operation objectives of the Company: to adhere to the business philosophy of “integrity, responsibility, affinity, professionalism and innovation”, to practice the mission of “creating value through providing financial services”, and to strive to realize the development vision of “becoming a prestigious modern investment bank with an overall leading position and international competitive edge”.

Article 14 The Company shall adhere to compliance operation, integrity and trustworthiness and build an enterprise ruled by law comprehensively. The Company shall strengthen the supervision and management of professional integrity effectively. The target of the Company’s management of professional integrity is to build a well-established professional integrity management system, identify, manage and control the professional integrity risks of the Company and its employees effectively, form a long-term mechanism for internal control of integrity risks, make the integrity culture a vital part of the Company’s compliance culture and strictly prevent major risks associated with professional integrity.

Article 15 Subject to the approval by the CSRC and the legal registration, the business scope of the Company includes: licensed items: securities business; securities investment consultation; intermediary services provided to future companies by security companies. Ordinary items: securities financial advisory services.

According to the laws, administrative regulations as well as the relevant regulatory requirements, the Company may establish subsidiaries to engage in private equity fund business, alternative investment business, financial information technology services and other businesses subject to regulatory approval.

### CHAPTER 3 PARTY ORGANIZATION

Article 16 The establishment of the Party Committee. The Party Committee shall be established by the Company, for a term of generally five years. The Party Committee of the Company shall consist of one secretary, one to two deputy secretaries and several other members of the Party Committee. The person in charge of the discipline inspection and supervision organizations shall be a member of the Party Committee. The secretary of the Party Committee and the chairman of the board shall generally be the same person.

The Company shall set up working organizations related to party establishment based on actual needs, and the relevant organizations may cooperate with other management organizations of the Company with similar functions. The management of leaders and the construction of grassroots party organizations are generally under the unified responsibility of one management institution, and the two management institutions shall be managed by members of the same leadership team.

According to the Constitution of the Communist Party of China, the Regulations on the Work of Grassroots Organizations of the State-owned Enterprises of the Communist Party of China (Trial) and the relevant provisions of the Party, the Company has established grassroots party organizations in all grassroots units.

Article 17 Terms of reference. The Party Committee of the Company shall play a leading role in maintaining strategic directions, managing the overall situation and ensuring effective implementation in the Company, as well as discussing and making decisions on material matters of the Company in accordance with the provisions of the Constitution of the Communist Party of China and the Regulations on the Work of Grassroots Organizations of the State-owned Enterprises of the Communist Party of China (Trial).

Each of the Party organizations at grassroots level shall, in accordance with the provisions of Constitution of the Communist Party of China and the Regulations on the Work of Grassroots Organizations of the State-owned Enterprises of the Communist Party of China (Trial), deploy the performance of relevant duties with the Party Committee of the Company and carry out relevant efforts.

Article 18      Operational Mechanism. Upholding the leadership system of “Dual Entry and Cross Appointment”, eligible members of the Party Committee may take seats in the board of directors, supervisory committee and operating management through statutory procedures. Eligible Party members among the board of directors, supervisory committee, and operating management may take seats in the Party Committee in accordance with relevant regulations and procedures. The Party Committee of the Company implements a system that integrates collective leadership with individual division of responsibilities. Members of the Party Committee who join the board of directors, supervisory committee or operating management shall implement the decisions of the Party Committee of the Company. The Party Committee of the Company serves as the pre-procedure for considering and discussing on significant decision-making issues of the board of directors and operating management. Major operational and managerial matters shall be considered and discussed by the Party Committee of the Company before decisions are made by the board of directors or operating management.

Article 19      Solid foundation. Appoint a certain percentage of full-time or part-time Party affairs staff. Facilitate the dual communication between Party affairs staff and other management personnel. Ensure adequate working funds for the Party Organizations of the Company, and to build and fully leverage the Party Organizations’ operating space.

**CHAPTER 4   SHARES**

**Section 1 Issuance of Shares**

Article 20      The stocks of the Company shall take the form of shares.

The Company shall have ordinary shares at all times. If required, upon registration with the authorities delegated by the State Council, the Company may issue shares of other classes.

Article 21 The Company shall issue shares under the principles of openness, fairness and equality and shares of the same class shall carry same rights.

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

Article 22 All the shares issued by the Company have a par value denominated in RMB which shall be RMB1 for each share.

Article 23 The Company may, upon registration or filing with the securities regulatory authorities of the State Council, issue shares to domestic and overseas investors.

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

Article 24 With approval, the Company was established as a joint stock limited company on 18 August 1999 by way of promotion through the merger of Guotai Securities Co., Ltd. and Junan Securities Co., Ltd. As at the date of establishment, the Company was approved to issue a total of 3,727,180,000 ordinary shares. The Company issued to its promoters 3,727,180,000 ordinary shares, representing 100% of the then total number of ordinary shares that may be issued by the Company. The names of the promoters of the Company are set out in the Schedule to the Articles of Association.



Article 25 The total number of shares of the Company was 8,903,730,620 shares, in which 7,511,903,440 shares were held by holders of A Shares, representing 84.37% of the total issued shares of the Company, and 1,391,827,180 shares were held by holders of H Shares, representing 15.63% of the total issued shares of the Company.

The A Shares issued by the Company are centrally deposited in the Shanghai Branch of China Securities Depository and Clearing Corporation Limited. The H Shares issued by the Company are primarily held in custody in the central securities depository under Hong Kong Securities Clearing Company Limited, and such shares may also be held in the names of the shareholders.

Article 26 If the share capital of the Company contains different classes of shares, any alteration made to the rights attached to any shares of such class shall be approved by shareholders attending general meetings of such class of shares with voting rights by special resolutions unless otherwise required. For the purpose of this Article, A Shares and H Shares of the Company shall be deemed as same class of shares.

Article 27 The Company or its subsidiaries (including its affiliates) shall not, at any time, provide any form of financial assistance, such as gift, advance, guarantee, compensation or loan, to any person who acquires or intends to acquire the shares of the Company.

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

Article 28 The Company may, based on its business and development needs and in accordance with relevant laws and regulations, increase its capital in the following manners upon respective resolutions being adopted by the shareholders' general meetings:

(I) public offering of shares;

(II) non-public offering of shares;

(III) rights issue of new shares to its existing shareholders;

(IV) bonus issue of shares to its existing shareholders;

(V) capitalizing its surplus reserve;

(VI) any other means permitted by laws and administrative regulations and relevant regulatory authorities.

The Company's increase of capital by issuing new shares shall, after being approved in accordance with the provisions of the Articles of Association and the place where the shares of the Company are listed, be conducted in accordance with the procedures stipulated in relevant laws and administrative regulations, departmental rules and other rules of the PRC.

Article 29 The Company may reduce its registered capital in accordance with the procedures provided in the Company Law and other relevant requirements and the Articles of Association.

Article 30 Under the following circumstances, the Company may buy back its outstanding shares in accordance with laws, administrative regulations, departmental rules and the Articles of Association:

(I) reducing the registered capital of the Company;

(II) merging with other companies which hold shares of the Company;

(III) using the shares for employee shareholding plans or for share incentives;

(IV) acquiring shares held by shareholders who vote against any resolution proposed in any shareholders' general meeting on the merger or division of the Company upon their request;

(V) using the shares for converting the convertible bonds issued by the Company to stock;

(VI) necessary acts by the Company to protect its value while safeguarding the interests of shareholders.

The Company shall not engage in acquisition of its shares save for the circumstances specified above.

Article 31 The Company may repurchase its shares by an open and centralized trading manner, or other means as recognized by the laws, regulations and the securities regulatory authorities where the Company is listed.

If the Company buys back its own shares under the circumstances as required in items (III), (V) and (VI) of Article 30 in the Articles of Association (not including the Appendix hereinafter), the transaction(s) shall be carried out in an open and centralized manner.

Article 32 Subject to the laws, administrative regulations, departmental rules, the Articles of Association and rules of any exchange or securities regulatory body of place where the Company's securities are listed:

The buy-back of shares of the Company for reasons specified in item (I) to (II) of Article 30 of the Articles of Association shall be resolved at a shareholders' general meeting, and the buy-back of shares of the Company under circumstances as required in items (III), (V) and (VI) of Article 30 of the Articles of Association shall obtain approval from a meeting of the board of directors where over two-thirds of the directors are present.

For any buy-back of the shares of the Company pursuant to Article 30 of the Articles, shares bought back pursuant to item (I) shall be cancelled within ten (10) days from the date of the buy-back; for those circumstances described in items (II) and (IV), the shares shall be transferred or cancelled within six (6) months.

After the Company has bought back its own shares pursuant to items (III), (V), and (VI) of Article 30 of the Articles of Association, the total number of shares of the Company held by the Company itself shall not exceed 10% of its total issued shares and shall be transferred or cancelled within three years after the buy-back.

Article 33 After the shares are bought back by the Company pursuant to the laws, the Company shall cancel such shares that are required to be cancelled within the period prescribed by laws and regulations, and shall apply to the relevant company registration authority for registration of the change in its registered capital.

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

### **Section 3 Transfer of Shares**

Article 34 Shares of the Company are transferrable according to laws.

Transfer of H Shares requires registration by the share registrar in Hong Kong appointed by the Company.

Article 35 All H Shares which have been fully paid in are freely transferable according to the Articles of Association; provided, unless such transfer complies with the following requirements, the board of directors may refuse to acknowledge any instrument of transfer and will not need to provide any reason therefor:

- (I) instrument of transfer and other documents relating to or affecting the title to any shares shall be registered, and the expense for registration shall be paid to the Company in an amount as stipulated in the Hong Kong Listing Rules;
- (II) the transfer instrument involves only the H Shares;
- (III) the stamp duty payable under the laws of Hong Kong on the instrument of transfer has been paid;
- (IV) the relevant share certificates and evidence reasonably required by the board of directors showing that the transferor has the rights to transfer such shares shall be provided;

(V) if the shares are proposed to be transferred to joint holders, the number of such joint shareholders shall not be more than four; and

(VI) the relevant shares are free of any lien in favor of the Company.

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

Article 36 All H Shares shall be transferred by an instrument in writing in any usual or common form or any other form which the board of directors accepts (including the prescribed form or transfer form as required by the Hong Kong Stock Exchange from time to time). The instrument of transfer may be executed by hand or (if the transferor or the transferee is a company) affixed with the Company's seal. If the transferor or the transferee is a recognized clearing house as defined by the relevant regulations of the laws of Hong Kong in effect from time to time or the agent thereof, the transfer form may be executed by hand or by machine imprinted signatures.

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

Article 37 The Company shall not accept its shares being held as security under a pledge.

Article 38 Shares held by the promoters in the Company shall not be transferred within one year from the date of incorporation of the Company. Shares publicly issued by the Company before the share offering shall not be transferred within one year from the date on which the shares of the Company are listed on a stock exchange.

Save as specified in the preceding paragraph, transfer of the shares of the Company by the promoters and shareholders of the Company shall also conform with the relevant requirements of the laws, regulations and regulatory rules for listed companies which are valid at that time.

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

Article 39 According to the relevant provisions of the Securities Law, where any director, supervisor, senior management of the Company and shareholder holding 5% or more of the shares of the Company or other securities with the nature of equity in issue sells his/her shares within a period of six months after the acquisition of the same, or repurchase shares of the Company within six months after sales of the same, any proceed arising therefrom shall belong to the Company. The board of directors of the Company shall demand such gains for the benefit of the Company. However, the six-month restriction shall not apply for a securities company that holds 5% or more of the shares of the Company as a result of its underwriting of the untaken shares in an offer, or other circumstances as stipulated by the securities regulatory authorities of the State Council.

For the purpose of the preceding paragraph, shares or other securities with the nature of equity held by directors, supervisors, senior management and natural person shareholders include those held by their spouse, parents, and children and held under accounts opened by others.

If the board of directors of the Company fails to comply with the requirements under the first paragraph, a shareholder shall have the rights to request the board of directors to do so within 30 days. In failure of the board of directors to comply with the same within the aforesaid period, such shareholder shall have the rights to institute a legal proceeding directly with the People's Court in its own name for the benefit of the Company.

If the board of directors of the Company fails to comply with the requirements under the first paragraph, the director(s) liable shall assume joint and several responsibilities pursuant to laws.

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

Article 40 The share certificates of the Company shall be in paper form or in other forms prescribed by the securities regulatory authorities where the shares of the Company are listed.

The following particulars shall be stated on a share certificate:

- (I) the name of the Company;
- (II) the date of establishment of the Company;
- (III) the class and par value of the shares and the number of shares represented by the certificate;
- (IV) the serial number of the share certificate;
- (V) other items as required to be specified by the Company Law and the stock exchange(s) in the place where the shares of the Company are listed.

The Company may issue H Shares in the form of depository receipts or other derivative means of shares in accordance with the laws and the practice of registration and deposit of securities in the place where the shares of the Company are listed.

Article 41 The share certificates shall be signed by the chairman of the board of directors. Where the signatures of other senior management of the Company are required by the securities regulatory authorities of the place(s) where the shares of the Company are listed, the share certificates shall also be signed by such other senior management. The share certificates shall become effective after the Company seal is affixed thereto or printed thereon. The share certificates shall only be affixed with the Company's seal under the authorization of the board of directors. The signature of chairman of the board of directors or other senior management on the share certificates may also be in printed form.

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

Article 42 The Company shall establish a register of shareholders in accordance with the evidence from the securities registration organization; the register of shareholders shall be sufficient evidence to verify that a shareholder holds shares of the Company, except where evidence to the contrary exists.

Article 43 The original register of holders of H Shares of the Company shall be kept in Hong Kong. The Company shall keep a duplicate of the register of holders of H Shares at the Company's address, which must be available for inspection by shareholders, however, the Company is allowed to close the register of members on terms equivalent to section 632 of the Hong Kong Companies Ordinance; the appointed overseas agent(s) shall ensure the consistency between the original and the duplicate of the register of holders of H Shares at all times.

If there is any inconsistency between the original and the duplicate of the register of holders of H Shares, the original version shall prevail.

Article 44 The Company shall keep a complete register of shareholders.

The register of shareholders shall include the followings:

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



Article 45 Different parts of the register of shareholders shall not overlap. No transfer of the shares registered in any part of the register shall be registered in any other part of the register of shareholders at the same time.

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

Article 46 If relevant laws, regulations, listing rules or securities regulatory authorities where the shares of the Company are listed have provisions on the period of closure of the register of shareholders prior to a shareholders' general meeting or the base day of which the Company decides to distribute dividends, such provisions shall prevail.

### **Section 5 Administration of Shares of Securities Company**

Article 47 The office of the board of directors of the Company is the organ that handles the Company's share administration matters, which organizes and implements the work related to share administration matters.

The chairman of the board of directors of the Company is the first responsible person for handling share administration matters of the Company. The secretary of the board of directors of the Company shall assist the chairman and is the direct responsible person for handling share administration matters.

Article 48 The shareholding period of a shareholder of the Company shall comply with laws, administrative regulations and relevant provisions of CSRC, which provides that the shareholding period may be calculated in continuance if shareholders of the Company acquire equity in another securities company by way of share swap, etc. If the major assets of a shareholder of the Company are equities in the Company, the controlling shareholders and actual controllers of the shareholder shall abide by the same lock-up period as the shareholders of the Company with respect to the shares of the Company under their control, except for the cases approved by CSRC in accordance with relevant laws.

Article 49 Shareholders of the Company shall not pledge the shares of the Company held by them during the lock-up period. After the expiry of the lock-up period, the proportion of the Company's shares held by a shareholder of the Company that is pledged shall not exceed 50% of the shares held by such shareholder in the Company, except for those shareholders whose shareholdings in the Company are below 5%. Where shareholders pledge their shares, they shall not prejudice the interests of other shareholders and the Company or maliciously circumvent the requirement of lock-up period, and shall not agree to exercise the shareholder's rights such as voting rights by the pledgee or other third parties, and shall not transfer the control over the Company's shares in a disguised form.

Article 50 If a shareholder has illegal or improper conducts related to share administration matters in violation of laws, administrative regulations and regulatory requirements, the Company shall have the right to impose restrictions on the exercise of the shareholder's right by the shareholder under the Articles of Association in accordance with the provisions of the relevant laws and regulations and the Articles of Association, and shall report to CSRC's local offices in a timely manner. If the Company or person responsible for share administration matters and related personnel has illegal or improper conducts related to share administration matters in violation of laws, administrative regulations and regulatory requirements, the Company shall have the right to investigate in a timely manner in accordance with the provisions of the relevant laws, regulations and the Articles of Association, and the board of directors shall agree on corrective measures and accountability plans.

## **CHAPTER 5 SHAREHOLDERS AND SHAREHOLDERS' GENERAL MEETING**

### **Section 1 Shareholders**

Article 51 Shareholders of the Company shall enjoy rights and have obligations in accordance with the class of shares held by them. Shareholders holding the same class of shares shall be entitled to equal rights and have equal obligations.

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

- (I) the Company shall register for no more than four (4) persons as the joint shareholders of any shares;
- (II) all the joint shareholders of any shares shall be jointly liable for all amounts payable for the relevant shares;
- (III) if one of the joint shareholders is deceased, only the other surviving joint shareholders shall be deemed as the persons who have the ownership of the relevant shares. But the board of directors has the power to require them to provide a death certificate of the relevant shareholder as necessary for the purpose of revising the relevant register of shareholders;
- (IV) in respect of the joint shareholder of any shares, only the joint shareholder whose name stands first in the register of shareholders has the rights to receive certificates of the relevant shares from the Company or receive notices of the Company. Any notice which is delivered to the aforementioned shareholder shall be deemed to have been delivered to all the joint shareholders of the relevant shares. Any of the joint shareholders may sign a proxy form, attend the shareholders' general meetings of the Company or exercise all the voting rights attached to the relevant share, provided that if more than one joint shareholders attend a meeting in person or by proxy, the vote of the senior joint shareholder who tenders a vote will be accepted to the exclusion of the vote(s) of the other joint shareholder(s). For this purpose, seniority will be determined by the order in which the names stand in the register of members in respect of the relevant share.

Article 52 When the Company convenes a shareholders' general meeting, distributes dividends, commences liquidation or participates in other activities which require the confirmation of the identification of shareholders, the convener of meetings of the board of directors or the shareholders' general meetings shall decide the record date. The shareholders whose names appear on the register of shareholders after the close of trading on the record date shall enjoy the relevant rights.

Article 53 Shareholders of ordinary shares of the Company shall enjoy the following rights:

- (I) the rights to receive dividends and other forms of profit distribution in proportion to the number of shares held by them;
- (II) the rights to request, convene, host, attend or appoint proxy to attend shareholders' general meetings and exercise corresponding voting rights and speak in accordance with laws;
- (III) the rights to supervise the operation of the Company and to put forward proposals and raise inquiries;
- (IV) the rights to transfer, donate, or pledge shares held by them in accordance with laws, administrative regulations and the Articles of Association;
- (V) the rights to inspect the Articles of Association, register of shareholders, counterfoils of corporate bonds, minutes of shareholders' general meetings, resolutions of meetings of the board of directors, resolutions of meetings of the supervisory committee and financial reports;
- (VI) the rights to participate in the distribution of remaining assets of the Company corresponding to the number of shares held in the event of the termination or liquidation of the Company;
- (VII) the rights to demand the Company to acquire the shares held by them with respect to shareholders voting against any resolution adopted at the shareholders' general meeting on the merger or division of the Company; and
- (VIII) other rights conferred by law, administrative regulations, departmental regulations, listing rules of the place where the shares of Company are listed and the Articles of Association.

Where shareholders request for inspection of the relevant information or demand for materials as mentioned in the preceding Article, they shall provide the Company with written documents evidencing the class and number of shares of the Company they hold. Upon verification of the shareholder's identity, the Company shall provide information requested by such shareholder.

Article 54 If a resolution passed at the shareholders' general meeting or meeting of the board of directors of the Company violates the laws or administrative regulations, the shareholders shall have the rights to submit a petition to the People's Court to render the same invalid.

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

Article 55 Where the Company incurs loss as a result of violation of the laws, administrative regulations or the Articles of Association by directors and senior management in the course of performing their duties, shareholders individually or jointly holding 1% or more of the shares of the Company for one hundred and eighty (180) consecutive days or more shall have the rights to request in writing the supervisory committee to initiate legal proceedings in the People's Court. Where the Company incurs loss as a result of violation of laws, administrative regulations or the Articles of Association by the supervisory committee in the course of performing its duties, the shareholders shall have the rights to request in writing to the board of directors to initiate legal proceedings in the People's Court.

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

If any person infringes the lawful rights and interests of the Company, thus causing any losses to the Company, the shareholders as mentioned in the first paragraph of this Article may initiate legal proceedings in the People's Court in accordance with the provisions of the preceding paragraphs.

Article 56 If any director or senior management is in violation of laws, administrative regulations or the Articles of Association, thus causing any losses to the shareholders, the shareholders may initiate legal proceedings against such director or senior management in the People's Court.

Article 57 Shareholders of ordinary shares of the Company shall have the following obligations:

(I) to abide by laws, administrative regulations and the Articles of Association;

(II) to fulfill their capital contribution obligations in strict compliance with laws, regulations, and the CSRC's rules, and use their self-owned funds to acquire shares of the Company, the source of which shall be legal, while funds other than self-owned funds such as entrusted funds are prohibited for such shares acquisition, unless otherwise approved by laws, regulations and the CSRC;

(III) not to surrender the shares unless required by laws and regulations;

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

(V) other obligations imposed by laws, administrative regulations and the Articles of Association.

Article 58 A shareholder or actual controller holding 5% or more of the voting shares of the Company shall notify the Company within the time prescribed by the CSRC and Shanghai Stock Exchange upon the occurrence of the following events:

- (I) adoption of property preservation or mandatory enforcement measures with respect to the shares of the Company held or controlled by him;
- (II) pledge of shares of the Company held by him;
- (III) change of actual controller of a shareholder holding 5% or more of the shares;
- (IV) change of name;
- (V) merger or division;
- (VI) imposition of regulatory measures such as suspension of business for rectification, appointment of trustee, takeover or revocation, or in the process of dissolution, bankruptcy or liquidation proceedings;
- (VII) imposition of administrative punishments or criminal liabilities due to material breach of laws and regulations;
- (VIII) occurrence of other events that may result in transfer of shares of the Company held or controlled by him or may affect the operations of the Company.

Article 59 Changes in substantial shareholders or actual controllers is subject to the approval from the CSRC. A shareholder who has not obtained the approval from or has not made due filings with the appropriate regulatory authority or has not completed mandatory rectification process is prohibited to exercise such rights including the right to request for convening a shareholders meeting, the voting right, the nomination right, the proposal right and the right to dispose its shares.

Article 60 Where the changes in registered capital or equity ownership shall be subject to CSRC's approval, the relevant agreement shall not take effect unless such an approval is granted. Prior to being approved by the CSRC, provided that such an approval is statutorily required, the transferors shall continue to independently exercise their voting rights in proportion to their shareholdings. In addition, the transferor shall not recommend relevant persons of the transferee as members to the board of directors, board of supervisors, or senior management of the Company, nor shall the transferor transfer its voting right in any disguised form.

Article 61 The controlling shareholders and actual controller of the Company shall not use their affiliation to jeopardize the interests of the Company; otherwise, they shall make compensation for the loss incurred by the Company.

The controlling shareholders and actual controllers of the Company shall have fiduciary duties towards the Company and its public shareholders. The controlling shareholders shall exercise their rights as contributors in strict compliance with the laws, shall not infringe the legitimate rights and interests of the Company and its public shareholders through profit distribution, asset restructuring, foreign investment, appropriation of capital, offering security for loans, and shall not make use of their controlling status to jeopardize the interests of the Company and its public shareholders.

Substantial shareholders and controlling shareholders shall replenish the capital of the Company when necessary.

Article 62 A shareholder who has made false statements, abused its rights as a shareholder or infringed on the interests of the Company in other ways is prohibited to exercise such rights including the right to request for convening a shareholders meeting, the voting right, the nomination right, the proposal right and the right to dispose its shares.



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

Article 63 The shareholders' general meeting is the body exercising the authority of the Company and shall exercise the following duties and powers in accordance with laws:

- (I) to determine the business policies and investment plans of the Company;
- (II) to elect and replace directors and supervisors who are not staff representatives, and to determine matters relating to the remuneration of the relevant directors and supervisors;
- (III) to consider and approve the reports of the board of directors;
- (IV) to consider and approve the reports of the supervisory committee;
- (V) to consider and approve the proposed annual preliminary financial budgets, final account proposals of the Company;
- (VI) to consider and approve the profit distribution plans and plans for loss recovery of the Company;
- (VII) to consider and approve the annual reports of the Company;
- (VIII) to determine increases or reductions in the registered capital of the Company;
- (IX) to determine the issuance of bonds by the Company;
- (X) to determine matters such as merger, division, dissolution and liquidation of the Company or alteration of corporate form;
- (XI) to amend the Articles of Association;
- (XII) to determine the appointment or dismissal of accounting firms by the Company;

- (XIII) to consider and approve the guarantee issues as prescribed in Article 64 of the Articles of Association;
- (XIV) to consider matters relating to the purchases and disposals of material assets, which are more than 30% of the latest audited total assets (net of the clients' deposits) of the Company, within one year;
- (XV) to consider and approve matters relating to changes in the use of proceeds;
- (XVI) to consider share incentive plans;
- (XVII) to resolve on the buy-back by the Company of its own shares as prescribed under items (I) and (II) of Article 30 of the Articles of Association;
- (XVIII) to consider other matters required to be resolved by the shareholders' general meeting as prescribed by laws, administrative regulations, department regulations, normative documents, the listing rules of securities regulatory authorities in the place where the shares of the Company are listed, the stock exchange(s) and the Articles of Association.

Article 64 The Company shall not directly or indirectly provide guarantees to shareholders (including related parties of shareholders), except for providing customers with margin financing and securities lending in accordance with the relevant provisions in laws and regulations. The following guarantees of the Company shall be considered and passed at the shareholders' general meeting:

- (I) any guarantee provided after the total amount of guarantee to third parties provided by the Company and its controlled subsidiaries has exceeded 50% of the Company's latest audited net assets;
- (II) a single guarantee for amount in excess of 10% of the latest audited net assets;
- (III) any guarantee provided after the total amount of guarantee to third parties provided by the Company and its controlled subsidiaries has exceeded 30% of the Company's latest audited total assets (net of the clients' deposits);

- (IV) a guarantee to be provided to a party which has an asset-liability ratio in excess of 70%;
- (V) based on the principle of cumulative calculation of the guarantee amount for 12 consecutive months, any guarantee exceeding 30% of the Company's latest audited total assets (net of the clients' deposits);
- (VI) other guarantees which shall be considered and resolved at the shareholders' general meeting as prescribed by laws, administrative regulations, departmental regulations, normative documents, the listing rules of the place where the shares of the Company are listed or the Articles of Association.

Article 65 Shareholders' general meetings include annual shareholders' general meetings and extraordinary shareholders' general meetings. Annual shareholders' general meetings shall be convened once every year within six (6) months after the end of the previous financial year.

Article 66 The Company shall convene an extraordinary shareholders' general meeting within two (2) months upon the occurrence of the following events:

- (I) the number of directors is less than the minimum number as stipulated in the Company Law or less than two-thirds of the number of directors stipulated in the Articles of Association;
- (II) the uncovered losses of the Company amount to one-third of the total paid up share capital;
- (III) shareholders individually or jointly holding 10% or more of the shares of the Company request in writing (the number of the shares held is calculated based on the date that shareholders made such written request);
- (IV) whenever the board of directors considers it necessary;
- (V) when the Supervisory Committee proposes so;
- (VI) other circumstances as provided by laws, administrative regulations, departmental rules, normative documents, the listing rules of the place where the shares of the Company are listed or the Articles of Association.

Article 67 The location for convening a shareholders' general meeting of the Company shall be the location in Shanghai that has been determined in the notice of the shareholders' general meeting or other location determined by the board of directors in the notice of shareholders' general meeting.

A venue shall be set for the shareholders' general meeting which shall be convened on-site. The Company may facilitate shareholders in the shareholders' general meeting by offering network or other means if technically feasible. A convener of the meeting shall specify in the notice convening the shareholders' general meeting the method to confirm the legal and effective identification of shareholders who participate in the meeting in each way. Any shareholders who participate in the meeting in the aforesaid manner shall be deemed as present.

Article 68 The board of directors of the Company shall formulate the Rules of Procedure for Shareholders' General Meetings, and specify in details the procedures for convening and voting at the shareholders' general meeting, including convening, notification, registration, reviewing of proposals, voting, counting of votes, announcement of voting results, formation of meeting resolutions, minutes of meeting and their signing, public announcements as well as principle for the authorization granted to the board of directors by the shareholders' general meeting, and the authorization shall be clear and specific. The Rules of Procedure for Shareholders' General Meetings shall be appended to the Articles of Association. They shall be formulated by the board of directors and approved by the shareholders' general meeting.

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

Article 69 The shareholders' general meeting shall be convened by the board of directors.

Article 70 More than half of the independent directors, the Supervisory Committee or shareholders individually or jointly holding 10% or more of the shares of the Company are entitled to request the board of directors to convene an extraordinary shareholders' general meeting. The board of directors shall decide whether it agrees to convene an extraordinary shareholders' general meeting or not in accordance with the Rules of Procedure for Shareholders' General Meetings; if the board of directors disagrees to convene an extraordinary shareholders' general meeting, the Supervisory Committee or shareholders individually or jointly holding 10% or more of the shares of the Company for ninety (90) consecutive days shall then be entitled to convene the meeting by themselves in accordance with the Rules of Procedure for Shareholders' General Meetings.

Article 71 All reasonable expenses incurred by the Supervisory Committee or the shareholders in convening the shareholders' general meeting on their own initiates in accordance with the Rules of Procedure for Shareholders' General Meetings shall be borne by the Company.

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

Article 72 The contents of the proposals shall fall within the functions and powers of the shareholders' general meeting, shall have clear discussion topics and specific matters to be resolved, and shall comply with relevant requirements of laws, administrative regulations and the Articles of Association.

Article 73 When a shareholders' general meeting is convened by the Company, the board of directors, the Supervisory Committee or shareholders individually or jointly holding 3% or more of the shares of the Company shall be entitled to raise proposals to the Company.

Shareholders individually or jointly holding 3% or more of the shares of the Company may submit ad hoc proposed resolutions in writing to the convener of the shareholders' general meeting 10 days before the convening of the shareholders' general meeting. The convener shall issue a supplemental notice of the shareholders' general meeting within 2 days upon receipt of the proposals and announce the contents thereof.

Except for circumstances provided in the above paragraph, the convener, after issuing the notice and announcement of the shareholders' general meeting, shall neither revise the proposals stated in the notice of shareholders' general meetings nor add new proposals.

The shareholders' general meeting shall neither vote nor make a resolution on any proposals that are not included in the notice or are inconsistent with Article 72 hereof.

Article 74 The convener shall issue a notice to each shareholder 20 days prior to the date of the annual general meeting (or the date as required by the place where the shares of the Company are listed, whichever is earlier), while the convener shall issue a notice to each shareholder 15 days prior to the date of the extraordinary general meeting (or the date as required by the place where the shares of the Company are listed, whichever the earlier). The content, format and procedure of the notice shall meet the requirements of the Rules of Procedures for Shareholders' General Meetings.

Article 75 After issuance of the notice for shareholders' general meeting, the shareholders' general meeting shall not be postponed or cancelled without proper reasons and the proposals specified in the notice shall not be withdrawn. In case of delay or cancellation, the convener shall make an announcement giving reasons at least two (2) working days before the date when the meeting is convened.

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

Article 76 All shareholders listed on the register of shareholders on the shareholding record date or their proxies shall be entitled to attend the shareholders' general meeting and vote in accordance with relevant laws, regulations, listing rules of the place where the shares of the Company are listed and the Articles of Association.

Shareholders may attend the shareholders' general meeting in person or to appoint proxies to attend and vote at the meeting on his behalf.

Any shareholder entitled to attend and vote at a shareholders' general meeting of the Company shall have the rights to appoint one (1) or more persons (whether or not such persons are shareholders) as his proxies to attend and vote on his behalf, and the proxies so appointed may exercise the following rights pursuant to the authorizations from such shareholder:

- (I) the shareholder's rights to speak at the shareholders' general meeting;
- (II) the rights to demand by himself or jointly with others in voting by way of poll;
- (III) the rights to vote, except that if a shareholder has appointed more than one (1) proxy, such proxies may only exercise their voting rights by poll.

Where such shareholder is a recognized clearing house (or its nominee), such shareholder may authorize one or more persons as it thinks fit to act as its proxy(ies) at any shareholders' general meeting, provided that, if more than one person is so authorized, the authorization shall specify the number and class of shares in respect of which each person is so authorized, and the authorization shall be signed by an authorized person of the recognized clearing house. A person so authorized may attend the meeting and exercise the rights on behalf of the recognized clearing house (or its nominees) (there is no need for such person to produce share certificates or notarized authorization and/or further evidence to prove that he/she has been duly authorized) as if such person were an individual shareholder of the Company. The authorized proxy(ies) of the recognized clearing house shall enjoy legal rights equivalent to those of other shareholders, including the right to speak and vote.

Article 77 Where a proxy is appointed to attend the meeting, the content and format of power of attorney issued by the shareholder to authorize another person to attend the shareholders' general meeting shall meet the requirements of the Rules of Procedures for Shareholders' General Meetings.

Article 78 The registration record for attendees at the meeting shall be compiled by the Company. The content and format of the registration record shall meet the requirements of the Rules of Procedures for Shareholders' General Meetings.

Article 79 When a shareholders' general meeting is convened, all the directors, supervisors and the secretary to the board of directors of the Company shall attend the meeting, and president and other senior management shall be present at such meeting.

Article 80 If a shareholders' general meeting is convened by the board of directors, the meeting shall be chaired and presided over by the chairman of the board of directors. Where the chairman of the board of directors is unable to discharge or fails to discharge his/her duties, the meeting shall be chaired and presided over by the vice chairman of the board of directors (if there are two or more vice chairmen, the one elected by more than one half of the directors). Where the position of vice chairman does not exist, or where the vice chairman of the board of directors is unable to discharge or fails to discharge his/her duties, half or more of the directors shall designate a director to preside over the meeting.

If a shareholders' general meeting is convened by the Supervisory Committee, the chairman of the Supervisory Committee shall preside over the meeting. If the chairman of the Supervisory Committee is unable or fails to discharge his/her duties, the meeting shall be presided over by the vice chairman of the Supervisory Committee. Where the position of vice chairman does not exist, or where the vice chairman of the Supervisory Committee is unable to discharge or fails to discharge his/her duties, half or more of the supervisors shall designate a supervisor to preside over the meeting.

If a shareholders' general meeting is convened by the shareholders themselves, the convener will nominate a representative to preside over the meeting.

When a shareholders' general meeting is convened, if the chairman of the meeting contravenes the Rules of Procedures for Shareholders' General Meetings, rendering the meeting impossible to proceed, with the consent from half or more of the attending shareholders with voting rights, one person may be nominated at the shareholders' general meeting to serve as the chairman and the meeting may proceed.

Article 81 At the annual general meeting, the board of directors and the Supervisory Committee shall report their work for the past year to the shareholders' general meeting. Each independent director shall also present a work report.

Article 82 Directors, supervisors and senior management shall provide explanations regarding the enquiries and suggestions from shareholders at the shareholders' general meeting.

Article 83 Minutes shall be prepared for shareholders' general meetings by the secretary to the board of directors. The content and format of the minutes shall meet the requirements of the Rules of Procedures for Shareholders' General Meetings. The convener shall ensure that the contents of the minutes are true, accurate and complete. Directors, supervisors, secretaries to the board of directors, conveners or his/her representative and the chairman of the meeting shall sign on the minutes. The minutes shall be kept together with the registration record of attending shareholders, proxy forms and valid information on internet voting and other means of voting, for a period of no less than 20 years.



## **Section 6 Voting and Resolutions at Shareholders' General Meetings**

Article 84 Resolutions of shareholders' general meetings shall take the form of ordinary resolutions or special resolutions.

Ordinary resolutions adopted by the shareholders' general meeting shall be passed by more than one half of the voting rights held by shareholders (including their proxies) attending the shareholders' general meeting who are entitled to vote.

Special resolutions at a shareholders' general meeting shall be passed by more than two-thirds of the voting rights held by shareholders (including their proxies) attending the shareholders' general meeting who are entitled to vote.

Article 85 The following matters shall be passed by way of an ordinary resolution at a shareholders' general meeting:

- (I) work reports of the board of directors and the Supervisory Committee;
- (II) profit distribution plan and loss recovery plan formulated by the board of directors;
- (III) appointment and removal of members of the board of directors and members of the Supervisory Committee, their remuneration and method of payment thereof;
- (IV) proposed annual preliminary financial budgets, final account proposals of the Company;
- (V) annual reports of the Company;
- (VI) matters other than those requiring the approval by way of special resolutions in accordance with the laws, administrative regulations, departmental rules, normative documents, listing rules of the place where the shares of the Company are listed and the Articles of Association.

Article 86 The following matters shall be passed by way of a special resolution at a shareholders' general meeting:

- (I) the increase or reduction of the registered capital by the Company;
- (II) the division, spin-off, merger, dissolution, liquidation or change of corporate form of the Company;
- (III) the amendment to the Articles of Association;
- (IV) the Company's purchases or disposals of material assets or the provision of guarantees within one (1) year, which are more than 30% of the latest audited total assets of the Company (net of the clients' deposits);
- (V) share incentive plan;
- (VI) other matters required by laws, administrative regulations, departmental rules, normative documents, the listing rules of the place where the shares of the Company are listed and the Articles of Association and those that the shareholders' general meeting by way of an ordinary resolution concluded that may have a material impact on the Company and require adoption by way of a special resolution.

Article 87 Except as otherwise provided by the Articles of Association, shareholders (including their proxies) exercise their voting rights according to the number of voting shares they represent. Each share shall carry one voting right unless otherwise required by the Articles of Association.

When the shareholders' general meeting considers matters that could materially affect the interest of medium and small investors, to the extent technically feasible, the votes by medium and small investors shall be counted separately, and the results of such separate vote counting shall be disclosed promptly.

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

Where a shareholder purchases shares of the Company with voting rights in violation of the provisions of paragraphs 1 and 2 of Article 63 of the Securities Law, the voting rights of the shares exceeding the prescribed proportion shall neither be exercised within thirty six (36) months after the purchase, nor be included in the total number of shares with voting rights attending the shareholders' general meeting.

The Company's board of directors, independent directors and shareholders holding 1% or more shares with voting rights or investor protection agencies established pursuant to laws, administrative regulations or the requirements of the securities regulatory authorities of the State Council, as collectors, may publicly request the shareholders of the Company, by their own or entrusting a securities company or securities service agency, to be their proxy and attend general meetings and exercise the shareholder's rights of proposal, voting on their behalf. If a collector collects shareholders' rights in compliance with the aforesaid requirements, he/she shall disclose the documents in relation to the collection and the specific voting intention and other information and the specific voting intention and other information and the Company shall cooperate. Consideration or de facto consideration for publicly collecting shareholders' rights is prohibited. The Company shall not impose any minimum shareholding limitation for collecting voting rights, except under statutory conditions. Where publicly collecting shareholders' rights violates the laws, administrative regulations or the relevant requirements of the securities regulatory authorities of the State Council, resulting in losses of the Company or the shareholders of the Company, such collector shall be liable for the damages.

Article 88 When the shareholders' general meeting considers connected transactions, the connected shareholders shall not participate in the voting. His/her shares held with voting rights will not be counted within the total number of valid votes. The public announcement on the voting results of the shareholders' general meeting shall fully disclose the voting results of the non-connected party shareholders.

Shareholders (including their proxies) connected thereto may attend the shareholders' general meeting and may clarify their opinions to other shareholders attending the meeting pursuant to the meeting procedures, but shall abstain from voting.

Article 89 The Company shall, subject to the shareholders' general meetings being legally and validly held, make it convenient for the shareholders to attend the shareholders' general meetings through various means to the extent technically feasible, including using modern information technology to establish an online voting platform in priority. The specific operating procedures of online voting shall be conducted in accordance with relevant rules promulgated by stock exchanges.

Article 90 The Company shall not, without approval by a special resolution at a shareholders' general meeting, enter into a contract to handover all or material business management of the Company to a person other than to a director, supervisor, president or other senior management.

Article 91 Election of directors and supervisors shall meet the following requirements:

- (I) the list of candidates for director and supervisor shall be proposed to the shareholders' general meeting for voting;
- (II) the candidate for an independent director of the Company shall be nominated by the board of directors, the Supervisory Committee, or shareholders individually or jointly holding 1% or more of the issued shares of the Company. The candidates for the remaining directors as well as the candidates for supervisors to be elected by the shareholders' general meeting shall be nominated by the board of directors, the Supervisory Committee, or shareholders individually or jointly holding 3% or more of the shares of the Company. Employee representative supervisors shall be elected by an employees' representative assembly;
- (III) the board of directors shall disclose by means of announcement detailed information on the candidates for directors and supervisors prior to the date convening a shareholders' general meeting, including their resumes and basic profiles;

(IV) persons intend to nominate an independent director shall obtain the consent of the intended nominee therefor prior to his/her nomination. The nominator shall have full knowledge of the nominee's general information such as profession, educational background, professional title, detailed working experience, all other posts he or she concurrently holds and whether there is any negative record of his/her material dishonesty, and give opinion on the nominee's qualifications and the independence required as an independent director. The nominee as an independent director candidate shall make a public statement that he/she satisfies the requirements for independence and other criteria for serving as an independent director. The board of directors of the Company shall make the content regarding the director above public prior to the shareholders' general meeting at which the independent director is elected;

(V) when voting on the election of directors and supervisors at a shareholders' general meeting, cumulative voting system in accordance with relevant compulsory requirements of the laws and regulations in effect then shall be adopted. The cumulative voting means that every share shall, on the occasion of electing directors or supervisors at the shareholders' general meeting, have the same voting rights with that of the candidate directors or supervisors and the voting rights possessed by the shareholders may be exercised uniformly;

(VI) if the motion with respect to election of directors or supervisors is approved at the shareholders' general meeting, unless otherwise resolved by the shareholders' general meeting, the term of office of a new director or supervisor shall commence on the date on which resolutions of the shareholders' general meeting are approved.

Article 92 Any vote of shareholders at a shareholders' general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted by showing hands.

- Article 93 The on-site voting shall not end earlier than the network voting or any other method of voting at the shareholders' general meeting. The chairman of the meeting shall announce details of voting in connection with each proposal and the voting result. The chairman of the meeting shall be held responsible for announcing whether or not a resolution has been passed based on the voting result.
- Article 94 If the chairman of the meeting has any doubts about the voting result of a resolution, he may arrange the recounting of the votes. If the chairman of the meeting does not arrange the recounting of the votes, a shareholder or proxy attending the meeting who dissents from the result announced by the chairman of the meeting shall be entitled to request the recounting of votes immediately after the announcement of the voting result, in which case the chairman of the meeting shall immediately arrange the re-counting of the votes.
- Article 95 Resolutions of a shareholders' general meeting shall be announced in time, stating the number of the shareholders attending the meeting and their proxies, the total number of voting shares held by them and the percentage in the total number of voting shares of the Company, voting method, voting result of each proposal, and details about all passed resolutions.
- Article 96 If any proposal is not adopted, or the current general meeting amends the resolution of the last general meeting, special indication thereof shall be given in the announcement of the resolution of the shareholders' general meeting.
- Article 97 If the shareholders' general meeting passes motions in connection with the distribution of cash dividend, allotment of new shares, or conversion of capital common reserve fund into share capital, the Company shall implement detailed plans thereof within two months after the conclusion of such general meeting.

## CHAPTER 6 BOARD OF DIRECTORS

### Section 1 Directors

Article 98 A director of the Company is a natural person and needs not hold the shares of the Company.

A director of the Company shall satisfy the following conditions:

- (I) being of honesty, integrity and good behavior;
- (II) being familiar with securities laws, administrative regulations, rules and other normative documents and having the operation and management ability necessary for performing the duties;
- (III) have engaged in securities, financial, economics, legal or accounting, or information technology work for the number of years required by the securities regulatory authorities of the State Council;
- (IV) other conditions stipulated by relevant laws and the Articles of Association.

Article 99 Directors shall be elected or changed by the shareholders' general meeting and serve a term of 3 years unless it is otherwise stipulated hereof. A director may serve consecutive terms if re-elected upon the expiry of his/her term.

Prior to the expiration of a director's term, his appointment may be terminated by the shareholders' general meeting. The shareholders' general meeting shall remove a director before expiration of his/her term by an ordinary resolution in accordance with relevant laws and administrative regulations (however, any claim which may be raised in accordance with any contract will not be affected).

A director's term of service commences from the date he takes office, until the current term of service of board of directors ends. If a director's term of service expires but a new director is not elected in a timely manner, the original director shall continue to carry out the director's duties according to the laws, administrative regulations, departmental regulations and the Articles of Association until the newly elected director takes office.

A director's post may be assumed by president or other senior management, but the sum of the total number of directors who also assume the duties of the president or other senior management and the number of staff representative directors (if any), shall not exceed one half of the total number of directors of the Company.

Article 100 The directors shall comply with the laws, administrative regulations, listing rules of the place where the shares of the Company are listed and the Articles of Association and shall faithfully perform their following obligations to the Company:

- (I) not to abuse their rights to accept bribes or other illegal income and not to misappropriate the properties of the Company;
- (II) not to misappropriate the money of the Company;
- (III) not to deposit any assets or money of the Company in any accounts under their names or in the names of other persons;
- (IV) not to violate the Articles of Association and lend the money of the Company to others or provide guarantee to others by charging the Company's assets without approval of the shareholders' general meetings or the board of directors;
- (V) not to enter into contracts or transactions with the Company in violation of the Articles of Association or without approval of the shareholders' general meeting;
- (VI) not to use their position to obtain business opportunities which should be available to the Company for themselves or others, or to run his/her own or others' business which is similar to the Company's business without approval of the shareholders' general meeting;



(VII) not to accept commissions in relation to transactions between any third party and the Company;

(VIII) not to disclose the secrets of the Company without consent;

(IX) not to use their connections to harm the interests of the Company;

(X) to be bound by other duties of loyalty stipulated by the laws, administrative regulations, departmental rules, normative documents, listing rules of the place where the shares of the Company are listed and the Articles of Association.

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

Article 101 The directors shall comply with the laws, regulations, listing rules of the place where the shares of the Company are listed and the Articles of Association and shall diligently perform their following obligations to the Company:

(I) to exercise prudently, conscientiously and diligently the rights granted by the Company to ensure that the Company's commercial activities are in compliance with the laws, administrative regulations and the requirements of economic policies of China and that its commercial activities are within the scope stipulated in the business license;

(II) to treat all shareholders equally and fairly;

(III) to understand the operation and management of the Company in a timely manner;

(IV) to approve securities issuance documents and regular reports of the Company in written form and to ensure the integrity, accuracy and completeness of the information disclosed by the Company;

(V) to provide all relevant information and materials required by the Supervisory Committee and shall not intervene the performance of duties of the Supervisory Committee or supervisors;

(VI) to perform other obligations of diligence stipulated by the laws, administrative regulations, departmental rules, normative documents, listing rules of the place where the shares of the Company are listed and the Articles of Association.

Article 102 A director who fails to attend two consecutive meetings of the board of directors in person or by proxy shall be deemed as unable to perform his/her duties. The board of directors shall propose to the shareholders' general meeting for removal of such director.

Article 103 A director may resign before expiry of his/her term of service. When a director resigns, he shall submit a written resignation notice to the board of directors. The board of directors shall make relevant disclosure within two days.

If the number of directors falls below the minimum statutory requirement due to a director's resignation, the former directors shall still perform their duties as directors in accordance with the requirements of laws, administrative regulations, departmental rules and the Articles of Association before the new directors elected assume office. Except where independent directors are required to cease to perform their duties promptly pursuant to the relevant rules, if the proportion of independent directors in the board of directors or the special committees falls below the minimum requirement under the relevant rules or the Articles of Association due to an independent director's resignation or if there is a lack of accounting professional among the independent directors, the notice of resignation of the resigning independent director shall only become effective after a new independent director fills the vacancy.

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

Without violation of relevant laws and regulations and the regulatory rules of the place where the shares of the Company are listed, any director appointed to fill a casual vacancy or as an addition to the board of directors (as permitted by applicable laws and regulations) should hold office only until the first annual shareholders' general meeting after his/her appointment and should be eligible for re-election at the meeting.

Article 104 When a director's resignation takes effect or his/her term of service expires, complete all transfer procedures with the board of directors. His/her fiduciary duties towards the Company and the shareholders do not necessarily cease within a reasonable period after the end of his/her term of service. The duty of confidentiality in respect of trade secrets of the Company shall still be in effect after the end of his/her term of office, until such trade secrets become publicly available information. Other duties may continue for such period as the principle of fairness may require, depending on the length of time which has elapsed between the occurrence of the event concerned and the termination of tenure, and the circumstances and terms under which the relationships between them and the Company have been terminated.

Article 105 A director shall be personally liable for any loss suffered by the Company as a result of a violation by him of any laws, administrative regulations, departmental rules or the Articles of Association in the course of performing his/her duties.

Article 106 Unless legally authorized by the Articles of Association or the board of directors, no director shall act on behalf of the Company or the board of directors. When a director acts in his/her own name and a third party reasonably considers such director acts on behalf of the Company or the board of directors, such director shall declare in advance his/her position and capacity.

## **Section 2 Independent Directors**

Article 107 The Company shall have independent directors. The independent directors shall account for at least one-third of the directors of the Company. An independent director shall meet the following requirements:

- (I) to have the qualifications to serve as directors of listed companies and securities companies according to the laws, administrative regulations and other relevant regulations;
- (II) he shall have the basic knowledge of the operation of a listed company and be well-acquainted with relevant laws, administrative measures, rules and regulations;

(III) he shall have over five years of working experience in securities, finance, law, accounting, economics or other working experience which is necessary for the performance of duties of an independent director;

(IV) he shall have the necessary time and effort to perform his/her duties;

(V) he shall comply with the independence requirement under the listing rules of the place where the shares of the Company are listed;

(VI) other conditions stipulated by the laws, administrative regulations, departmental rules, regulatory documents and the listing rules of the place where the shares of the Company are listed.

Article 108 The duties of independent directors and other relevant matters shall be carried out according to the requirements of laws, administrative regulations, departmental rules, normative documents and the listing rules of the place where the shares of the Company are listed.

### **Section 3 Board of Directors**

Article 109 The Company shall have a board of directors accountable to the shareholders' general meeting.

The board of directors consists of 17 directors, including six independent directors. The board of directors shall have a chairman and may have a vice chairman. The Company shall have no employee director.

Article 110 The board of directors shall perform the following duties:

(I) to convene general meetings and to report to shareholders' general meetings;

(II) to implement the resolutions of shareholders' general meetings;

(III) to research and formulate the medium and long-term development plan of the Company;

- (IV) to determine business operation plans and investment plans of the Company;
- (V) to formulate annual preliminary and final financial budgets of the Company;
- (VI) to formulate the profit distribution plans and plans for recovery of losses of the Company;
- (VII) to formulate proposals of the Company regarding increase or reduction of the registered capital, issuance of bonds or other securities and listing;
- (VIII) to formulate plans for any substantial acquisition by the Company, repurchase of the shares (under circumstances as prescribed under items (I) and (II) of Article 30 of the Articles) or merger, division and change of the form and dissolutions of the Company;
- (IX) to decide on matters relating to the Company's external investment, acquisitions or disposal of assets, mortgage of assets, external guarantee, entrusted wealth management and connected transactions and external donations as authorized by shareholders' general meetings;
- (X) to decide on the establishment of the Company's internal management structure;
- (XI) to appoint or dismiss the Company's president, secretary to the board of directors, chief risk officer, chief compliance officer, chief legal counsel and chief auditor, based on the nominations of president, to appoint or dismiss vice presidents, chief financial officer and other senior management and to determine their remuneration and rewards and penalties;
- (XII) to decide on the proposals for the establishment of subsidiaries;
- (XIII) to formulate the basic management system of the Company;
- (XIV) to formulate proposals for any amendments to the Articles of Association;
- (XV) to manage the disclosure of information of the Company;

- (XVI) to propose to shareholders' general meetings the appointment or change of the accounting firm acting as the auditor of the Company;
- (XVII) to hear the work report of the Company's president and special committees under the board of directors and to review the work of the Company's president and special committees under the board of directors;
- (XVIII) to assume ultimate responsibility for the effectiveness of the compliance management and overall risk management of the Company, and perform the respective duties;
- (XIX) to determine the compliance management objectives of the Company, and perform the following compliance management duties: consider and approve the basic compliance management rules; consider and approve the annual compliance report; establish the mechanism for direct communication with the person responsible for compliance; evaluate the effectiveness of compliance management; and supervise the resolution of problems existing in compliance management;
- (XX) to decide on repurchase of shares of the Company under circumstances as prescribed under items (III), (V) and (VI) of Article 30 of the Articles of Association;
- (XXI) promote and guide cultural development in the Company;
- (XXII) any other powers as conferred by the laws, administrative regulations, departmental rules and the Articles.

Resolutions relating to matters specified above made by the board of directors shall be passed by more than half of all directors, among which, the resolutions relating to the matters of financial assistance, the provision of guarantee transactions and other matters requiring consideration and approval by more than two-thirds of the directors present at the meeting of the board of directors as stipulated by relevant laws, regulations, departmental rules, normative documents or the listing rules of the place where the shares of the Company are listed shall be considered and approved by more than two-thirds of the directors present at the meeting of the board of directors.

Article 111 The board of directors shall establish the strategy and ESG (Environmental, Social and Governance) committee, the remuneration appraisal and nomination committee, the audit committee and the risk control committee.

The special committees under the board of directors shall be accountable to the board of directors and perform the duties as granted by relevant laws, administrative regulations, departmental rules, normative documents, listing rules of the place where the shares of the Company are listed, the Articles of Association and the board of directors, and their proposals shall be submitted to the Board for consideration and approval.

All members of the committees under the board of directors shall be directors, and shall be nominated by the chairman and approved by the board of directors. Independent directors shall be the majority in the audit committee and the remuneration appraisal and nomination committee and shall act as their conveners. The convener of the audit committee shall be an accounting professional. The board of directors is responsible for formulating the working procedures of the special committees and regulating their operation.

Article 112 The board of directors shall explain to the shareholders' general meeting regarding the non-standard auditors' advice given by certified accountant in relation to the financial report of the Company.

Article 113 The board of directors shall formulate the Rules of Procedure for Meetings of the board of directors to ensure the implementation by the board of directors of the resolutions of shareholders' general meeting, to improve efficiency and to have scientific decision-making.

Article 114 The board of directors shall formulate stringent examination and approval system to determine the authority with respect to external investment, acquisition and disposal of assets, mortgage of assets, external guarantee, entrusted wealth management and connected transactions and external donations of the Company. Specialists or professionals shall be retained to evaluate major investment projects that are beyond the authority of the board of directors and report to general meeting for approval.

The Company's approval authority for the aforesaid relevant matters is as follows:

- (I) acquisition or disposal of assets: where the acquisition or disposal is required to be submitted to the shareholders' general meeting for consideration after it is tested according to the transaction testing indicators specified by the listing rules of the place where the shares of the Company are listed (hereinafter referred to as the Indicator Test), it shall be approved by the shareholders' general meeting; where the timely information disclosure obligation needs to be performed after the Indicator Test is conducted but the acquisition or disposal is not required to be submitted to the shareholders' general meeting for consideration, it shall be approved by the board of directors; where the aforesaid criteria are not met, it shall be approved by the chairman of the board of directors. However, if the acquisition or disposal of assets involves the total value of assets or transaction amount which exceeds 30% of the Company's latest audited total assets (net of the clients' deposits) when it is calculated in the accumulative manner for a period of twelve consecutive months, it shall be submitted to the shareholders' general meeting for consideration;
  
- (II) external investment: in respect of external equity investment which is required to be submitted to the shareholders' general meeting for consideration after the Indicator Test, it shall be approved by the shareholders' general meeting; the remaining external equity investment shall be approved by the board of directors, which can decide the total amount of investment for a certain period (the criteria for performing the timely information disclosure obligation after the Indicator Test cannot be exceeded) and authorize the chairman of the board of directors to approve specific investment within the total amount of investment. In respect of external non-equity investment which is required to be submitted to the shareholders' general meeting for consideration after the Indicator Test, it shall be approved by the shareholders' general meeting; where the timely information disclosure obligation needs to be performed after the Indicator Test but the investment is not required to be submitted to the shareholders' general meeting for consideration, it shall be approved by the board of directors; where the aforesaid criteria are not met, it shall be approved by the chairman of the board of directors;



- (III) external guarantee: external guarantee mentioned in Article 64 of the Articles of Association shall be submitted to the shareholders' general meeting for approval; other external guarantee shall be approved by the board of directors;
- (IV) other non-connected transactions: unless otherwise specified by the Articles of Association, other non-connected transactions conducted by the Company which are required to be submitted to the shareholders' general meeting for consideration after the Indicator Test shall be approved by the shareholders' general meeting; where the timely information disclosure obligation needs to be performed after the Indicator Test is conducted but the transaction is not required to be submitted to the shareholders' general meeting for consideration, it shall be approved by the board of directors; where the aforesaid criteria are not met, it shall be approved by the chairman of the board of directors;
- (V) connected transactions: connected transactions conducted by the Company which are required by laws, administrative regulations, departmental rules and the listing rules of the place where the shares of the Company are listed to be submitted to the shareholders' general meeting for consideration shall be approved by the shareholders' general meeting; where the aforesaid rules require the timely information disclosure obligation to be performed but the transaction does not need to be submitted to the shareholders' general meeting for consideration, it shall be approved by the board of directors; where the aforesaid criteria are not met, it shall be approved by the chairman of the board of directors.

The external investment referred to in this Article shall exclude transactions arising from proprietary trading of securities, underwriting and listing sponsoring of securities, asset management, private equity, alternative investment business and other ordinary operating activities.

Where there are other requirements by laws and regulations and the listing rules of the place where the shares of the Company are listed for the approval authority for the aforesaid relevant matters, such other requirement shall be followed.

Article 115 The chairman and the vice chairman of the board of directors shall be directors of the Company and elected with approval of more than half of all the directors.

Article 116 The chairman of the board of directors shall perform the following duties:

(I) to preside over shareholders' general meetings and to convene and preside over meetings of the board of directors;

(II) to supervise and examine the implementation of resolutions passed by the board of directors;

(III) to execute the securities issued by the Company and other major documents;

(IV) to perform other duties entrusted by the board of directors.

Article 117 The vice chairman shall assist the chairman in work. In the event that the chairman is incapable of performing or does not perform his/her duties, the duties shall be performed by the vice chairman (and if the Company has two or more vice chairmen, the vice chairman nominated by more than half of the directors shall perform the duties of the chairman). Where there is no vice chairman and the vice chairman is incapable of performing or does not perform his/her duties, a director nominated by more than half of the directors shall perform the duties of the chairman.

Article 118 No less than four meetings of the board of directors shall be held each year. Such meetings shall be convened by the chairman of the board of directors and notice thereof shall be given to all directors and supervisors 14 days before the meeting. With the approval of all directors and supervisors, the provisions of the time period for notification of regular meetings of the board of directors may be exempted from implementation.

Article 119 Any shareholder holding more than one tenth voting rights, more than one-third of the directors or the Supervisory Committee or other persons stipulated in the Rules of Procedure for Meetings of the board of directors may propose to hold of an extraordinary meeting of the board of directors. The chairman of the board of directors shall convene and preside over the extraordinary meeting of the board of directors within 10 days upon receipt of the proposal.

Article 120 Notice of an extraordinary meeting of the board of directors shall be given to all directors and supervisors 5 days before the meeting. With the approval of all directors and supervisors, the provisions of the time period for notification of the extraordinary meetings of the board of directors shall be exempted from implementation.

Article 121 The delivery and content of the notification of meetings of the board of directors shall comply with the provisions of the Rules of Procedure for Meetings of the board of directors.

Article 122 Except as otherwise provided in the Articles of Association, a meeting of the board of directors shall be held only when more than half of the directors attend the meeting. Unless otherwise provided by the Articles of Association, resolutions of the board of directors shall be passed by more than half of all directors.

A director shall have one vote when voting on a resolution of the board of directors.

Article 123 If any director has connection with the entity involved in the resolution of a meeting of the board of directors, the director shall abstain from voting on the resolution and shall not vote on behalf of other directors. The meeting of the board of directors may be held when more than half of the attending directors have no connection with the entity. The resolution of the meeting of the board of directors shall be passed by more than half of the non-connected directors. If the number of non-connected directors attending the meetings is less than three, the matter shall be submitted to the shareholders' general meeting for approval.

Article 124 The resolution of the meeting of the board of directors shall be voted by poll or by other way as proposed by the chairperson.

Article 125 The resolution of the interim meeting of the board of directors may be voted by means of communication or by other ways as stipulated in the Articles of Association, provided that the directors' opinions are fully expressed. Please refer to the Rules of Procedure for Meetings of the board of directors for details about relevant provisions.

Article 126 Directors shall attend meetings of the board of directors in person. Where a director is unable to attend a meeting of the board of directors, he may authorize in writing another director to attend on his/her behalf. The independent directors shall not authorize the non-independent directors to attend the meeting. The content and format of the power of attorney shall comply with the provisions of the Rules of Procedure for Meetings of the board of directors. The appointed director who attends the meeting shall exercise a director's duties as authorized.

If a director fails to attend a meeting of the board of directors in person and fails to appoint a representative to attend the meeting, he shall be deemed to have waived his/her voting rights at the meeting.

The board of directors shall keep minutes of the matters discussed in the meeting. The attending directors shall sign on the minutes of the meeting. The content and format of the minutes of meetings of the board of directors shall comply with the provisions of the Rules of Procedure for Meetings of the board of directors.

The minutes of meetings of the board of directors shall be kept as corporate archives for a period of no less than 20 years.

## CHAPTER 7 PRESIDENT AND OTHER SENIOR MANAGEMENT

Article 127 The Company shall have one president, who shall be appointed and dismissed by the board of directors.

The Company shall have certain vice presidents, who shall be appointed and dismissed by the board of directors.

Article 128 The president and other senior management shall meet the qualifications required by laws, regulations and the CSRC.

Article 100 in relation to the fiduciary duties of directors and items (IV) to (VI) of Article 101 in relation to the diligent duties of directors of the Articles of Association shall apply to the senior management.

A person who holds an administrative position other than director and supervisor in the controlling shareholder of the Company shall not act as a senior management of the Company.

Senior management of the Company only receive salaries from the Company and the controlling shareholder shall not pay salaries thereto on behalf of the Company.

Article 129 The president is appointed for tenure of three years and he/she may be re-appointed.

Article 130 The president shall be accountable to the board of directors and perform the following duties:

(I) to be in charge of the Company's production, operation and management, to organize and implement the resolutions of the board of directors and to report his/her work to the board of directors;

(II) to organize and implement the Company's annual plan and investment scheme;

- (III) to draft the plan for establishment of the internal management departments of the Company;
- (IV) to establish the Company's basic management system;
- (V) to formulate basic rules and regulations for the Company;
- (VI) to recommend the appointment or dismissal of vice presidents, chief financial officer and other senior management except the secretary to the board of directors, chief risk officer, chief compliance officer, chief legal counsel and chief auditor;
- (VII) to decide the appointment or dismissal of management members other than those required to be appointed or dismissed by the board of directors;
- (VIII) implement the work on cultural development as required by the Board to conduct the cultural development;
- (IX) other duties granted by the Articles of Association or the board of directors.

The president may be present at the meetings of the board of directors.

Article 131 The president shall prepare detailed rules of the duties and responsibilities of president for approval by the Board before its implementation. The detailed rules of the duties and responsibilities of president shall include:

- (I) the requirements, procedures and attendees of a president meeting;
- (II) the specific duties and roles of each of the president, vice presidents and other senior management;
- (III) the usage of the Company's funds and assets, the limits of his/her authority to enter into material contracts, and the mechanism of reporting to the board of directors and the Supervisory Committee;
- (IV) other matters as the board of directors shall deem necessary.

- Article 132 The president shall bear the fiduciary and diligent obligations in accordance with the provisions of laws, administrative regulations and the Articles of Association in performing his/her duties.
- Article 133 The president may resign before expiry of his/her term of service. The specific procedures and measures concerning the president's resignation shall be stipulated by the employment contract between the president and the Company.
- Article 134 The vice presidents of the Company shall assist the president in work. The detailed rules of the duties and responsibilities of president shall apply to the duties of vice presidents.
- Article 135 The chief financial officer of the Company shall assist the president to fulfill duties and responsibilities related to finance granted by the Articles of Association and the board of directors.
- Article 136 The Company shall have a chief compliance officer. The chief compliance officer shall be in charge of the compliance of the Company and shall examine, supervise and inspect the compliance of the operation and management practice of the Company and its staff. The chief compliance officer shall not concurrently hold other positions the duties of which are in conflict with those of the compliance management and shall not concurrently take charge of the department the duties of which are in conflict with those of the compliance management.
- Article 137 The candidate for the chief compliance officer shall satisfy the qualifications required by relevant laws, regulations and rules. For the appointment of chief compliance officer, the Company shall file his/her resume and the relevant certification materials to the relevant local office of the CSRC. The chief compliance officer shall not take office until the approval is obtained. For the dismissal of chief compliance officer, the Company shall provide proper reasons and shall file a written report with reasons for the dismissal to the relevant local office of the CSRC 10 business days before the convocation of the relevant board meeting.

Article 138 If the chief compliance officer is not able to perform his/her duties or a vacancy exists, the chairman or the president shall perform duties on his/her behalf, and file a written report to the relevant local office of the CSRC within 3 working days from the date of the decision. The duration of performing duties on his/her behalf shall not exceed 6 months. If a vacancy exists for the chief compliance officer, the Company shall engage a person who meets the requirements of the regulations within 6 months to act as the chief compliance officer.

The chief compliance officer shall submit an application to the board of directors one month in advance for resignation and report to the relevant local office of the CSRC. The chief compliance officer shall not cease to perform his/her duties until the resignation application is approved.

Article 139 The chief compliance officer shall be accountable to and report work to the board of directors internally and report the compliance status of the Company to the regulatory authority externally. The chief compliance officer shall primarily performs the following duties:

- (I) to organize the drafting of the basic compliance management rules and other compliance management rules, and supervise the subordinate units to implement;
- (II) to conduct compliance examinations on the Company in respect of its internal management system, major decisions, new products and new business schemes, and issue written compliance examination opinions; and conduct compliance examinations and sign his/her express opinions on application materials or reports submitted by the Company in accordance with the requirements of the securities regulatory authorities;
- (III) to supervise and inspect the Company and its staff in respect of the compliance of their operation, management and practice;
- (IV) to assist the board of directors and senior management in establishing and implementing the information firewall, interest conflict management and anti-money laundering system; to provide compliance advice and organize compliance training; and to guide and supervise the relevant departments to deal with the complaints and reports regarding the Company and its staff in respect of their behaviors in violation of laws and regulations;



- (V) in the event that the chief compliance officer discovers that the Company is in violation of certain laws and regulations or there is a potential risk of non-compliance, he shall promptly report to the board of directors, the supervisory committee and the major person in charge of operation and management, and to the relevant dispatched office of the CSRC and the competent self-discipline organization in accordance with regulatory requirements and urge prompt rectification;
- (VI) to make recommendations to the board of directors or senior management and monitor the relevant departments to evaluate the impact on compliance management as well as make corresponding amendments or adjustments to relevant management systems and workflows where any law, regulation and standard changes;
- (VII) to timely deal with the matters regulatory authorities require to investigate, cooperate with regulatory authorities in examinations and investigations, and follow up with the implementation of regulatory advice and regulatory requirements;
- (VIII) to perform other duties stipulated by the relevant laws, regulations, departmental rules, normative documents and the Articles of Association of the Company and conferred by the board of directors.

Article 140 The Company shall ensure the independence of the chief compliance officer and ensure that the chief compliance officer has and can exercise the full rights to know and investigate as is necessary for the performance of his/her duties.

Article 141 The Company shall appoint a chief risk officer to be in charge of the comprehensive risk management. The chief risk officer shall not concurrently hold other positions or concurrently take charge of any departments, the duties of which are in conflict with his/her duties as chief risk officer. The chief risk officer shall be appointed or removed by the board of directors.

Article 142 The Company shall appoint a chief legal counsel to take charge of legal affairs of the Company and be responsible for the rule of law system of the Company. The chief legal counsel shall be appointed and dismissed by the board of directors.

Article 143 The Company shall appoint a chief auditor to assist the major responsible person of the Company in managing the internal audit work, and be responsible for organizing, leading and supervising the effective implementation of the internal audit work. The chief auditor shall be appointed and dismissed by the board of directors.

Article 144 The Company shall have a secretary to the board of directors. The secretary is a senior management of the Company. The secretary to the board of directors should be a natural person who have the requisite professional knowledge and experience and shall be appointed by the board of directors.

The secretary to the board of directors shall primarily perform the following duties:

- (I) to be responsible for the Company's information disclosure affairs, coordinate the Company's information disclosure, organize and formulate the Company's information disclosure affairs management system, and urge the Company and the relevant information disclosure obligors to comply with the relevant information disclosure regulations;
- (II) to be responsible for investor relations management, coordinate the information communication between the Company and securities regulatory authorities, investors, de facto controllers, intermediary agencies, media, etc.; to act as the person in charge of investor briefings, and be responsible for formulating and implementing the work plan for holding investor briefings;
- (III) to prepare and organize meetings of the board of directors and its special committees and shareholders' general meetings, attend the shareholders' general meetings, meetings of the board of directors, meetings of the Supervisory Committee and meetings of the senior management, and be responsible for making records for the meetings of the board of directors and sign such records;
- (IV) to be responsible for the confidentiality of the Company's information disclosure, and to report and disclose any leakage of major undisclosed information to the Shanghai Stock Exchange in a timely manner;
- (V) to pay attention to media coverage and take the initiative to verify the truth, and urge the relevant parties in the Company to reply to the inquiries of the Shanghai Stock Exchange in a timely manner;

- (VI) to arrange trainings on the relevant laws and regulations and the relevant rules of the Shanghai Stock Exchange for the Company's directors, supervisors and senior management, and to assist such persons to understand their responsibilities in respect of information disclosure;
- (VII) to urge the directors, supervisors and senior management to abide by the laws and regulations, the relevant rules of the Shanghai Stock Exchange and the Articles of Association, and urge the directors, supervisors and senior management to sign the relevant statements and letters of undertaking in a timely manner; when he/she is aware that the Company, directors, supervisors and senior management have made or may make resolutions that violate the relevant provisions, he/she shall remind them and report the same to the Shanghai Stock Exchange in a timely manner;
- (VIII) to be responsible for the management of the changes in the Company's shares and the derivatives thereof;
- (IX) other duties as required under the relevant laws, regulations, departmental rules, normative documents and the rules of the place where the shares of the Company are listed.

The secretary to the board of directors shall comply with relevant provisions of laws, administrative regulations, departmental rules and the Articles of Association.

Article 145 The senior management shall take charge of implementing the compliance management objectives, assume the responsibility for compliance operation, and perform the following compliance management duties:

- (I) to establish and improve the organizational structure of compliance management, follow compliance management procedures, employ adequate and appropriate compliance managers, and provide sufficient human resources, material resources, financial resources and technical support and guarantee for their performance of duties;
- (II) to report and make rectifications of the violations of certain laws and regulations found, and implement the accountability.

Article 146 The senior management of Company shall faithfully perform their duties and safeguard the best interests of the Company and the shareholders as a whole. Any senior management who fails to faithfully perform his/her duties or violate his/her fiduciary duties and as a result, causes damage to the interests of the Company and the public shareholders shall be liable for compensation according to law; a senior management shall be personally liable for any loss suffered by the Company as a result of a violation by him of any laws, administrative regulations, departmental rules or the Articles of Association in the course of performing his/her duties.

**CHAPTER 8 SUPERVISORY COMMITTEE**

**Section 1 Supervisors**

Article 147 Supervisors shall satisfy the qualifications as required by the laws, administrative regulations, departmental rules, normative documents, the listing rules of the place where the shares of the Company are listed and the Articles of Association.

Directors, president and financial controller and other senior management of the Company may not act concurrently as supervisors.

Article 148 Supervisors shall faithfully perform their supervisory obligations in accordance with laws, administrative regulations and the Articles of Association and bear fiduciary and diligent duties to the Company. Supervisors are prohibited from abusing their power to accept bribes or other illegal income and from misappropriating the Company’s properties.

Article 149 Each term of office of a supervisor is three years and he may serve consecutive terms if re-elected.

- Article 150 If no supervisor is elected in place of a retiring supervisor upon expiry of his/her term or a supervisor resigns before the expiry of his/her term resulting in the number of supervisors to be less than the required number or the number of supervisors to be less than one-third of the members of the Supervisory Committee, the leaving supervisor shall continue to perform his/her duties as a supervisor in accordance with the laws, administrative regulations, departmental rules, normative documents, the listing rules of the place where the shares of the Company are listed and the Articles of Association until a supervisor is elected in his/her place. Save for the aforesaid circumstance, the supervisor's resignation shall take effect upon delivery of his/her resignation report to the Supervisory Committee.
- Article 151 A supervisor who fails to attend two consecutive meetings of the Supervisory Committee in person or by proxy shall be deemed as unable to perform his/her duties. The Supervisory Committee shall propose to the shareholders' general meeting or employees' representative assembly for removal of such supervisor.
- Article 152 When a supervisor resigns during his/her tenure, he/she shall submit a written resignation report to the Supervisory Committee of the Company, which shall specify the reasons for resignation.
- Article 153 Supervisors shall ensure that the information disclosed by the Company is true, accurate and complete, and shall sign written confirmation of the periodical reports.
- Article 154 A supervisor may attend meetings of the board of directors, and make enquiry or suggestion regarding resolutions of meetings of the board of directors.
- Article 155 A supervisor may not make use of his/her connected relationship to harm the Company's interests. For any losses suffered by the Company arising therefrom, he shall be liable to make indemnification.
- Article 156 A supervisor shall be personally liable for any loss suffered by the Company as a result of a violation by him of any laws, administrative regulations, departmental rules or the Articles of Association in the course of performing his/her duties.

## **Section 2 Supervisory Committee**

Article 157 The Company shall have a supervisory committee. The supervisory committee shall consist of seven supervisors, have one chairman of the supervisory committee and may appoint a vice chairman. The election and removal of the chairman and vice chairman of the supervisory committee shall be determined by the affirmative votes of more than half of the members of the supervisory committee. The chairman of the supervisory committee shall convene and preside over a meeting of the supervisory committee. If the chairman of the supervisory committee is unable or fails to perform his/her duties, the vice chairman of the supervisory committee shall convene and preside over the meeting of the supervisory committee. Where there is no vice chairman of the supervisory committee or the vice chairman of the supervisory committee is unable or fails to perform his/her duties, a supervisor selected by more than one half of all supervisors shall convene and preside over the meeting of the supervisory committee.

The supervisory committee shall consist of shareholder representatives and an appropriate proportion of the Company's employee representatives and the percentage of employee representatives shall not be less than one-third. The employee representatives of the supervisory committee shall be elected by employees of the Company at the employee representatives' meeting, employee meeting or otherwise democratically.

Article 158 The Supervisory Committee shall be accountable to the shareholders' general meeting and shall perform the following duties:

- (I) to review the Company's securities issuance documents and periodical reports prepared by the board of directors and to provide comments in writing, and supervisors shall sign the confirmation in writing;
  
- (II) to review the Company's financial condition;

- (III) to supervise the conducts of the directors and senior management in discharge of their duties and to advise on the dismissal of any director and senior management who are in breach of laws, administrative regulations, the Articles of Association or resolutions of the shareholders' general meetings, and assume the primary or leadership responsibility for the occurrence of the major risk of non-compliance;
- (IV) to demand rectification from the directors and senior management of the Company where their conducts are detrimental to the interests of the Company;
- (V) to propose to convene an extraordinary general meeting, and to convene and preside over the shareholders' general meeting where the board of directors fails to perform its duties to convene or preside over a shareholders' general meeting as required under the Company Law;
- (VI) to propose motions at a shareholders' general meeting;
- (VII) to report at the annual general meeting of the shareholders and disclose the performance of supervisors in the annual report, including the number of meetings of the Supervisory Committee attended by supervisors and voting during the reporting period;
- (VIII) to take legal actions against directors and senior management in accordance with Article 151 of the Company Law;
- (IX) to conduct investigations whenever unusual conditions in the operation of the Company arise and, if necessary, to engage professional institutions such as accounting firms and law firms to assist in their work with expenses to be borne by the Company;
- (X) to be responsible for supervising the compliance management and comprehensive risk management, and supervising the performance of duties of the board of directors and management in respect of the compliance management and comprehensive risk management and procuring any rectification thereof;

(XI) other duties as stipulated by laws, administrative regulations, departmental rules, statutory documents, the listing rules of the place where the shares of the Company are listed and the Articles of Association.

All expenses required by the Supervisory Committee to exercise their powers shall be borne by the Company.

Article 159 The Company shall take measures to safeguard supervisors' access to information and provide necessary conditions for the supervisors' performance of their duties.

Article 160 The Supervisory Committee shall meet at least once in every six months. The chairman of the Supervisory Committee shall convene the meeting and notify all supervisors in writing ten days before the meeting. As approved by all the supervisors, the provisions of the time period for notification of the periodic supervisory committee meetings shall be exempted from implementation.

Article 161 An extraordinary supervisory committee meeting may be convened as required. Supervisors can propose to convene an extraordinary supervisory committee meeting. Chairman of the Supervisory Committee shall convene and preside over a supervisory committee meeting within ten days upon receipt of the proposal.

Notice of an extraordinary supervisory committee meeting shall be given to all supervisors 5 days before the meeting. With the approval of all supervisors, the provisions of the time period for notification of the extraordinary supervisory committee meetings shall be exempted from implementation.

Article 162 The resolution made by the Supervisory Committee shall be approved by more than half of the members of the Supervisory Committee.

Article 163 The Supervisory Committee shall formulate the rules of procedure for the Supervisory Committee and express the discussion methods and voting procedures, to ensure the work efficiency and scientific decision-making of the Supervisory Committee.



Article 164 The content and form of notice of a Supervisory Committee meeting shall conform to the requirement of the Rules of Procedure for the Supervisory Committee.

Article 165 The discussed issues shall be recorded in the minutes of the meeting of the Supervisory Committee. Supervisors attending the meeting shall sign on the minutes of meetings.

Article 166 Supervisors are entitled to request that an explanatory record of their comments is made at the meetings be noted in the minutes. Minutes of meeting of the Supervisory Committee shall be maintained as company files for at least twenty years.

#### **CHAPTER 9 THE QUALIFICATIONS AND OBLIGATIONS OF THE COMPANY'S DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT**

Article 167 Other than the conditions for the appointment of directors (including independent directors), supervisors and senior management as set out in Article 98, 107, 128 and 147 of the Articles of Association, the following persons shall not serve as directors, supervisors, manager or other senior management of the Company:

- (I) persons without civil capacity or with limited civil capacity;
- (II) persons who have committed offences relating to corruption, bribery, embezzlement of property, misappropriation of property or disruption of socialist economic order and have been sentenced to criminal punishment, where less than five years has elapsed since the date of enforcement, or who have been deprived of their political rights due to the commission of a criminal offense, where less than five years has elapsed since the date of enforcement;
- (III) persons who were former directors, factory managers or managers of a company or enterprise which was declared bankrupt and was liquidated and who were personally liable for the bankruptcy of such company or enterprise, where less than three years has elapsed since the date of completion of the bankruptcy and liquidation of the company or enterprise;

- (IV) persons who were legal representatives of a company or enterprise which had its business license revoked and was ordered to close down due to violation of the law and who were personally liable, where less than three years has elapsed since the date of the revocation;
- (V) persons who have a substantial amount of debts due and outstanding;
- (VI) persons who are subject to the securities market access prohibition measures imposed by the CSRC prohibiting from acting as a director, supervisor and senior management of a listed company for a period which has not yet expired;
- (VII) persons in charge of stock dealing institutions, securities registration and clearing institutions or directors, supervisors, senior management of securities companies who were dismissed due to illegal or improper behavior where less than five years has elapsed since the date of the removal;
- (VIII) persons who were lawyers, certified public accountants or professionals of other securities service institutions, whose certified certificate or qualification was revoked due to illegal or improper behavior, where less than five years has elapsed since the date of the revocation;
- (IX) persons who were employees of stock dealing institutions, securities registration and clearing institution, securities service provider, securities company and government officers and were discharged due to breach of the laws and irregularities;
- (X) government officers and other persons who are forbidden by law and regulations to concurrently take up posts in a company;
- (XI) persons who were subject to administrative penalties by the financial regulatory department or banned by the CSRC from access to the securities market due to material illegal or improper behavior where less than five years has elapsed since the date of completion of the penalties;

- (XII) persons who are declared to be unfit by the CSRC or are subject to disciplinary sanction imposed by the industry associations of being unsuitable for engaging in the relevant business for a period which has not yet expired;
- (XIII) persons who are under investigation by any administrative authority or judicial authority on suspicion of any violation of law or any crime, and such case has not yet been closed to form a final opinion;
- (XIV) other circumstances specified by the laws, regulations, departmental rules, normative documents or listing rules of the place where the shares of the Company are listed.

Where any director is elected or appointed in violation of this Article, such election or appointment shall be void. Where any director fails to meet the conditions specified in this Article during his/her term of office, the Company may remove him/her from office after performing the relevant resolution procedures at the shareholders' general meeting.

Article 168 Independent directors shall not be related to the Company or have conflict of interests with the Company or make themselves in any other circumstances which may hinder their independent and objective judgment. The following persons shall not act as the independent directors of the Company:

- (I) the person who works in the Company or its affiliates and his/her spouse, parents, children, and persons who have important social relationship with him as well as his/her core connected persons as defined in the Hong Kong Listing Rules;
- (II) the person who works in a shareholder entity that holds or controls 5% or more of the shares of the Company or that ranks among the top five shareholder entities of the Company, and his/her spouse, parents, or children;
- (III) a natural person holding or controlling 1% or more of the shares of the Company, the Company's top 10 shareholders in the capacity of natural persons, and his/her spouse, parents, or children;

- (IV) a person who works in an affiliate of the controlling shareholder or de facto controller of the Company, and his/her spouse, parents, or children;
- (V) a person who provides financial, legal, consulting, sponsorship, or other services to the Company, its controlling shareholder, de facto controller, or any of their respective affiliates, including but not limited to all members of the project team, reviewers at all levels, persons who sign the reports, partners, directors, senior management, and the primary person in charge of an intermediary that provides services;
- (VI) a person who has significant business transactions with the Company or its controlling shareholder, de facto controller, or any of their respective affiliates, or a person who holds a position in an entity that has significant business transactions with the Company or its controlling shareholder or de facto controller;
- (VII) the person who falls within items (I) to (VI) during the past year;
- (VIII) the persons prescribed by laws, administrative regulations, departmental rules, normative documents, the CSRC, the Hong Kong Stock Exchange and the Articles of Association.

Article 169 Directors, supervisors and senior managers shall perform their duties of loyalty and diligence to the Company and other obligations as stipulated by laws, administrative regulations, departmental rules, normative documents and the listing rules of the place where the shares of the Company are listed.

## **CHAPTER 10 TAXATION, FINANCIAL AND ACCOUNTING SYSTEM AND PROFIT DISTRIBUTION**

### **Section 1 Financial and Accounting System**

Article 170 The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and the requirement of relevant regulatory departments of the PRC.

Article 171 The Company shall submit and disclose its annual reports to the CSRC and the stock exchange(s) in the place where the shares of the Company are listed within four months from the ending date of each fiscal year, submit and disclose the half-year reports to the local office of the CSRC and the stock exchange(s) in the place where the shares of the Company are listed within two months from the ending date of the first six months of each fiscal year.

The above annual reports and half-year reports are prepared in accordance with laws, administrative regulations, the provisions of departmental rules and the listing rules of the place of where the shares of the Company are listed.

Article 172 The Company shall not establish account books other than the statutory account books. The assets of the Company shall not be deposited in any personal account.

Article 173 The Company is required to distribute each year's after-tax profits in the following order:

- (I) to make up for the losses incurred in the previous year;
- (II) to allocate 10% of its profits into its statutory reserve fund of the Company;
- (III) to allocate into reserve for general risk to make up for the losses and into transaction risk reserve to make up for the deficit of securities trading in accordance with laws, regulations or regulatory requirements;
- (IV) subject to resolutions adopted at a shareholders' general meeting, to withdraw discretionary common reserve from after-tax profit;
- (V) pay dividends to shareholders.

When the cumulated amount of the statutory reserve fund of the Company has reached 50% or more of its registered capital, no further allocations is required.

After making up for the losses and making contributions to the common reserve fund, statutory reserve fund and discretionary reserve fund, any remaining after-tax profits shall be distributed to the shareholders in proportion to their respective shareholdings, except it is stipulated in the Articles of Association of the Company that profit distributions shall not be made in accordance with the shareholding proportion.

If the shareholders' general meeting has, in violation of the provisions of the preceding paragraphs, distributed profits to the shareholders before the Company has made up for its losses and made allocations to the statutory reserve fund and statutory reserve fund, the shareholders must return the profits distributed in violation of the provision to the Company.

No profits shall be distributed in respect of the shares held by the Company.

Article 174 The Company actively adopts a positive, sustainable and stable profit appropriation policy, which emphasizes a reasonable investment return for investors.

The Company may distribute dividends in cash, in shares or in a combination of both cash and shares. The Company shall give priority to distribute dividends in cash provided that the conditions for cash distribution are satisfied.

When implementing the cash dividend distribution, the Company shall consider the internal and external factors, directors' opinions and shareholders' expectations. Under the preconditions that Company has no major investment plan or there is no significant cash expenditure, as well as the net profits realized by the Company in current year and the accumulated undistributed profits at end of current year are positive, the board of directors shall distribute annual or interim profits by cash as long as it does not affect the normal operation of the Company. The Company shall distribute cash dividends (including interim and final dividends) in an amount equal to at least 15% of the annual distributable profits (net of gains from fair value changes and and so on according to relevant requirements) in any year.

In distributing profits by means of shares, the Company should take into account the operation position and share capital scale and adequately consider factors such as growth, dilution to net assets per share and so on.

The Company shall take various factors into account, including its industry features, development stages, business model and profitability as well as whether it has any substantial capital expenditure arrangement, to propose a differentiated policy for distributing cash dividend. Unless otherwise stipulated in the Articles of Association, the profit distributed in cash each time shall not be less than 20% of the actual profit distributed.

If the Company decides not to make cash dividend or decides to make cash dividend at a ratio lower than the prescribed one in special circumstances, the Company shall implement the relevant decision-making procedures and make disclosure according to the applicable laws, administrative regulations, departmental rules and the provisions of the stock exchange at the listing place.

When the Company's audit report for the most recent year is a non-qualified opinion or an unqualified opinion with paragraphs of material uncertainty related to going concern, no profit distribution may be made.

Article 175 Reserves of the Company are used for offsetting losses of the Company, expanding the Company's production and operation or increasing the capital of the Company. However, capital reserve shall not be used to offset losses of the Company.

Capital reserve includes the following items:

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

If the statutory reserve is converted into capital, the balance of the statutory reserve shall not fall below 25% of the Company's registered capital before the increase of the capital.

Article 176 The Company may adjust the abovementioned proportion of cash dividend distribution by way of passing a resolution by two-thirds or more of the voting rights held by the shareholders who attend the shareholders' general meeting if any one of the following events happens:

(I) there are changes in, or adjustments to, relevant laws and regulations or regulatory requirements;

(II) the net capital risk control indicators reach the warning levels;

(III) the Company's operating conditions deteriorate;

(IV) the board of directors proposes the adjustments.

Before raising adjustment scheme of profit distribution policy, the board of directors shall fully hear opinions from independent directors, take the initiative to communicate with minority shareholders through various channels, and carefully respond to concerns of such shareholders. When convening a shareholders' general meeting to consider adjustment scheme of profit distribution policy, in addition to organizing on-site meeting, the Company should also allow shareholders to vote through Internet to the extent technically feasible.

Article 177 After the profit distribution plan has been adopted at the shareholders' general meeting, the board of directors of the Company shall complete the dividend (or share) distribution within two months after the shareholders' general meeting.

Article 178 The Company shall appoint receiving agents on behalf of the holders of H Shares overseas listed foreign invested shares to receive on behalf of such shareholders dividends declared and all other monies owing by the Company in respect of such H Shares.

The receiving agents appointed by the Company shall meet the requirements of the laws or the relevant provisions of the stock exchanges in the place where the Company is listed.



## **Section 2 Internal Audit**

Article 179 The Company shall conduct internal audit system and assign full-time auditors to conduct internal audit and supervision on the revenues and expenditures and economic activities of the Company.

Article 180 The internal audit system and the duties of the auditing staff of the Company shall come into effect upon the approval of the Board. The officer-in-charge of the audit team shall be responsible to and report to the Board.

## **Section 3 Appointment of Accounting Firm**

Article 181 The Company shall appoint an accounting firm which is qualified under the Securities Law to audit its accounting statement, conduct verification of net assets and other relevant consultation services.

The engagement of an accounting firm by the Company shall be determined by the shareholders' general meeting. The term of appointment shall be one year and renewable.

Article 182 The auditing fees payable to an accounting firm shall be determined by the shareholders' general meeting.

Article 183 The Company guarantees that it will provide the accounting firm with true and complete accounting vouchers, accounting books, financial accounting reports and other accounting information without any objection, omission or falsehood.

Article 184 10 days' prior notice shall be given to the accounting firm if the Company decides to remove such accounting firm or not to renew the appointment thereof. The accounting firm shall be entitled to make representations when the resolution regarding the removal of the accounting firm is considered at the shareholders' general meeting of the Company.

Where the accounting firm resigns, it shall make statements to the shareholders' general meeting whether there is any impropriety existing in the Company.

## CHAPTER 11 NOTICE AND ANNOUNCEMENT

### Section 1 Notice

Article 185 A notice of the Company shall be sent by:

- (I) hand;
- (II) mail;
- (III) announcement;
- (IV) fax;
- (V) email;
- (VI) making announcement in the Company's website or the websites designated by stock exchange in accordance with the laws, regulations and listing rules of the place where the shares of the Company are listed;
- (VII) other means agreed by the Company and the recipient of the notice in advance or agreed by the recipient of the notice after receiving such notice;
- (VIII) other means recognized by regulatory authorities of the place where the shares of the Company are listed or stated in the Articles of Association.

Pursuant to the Hong Kong Listing Rules, and subject to the laws and regulations and listing rules of the place where the shares of the Company are listed as well as the Articles of Association, corporate communications (as defined in Hong Kong Listing Rules) may be provided or sent to holders of H shares by making announcement on the websites designated by the Company and/or the websites of the Hong Kong Stock Exchange or by electronic means.

Corporate communications referred to in the preceding article means any document issued or to be issued by the Company for the information or action of the holders of H shares of the Company or other individuals required under the Hong Kong Listing Rules, including but not limited to:

1. the annual report of the Company (including the report of the board of directors, annual financial accounts, the auditor's report and the financial summary of the Company (if applicable));
2. the interim report and the summary of the interim report of the Company (if applicable);
3. notices of meetings;
4. listing documents;
5. circulars;
6. proxy forms (as defined in the listing rules of the stock exchange(s) on which the shares of the Company are listed).

Where notices are given by way of announcements under authorization conferred by the Articles of Association, such announcements shall be published by means specified in the Hong Kong Listing Rules.

In the case of joint holders of a share, all notices, data or other documents shall be served or sent to anyone of the joint holders by the Company.

Article 186 Where a notice is served by way of announcement, upon the publication of such announcement, and after completion of the relevant procedures required by the listing rules of the place where the shares of the Company are listed, all relevant persons shall be deemed to have received the notice.

Where it is otherwise provided under the listing rules of the place where the shares of the Company are listed, such provisions shall prevail.

- Article 187 The meeting notice of convening the meeting of the board of directors shall be delivered by hand, facsimile, e-mail or other means as required by the rules of procedure for Meetings of the board of directors.
- Article 188 The meeting notice of convening the meeting of the Supervisory Committee shall be delivered by hand, facsimile, e-mail or other means as required by the rules of procedure for the Supervisory Committee.
- Article 189 Where a notice of the Company is delivered by hand, the addressee shall sign (or seal) on reply slip and the date of receipt shall be deemed as the date of service; where a notice of the Company is delivered by mail, the seventh working day from the date of delivery to the post office shall be deemed as the date of service; where a notice of the Company is delivered by fax, the day after the fax is sent (which shall be a working day, otherwise postponed to the first following working day) shall be deemed as the date of service; and where a notice of the Company is delivered by announcement, the first day on which such announcement is published shall be deemed as the date of service.
- Article 190 If a notice of meeting is accidentally omitted to be sent to a person who is entitled to receive the notice or if such person has not received the notice of meeting, the meeting and any resolutions made therein shall not become void thereby.
- Article 191 The Company may send only the English or the Chinese version of any corporate documents to its shareholders (in accordance with the intention expressed by the shareholder) if it has properly confirmed with the shareholders on such arrangement in accordance with and to the extent permitted by applicable laws and regulations even when corporate documents are required to be sent, posted, distributed, given, published or otherwise provided in both English and Chinese under the listing rules of the place where the shares of the Company are listed.

## **Section 2 Announcement**

Article 192 The Company shall issue announcements and make information disclosure to holders of A Shares through the website of the stock exchange and media satisfying the requirements prescribed by the securities regulatory authorities of the State Council. If it is required to make public announcements to the holders of H Shares pursuant to the Articles of Association, such announcements shall also be published in such manner as required by the Hong Kong Listing Rules.

The board of directors may change the websites and other media for information disclosure, but shall ensure that the designated websites and other media are allowed by relevant laws and regulations and comply with the qualifications and conditions stipulated by CSRC, overseas regulatory authorities and securities exchanges in China and overseas.

## **CHAPTER 12 MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION**

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

Article 193 Merger of the Company may take the form of absorption or establishment of a new company.

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

Article 194 In the event of a merger, the merging parties shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten days from the date of the Company's merger resolution and shall publish an announcement in newspapers or by other means within 30 days from the date of the Company's merger resolution. A creditor has the rights, within 30 days of receiving such notice from the Company or, for creditors who do not receive the notice, within 45 days from the date of the public notice, to demand the Company to settle its debts or provide a guarantee for such debt.

Article 195 Upon the merger of the Company, claims and debts of each of the merged parties shall be assumed by the company which survives the merger or the newly established company.

Article 196 When the Company is divided, its assets shall be split up accordingly.

In the event of a division, the Company shall prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten days from the date of the Company's resolution to divide and shall publish an announcement in newspapers or by other means within 30 days from the date the Company made a resolution to divide.

Article 197 Debts of the Company prior to division shall be jointly assumed by the companies which exist after the division, except provided otherwise in the written agreement between the Company and the creditors relating to the settlement of debt before the division.

Article 198 Where the Company is required to reduce its registered capital, it shall prepare a balance sheet and an inventory of assets.

The Company shall notify its creditors within 10 days from the date of the resolution for reduction of registered capital and shall publish an announcement in newspapers or by other means within 30 days from the date of such resolution. A creditor has the rights, within 30 days after receipt of the notice or, in the case of a creditor who does not receive such notice, within 45 days from the date of the announcement, to demand the Company to repay its debts or to provide a guarantee for such debt.

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

Article 199 Changes in particulars of the companies as a result of merger or division must be registered with the registration authorities in accordance with the laws. Cancellation of a company shall be registered in accordance with the laws when a company is dissolved. Incorporation of a company shall be registered when a new company is incorporated in accordance with the laws.

When increasing or reducing the registered capital, the Company shall register the changes with company registration authorities in accordance with the laws.

## **Section 2 Dissolution and Liquidation**

Article 200 The Company shall be dissolved upon the occurrence of the following events:

- (I) the term of its operations set out in the Articles of Association has expired or other events of dissolution specified in the Articles of Association have occurred;
- (II) a resolution on dissolution is passed by shareholders at a shareholders' general meeting;
- (III) dissolution is necessary due to the merger or division;
- (IV) the Company's business license is revoked or the Company is ordered to close down or de-registered according to laws;
- (V) where the Company gets into serious trouble in operation and management and its continuation may cause substantial loss to the interests of shareholders, and no solution can be found through any other channel, shareholders representing more than 10% of the voting rights of all shareholders of the Company may request the People's Court to dissolve the Company.

Article 201 Upon the occurrence of the situation described in item (I) of Article 200 hereof, the Company may continue to exist by amending the Articles of Association.

Amendments to the Articles of Association pursuant to the preceding paragraph shall be subject to the approval of more than two-thirds of the voting rights held by the shareholders present at the shareholders' general meeting.

Article 202 Where the Company is dissolved in accordance with items (I), (II), (IV) and (V) of Article 200 hereof, a liquidation committee shall be established to commence liquidation within 15 days from the date of occurrence of events giving rise to dissolution. The members of the liquidation committee shall be determined by the directors or the shareholders' general meeting. In case no liquidation committee is established within the specified period to commence liquidation, the creditors may apply to the People's Court to designate relevant persons to form a liquidation committee and commence liquidation.

Article 203 The liquidation team shall exercise the following functions and power during the period of liquidation:

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



Article 204 The liquidation team shall, within 10 days of its formation, notify the creditors, and shall, within 60 days, make a public announcement on newspaper or by other means. Creditors shall, within 30 days of the receipt of the notice or within 45 days of the release of the public announcement in the case of failure to receive said notice, file their creditors' rights with the liquidation team.

Where creditors file their creditors' rights, they shall explain about the matters related to creditors' rights, and shall provide the evidentiary materials. The liquidation team shall register the creditors' rights.

The liquidation team may not clear off any of the debts of any creditors during the period of filing creditors' rights.

Article 205 After the liquidation team has liquidated the assets of the Company and has prepared the balance sheets and inventory of assets, it shall prepare a plan of liquidation, and report it to the shareholders' general meeting or the People's Court for confirmation.

The remaining assets after paying off the liquidation expenses, wages of employees, social insurance premiums and statutory compensation, the outstanding taxes and the debts of the Company may be distributed in proportion to shareholding of the shareholders.

During the period of liquidation, the Company continues to exist but may not carry out any business operation that is not related to liquidation. Before the settlement of repayments as provided in the preceding article has been made, the Company's properties shall not be distributed to shareholders.

Article 206 Should the liquidation team find that the properties of the Company is insufficient for clearing off the debts after liquidating the properties of the Company and preparing the balance sheets and inventory of assets, it shall apply to the People's Court to declare the Company's bankruptcy pursuant to laws.

Once the People's Court declares the bankruptcy of the Company, the liquidation team shall hand over the liquidation matters to the People's Court.

Article 207 Following the completion of the liquidation of the Company, the liquidation committee shall prepare a liquidation report, submit the same to the shareholders' general meeting or the people's court for confirmation, and submit the same to the company registration authority to apply for de-registration of the Company, and to announce that the Company is terminated.

Article 208 The members of the liquidation team shall devote themselves to their duties and fulfill their obligations of liquidation according to laws.

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

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

Article 209 Where the Company is declared bankruptcy in accordance with laws, it shall implement bankruptcy liquidation in accordance with relevant laws relating to bankruptcy of enterprise.

**CHAPTER 13 AMENDMENT TO ARTICLES OF ASSOCIATION**

Article 210 The Company may amend the Articles of Association in accordance with the provisions of laws, administrative regulations and the Articles of Association.

Article 211 Under any one of the following circumstances, the Company shall amend its articles of association:

- (I) after amendment has been made to the Company Law or relevant laws or administrative regulations, the contents of the Articles of Association shall conflict with the amended laws or administrative regulations;
- (II) the changes that the Company have undergone are inconsistent with the records made in the Articles of Association;
- (III) the shareholders' general meeting decides that the Articles of Association should be amended.

Article 212 Should the amendment to the Articles of Association passed by resolutions at the shareholders' general meeting is subject to the approval by the competent authorities, it shall be reported to the competent authorities for approval; and if any company registration information is involved, the alteration to such registration information shall be handled according to laws.

Article 213 The board of directors shall amend the Articles of Association according to the resolutions of the shareholders' general meeting and the approval opinions from relevant competent authorities.

Article 214 Any amendment to the Articles of Association that involves information to be disclosed as required by the laws and regulations, shall be publicly announced as required.

#### **CHAPTER 14 SUPPLEMENTARY ARTICLES**

Article 215 The board of directors may formulate by-laws in accordance with the provisions of the Articles of Association, provided that such by-laws shall not be in violation of the Articles of Association.

Article 216 The Rules of Procedure for Shareholders' General Meetings, the Rules of Procedure for Meetings of the board of directors and the Rules of Procedure for the Supervisory Committee shall form an integral part of, and shall have the same legal effect as, the Articles of Association.

Article 217 Any matters not covered herein or in case of any contradiction of the Articles of Association with any laws, administrative regulations, departmental rules, other relevant normative documents and the listing rules of the place where the shares of the Company are listed, those laws, administrative regulations, departmental rules, other relevant normative documents and the listing rules of the place where the shares of the Company are listed shall prevail.

Article 218 Definitions

- (I) the controlling shareholder means a shareholder who holds 50% or more of the total ordinary shares of the Company or a shareholder who holds less than 50% of the total ordinary shares but holds voting rights sufficient to have a significant influence on resolutions of the shareholders' general meeting.
- (II) a de facto controller means a person who, though not a shareholder, but through investment relationships, agreements, or other arrangements, may actually control the activities of the Company.
- (III) associated relationship is the relationship between its controlling shareholder, de facto controller, directors, supervisors or senior management, or enterprises directly or indirectly controlled by them or under common control, as well as other relationships which may possibly cause the transfer of the Company's interests. However, enterprises owned by the State will not be regarded as having associated relationships among themselves only because they are owned by the State.

Article 219 The Articles of Association are written in Chinese. In case of any inconsistency between the articles of association in any other language or of different version and the Articles of Association, the latest Chinese version of the Articles of Association approved by and registered/filed with the authorities for company registration shall prevail.

Article 220 The term "above", "within", "following", as stated in the Articles of Association shall all include the given figure; the term "not exceeding", "except", "lower", "more", "exceeding" shall all exclude the given figure.

Article 221 The term "president" as used in the Articles of Association shall have the same meaning as "manager" as referred to in the Company Law.

Article 222 The draft amendments to the Articles of Association shall be prepared by the board of directors and shall take effect upon the approval at a shareholders' general meeting. The board of directors shall be responsible for the interpretation of the Articles of Association.

**SCHEDULE: NAME OF THE PROMOTERS AS AT THE DATE OF ESTABLISHMENT OF THE COMPANY**

<b>No.</b>	<b>Name of Shareholders</b>	<b>Number of Shares held (share)</b>	<b>Shareholding (%)</b>
1	Shanghai Municipal Finance Bureau	610,690,000	16.38
2	Shenzhen Investment Management Co., Ltd.	586,680,000	15.74
3	State Electronic Corporation of China	200,000,000	5.37
4	China FAW Group Corporation	150,000,000	4.02
5	Shenzhen Energy Group Company Limited	120,000,000	3.22
6	Shanghai Dazhong Taxi & Car Leasing Company	120,000,000	3.22
7	China National Publications Import & Export Corporation	108,000,000	2.90
8	Hangzhou Financial Development Company	100,000,000	2.68
9	Anhui Huamao Group Co., Ltd.	100,000,000	2.68
10	China National Nuclear Corporation	80,660,000	2.16
11	Zhejiang Zhongda Group Holding Co., Ltd.	80,000,000	2.15
12	Shenergy (Group) Company Limited	70,000,000	1.88
13	Shanghai Industrial Investment (Group) Co., Ltd	70,000,000	1.88
14	State Development & Investment Corporation	68,980,000	1.85
15	Shanghai New Jinjiang Company Limited	60,000,000	1.61
16	Chengdu Iron Tower Factory	60,000,000	1.61
17	Guangzhou New Century Group Company Limited	60,000,000	1.61
18	Luzhou Laojiao Group Co., Ltd.	50,000,000	1.34
19	Yancon Group Company Limited	50,000,000	1.34
20	Shenzhen Huineng Group Company	43,040,000	1.15
21	Bank of Communications	39,850,000	1.07
22	Overseas Chinese Town Enterprises Co., Ltd	38,320,000	1.03
23	Dalian Refrigeration Co., Ltd.	37,890,000	1.02
24	Shanghai Aerospace Automobile Electromechanical Co., Ltd.	35,000,000	0.94
25	China Huaneng Group	30,660,000	0.82
26	China Petro-Chemical Corporation Group	30,660,000	0.82
27	China National Petroleum Corporation	30,660,000	0.82
28	Shandong Yongxing Mining Investment Co., Ltd.	30,000,000	0.80
29	Fujian Furi Electronics Co., Ltd.	30,000,000	0.80
30	Shannxi Qinchuan Machinery Development Co., Ltd.	20,000,000	0.54

<b>No.</b>	<b>Name of Shareholders</b>	<b>Number of Shares held (share)</b>	<b>Shareholding (%)</b>
31	Westlake Electronics Group Co., Ltd.	20,000,000	0.54
32	White Dove (Group) Responsible Co., Ltd.	15,330,000	0.41
33	China National Chemicals Import & Export Co.	15,330,000	0.41
34	Zhejiang Weixing Group Co., Ltd.	15,000,000	0.40
35	Northwest Yongxin Chemical Industry Co., Ltd.	15,000,000	0.40
36	Shenzhen Airport Co., Ltd.	14,560,000	0.39
37	Zhejiang Zhongda Group Co., Ltd.	10,000,000	0.27
38	Xi'an Aircraft International Corporation	10,000,000	0.27
39	Shandong Fuhua Industrial Co., Ltd.	10,000,000	0.27
40	Yunnan Tin Group	10,000,000	0.27
41	Shandong Mount Tai Travel Cable Co., Ltd.	10,000,000	0.27
42	Changfeng Science Technology Industry Group Corporation	10,000,000	0.27
43	Shanghai Metallurgical Company	10,000,000	0.27
44	Jiangsu High Hope International Group Co., Ltd.	10,000,000	0.27
45	Shandong Linyi Investment Company	10,000,000	0.27
46	Chengdu Wan Dan Trading Company	10,000,000	0.27
47	Yunnan Xinhua Bookstore Group Co., Ltd.	10,000,000	0.27
48	Zhengzhou Baiwen Co., Ltd.	7,970,000	0.21
49	Shenergy Company Limited	7,660,000	0.21
50	China Automobile Industry Corporation	7,660,000	0.21
51	China National Tobacco Corporation	7,660,000	0.21
52	China International Engineering Consulting Company	7,660,000	0.21
53	China National Technical Import & Export Corporation	7,660,000	0.21
54	China National Cereals, Oils and Foodstuffs Corporation	7,660,000	0.21
55	Zhongse Asset Management Co., Ltd.	7,660,000	0.21
56	Minmetals Group Financial Company	7,660,000	0.21
57	China Railway Construction Corporation Co., Ltd.	7,660,000	0.21
58	North China Electric Power Group Corporation	7,660,000	0.21
59	China Economic Development Trust & Investment Corporation	7,660,000	0.21
60	China Iron and Steel Industry and Trade Group Corporation	7,660,000	0.21

<b>No.</b>	<b>Name of Shareholders</b>	<b>Number of Shares held (share)</b>	<b>Shareholding (%)</b>
61	China North Industries Group Corporation	7,660,000	0.21
62	Wuhan Iron and Steel (Group) Corporation	7,660,000	0.21
63	Shanghai Municipal Investment Development Company	7,660,000	0.21
64	Shanghai Waigaoqiao Free Trade Zone Development Co., Ltd.	7,660,000	0.21
65	Shanghai Lujiazui Finance & Trade Zone Development Co., Ltd.	7,660,000	0.21
66	Shanghai Jinqiao Export Processing Zone Development Co., Ltd.	7,660,000	0.21
67	Shanghai Petrochemical Company Limited	7,660,000	0.21
68	Dagang Oilfield Group Limited	7,660,000	0.21
69	Tianjin Huanhai Company	7,660,000	0.21
70	Tianjin Economic-Technological Development Area Company	7,660,000	0.21
71	CITIC Securities Company Limited	7,660,000	0.21
72	Fujian Huaxing Finance Securities Company	6,890,000	0.18
73	Beijing Yinjian Real Estate Development Company	6,130,000	0.16
74	China Zhongyuan Engineering Corporation	6,000,000	0.16
75	Shenzhen Shipbuilding Trading Co., Ltd.	5,000,000	0.13
76	Gezhouba Group Industrial Investment Co., Ltd.	5,000,000	0.13
77	Gezhouba Company Limited	5,000,000	0.13
78	Hubei Golden Ring Co., Ltd.	5,000,000	0.13
79	Changchai Company Limited	5,000,000	0.13
80	Jilin ASEAN Group Limited	5,000,000	0.13
81	Nanjing Iron & Steel Group Corporation	5,000,000	0.13
82	China Grains Oils Group Corporation	5,000,000	0.13
83	China National Sugar & Wines Group Corporation	5,000,000	0.13
84	Jiangxi Changyun Co., Ltd.	5,000,000	0.13
85	Jiangsu Tongwang Equipment Installation Engineering Company	5,000,000	0.13
86	Shanghai Assets and Equity Exchange	5,000,000	0.13
87	Shenzhen Baoan Jiangtong Southern Corporation	5,000,000	0.13
88	Guizhou China No. 7 Grinding Wheel Co., Ltd.	5,000,000	0.13
89	Shanghai Beicai Industrial Company	5,000,000	0.13
90	Tibet Changdu Area Economic and Trade Development Corporation	5,000,000	0.13

<b>No.</b>	<b>Name of Shareholders</b>	<b>Number of Shares held (share)</b>	<b>Shareholding (%)</b>
91	China Chengda Chemical Engineering Co., Ltd.	5,000,000	0.13
92	Shannxi Hanjiang Building Materials Limited	5,000,000	0.13
93	The People's Insurance (Property) Company of China, Ltd.	4,590,000	0.12
94	Shanghai Baosteel Group Corporation	4,590,000	0.12
95	Shenzhen Baoan Gold Jewelry Service Company	4,300,000	0.12
96	Jiaozuo Wanfang Aluminum Manufacturing Co., Ltd.	3,980,000	0.11
97	Chinese People's Liberation Army General Logistics Department Financial Settlement Center	3,830,000	0.10
98	China National Aero-Technology Import & Export Corporation Shanghai Company	3,830,000	0.10
99	Shanghai Municipal Electric Power Company	3,830,000	0.10
100	Shanghai Machinery Import & Export (Group) Company Limited	3,830,000	0.10
101	Sinopec Shanghai Gaoqiao Petrochemical Co., Ltd.	3,830,000	0.10
102	Sinopec Supplies and Equipment Company	3,830,000	0.10
103	Sinopec Jinling Petrochemical Co., Ltd.	3,830,000	0.10
104	Shanghai Meishan Iron & Steel Co., Ltd.	3,830,000	0.10
105	Shanghai Jiushi Company	3,830,000	0.10
106	Yangtze River United Economic Development Co., Ltd.	3,830,000	0.10
107	China Gaoxin Investment Group Corporation	3,830,000	0.10
108	China Credit Trust Co., Ltd.	3,830,000	0.10
109	Ma Steel (Group) Holding Limited	3,830,000	0.10
110	Tianjin Iron Factory	3,830,000	0.10
111	Tianjin Finance Investment Management Center	3,830,000	0.10
112	Beijing Securities Limited	3,830,000	0.10
113	Heilongjiang Electric Power Company Limited	3,830,000	0.10
114	Fujian Electric Power Company	3,060,000	0.08
115	Shanghai Aijian Trust & Investment Co., Ltd.	2,290,000	0.06
116	Shenyang Trust Investment Company	2,290,000	0.06
117	Tianjin Global Magnetic Card Co., Ltd.	2,290,000	0.06
118	Beijing Huarong Investment Company	2,290,000	0.06
119	Tianjin University	1,990,000	0.05
120	Tianjin Development Zone Industrial Investment Company	1,830,000	0.05



<b>No.</b>	<b>Name of Shareholders</b>	<b>Number of Shares held (share)</b>	<b>Shareholding (%)</b>
121	China High-tech Group Company Limited	1,530,000	0.04
122	China National Heavy Duty Truck Group Co., Ltd.	1,530,000	0.04
123	Shanghai Packing and Decorating Company	1,530,000	0.04
124	Shanghai City Bank	1,530,000	0.04
125	Guangzhou Shipyard Factory	1,530,000	0.04
126	Panda Electronics Group Company Nanjing Wireless Factory	1,530,000	0.04
127	Ningbo Jinbao Group Co., Ltd.	1,530,000	0.04
128	Shenyang Commercial Bank Co., Ltd.	1,530,000	0.04
129	Shenyang Electric Power Bureau Power Supply Engineering Contracting Company	1,530,000	0.04
130	Shanghai Airport Authority	760,000	0.02
131	Shanghai No. 7 Printing and Dyeing Factory	760,000	0.02
132	Kunming Machine Group Company	760,000	0.02
133	Harbin Dongbao Real Estate Development Co., Ltd.	760,000	0.02
134	Tianjin Changlu Industry Co., Ltd.	760,000	0.02
135	Tianjin Teda Co., Ltd.	760,000	0.02
136	Tianjin Jinmei Group Company	760,000	0.02
	Total	3,727,180,000	100.00

# THE RULES OF PROCEDURE FOR GENERAL MEETINGS OF GUOTAI JUNAN SECURITIES CO., LTD.

## CHAPTER 1 GENERAL PROVISIONS

Article 1 To regulate the conduct of Guotai Junan Securities Co., Ltd. (hereinafter referred to as the “Company”) and ensure that the shareholders’ general meetings exercises their functions and powers legally, these rules of procedure (the “Rules”) are formulated pursuant to the provisions of the Company Law of the PRC (hereinafter referred to as the “Company Law”), the Rules for Shareholders’ General Meetings of Listed Companies, the Guidelines for Articles of Association of Listed Companies, the Listing Rules of Shanghai Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”), and other laws, regulations and normative documents as well as the Articles of Association of Guotai Junan Securities Co., Ltd. (hereinafter referred to as the “Articles of Association”).

Article 2 The Company shall convene general meetings according to the laws, administrative regulations, the Rules for Shareholders’ General Meetings of Listed Companies, the Hong Kong Listing Rules and the Articles of Association, and shall ensure that shareholders can exercise their rights according to law.

The board of directors of the Company shall by due diligence perform its duties, and shall organize the shareholders’ general meetings in a serious and timely manner. All the directors of the Company shall be diligent and responsible to ensure the normal convening of the shareholders’ general meetings and their lawful exercise of functions and powers.

Article 3 A shareholders’ general meeting shall exercise its functions and powers within the scope specified by the Company Law and other laws and regulations as well as the Articles of Association.

Article 4       Where matters are required to be resolved on general meetings in accordance with the laws, administrative regulations, departmental rules, normative documents, the listing rules of the place where the shares of the Company are listed and the Articles of Association, the board of directors shall convene a shareholders' general meeting to review such matters in order to protect shareholders' rights of decision-making. If the circumstances reasonably require, for specific matters that are related to the matters to be considered and reviewed and resolved on the shareholders' general meeting but are not possible to be determined on the meeting, the shareholders' general meeting may authorise the board of directors to decide on or deal with such matters.

In the event that the board of directors is required to be so authorized to decide on or deal with matters by general meetings, the board of directors may authorise the chairman, one or more directors or the president to decide on or deal with such matters within the scope of its authority.

Article 5       In the event that the board of directors is required to be so authorized to decide on or deal with matters by general meetings, such authorization shall be approved by more than half of the Company's total voting shares held by shareholders who are present at the meeting (including proxies) if such matters are those which should be passed by way of an ordinary resolution; and shall be approved by more than two-thirds of the Company's total voting shares held by shareholders who are present at the meeting (including proxies) if such matters are those which should be passed by way of a special resolution. The terms of the authorization shall be clear and specific.

Article 6       Shareholders' general meetings shall be annual general meetings of shareholders and extraordinary general meetings of shareholders. The annual general meeting of shareholders shall be held once every year within six months after the end of the previous accounting year.

Article 7       The Company shall hold an extraordinary general meeting within two months after the occurrence of one of the following events:

- (I) the number of incumbent directors falls below the requirement of the Company Law, or is less than two-thirds of the number of the directors required by the Articles of Association;

- (II) the uncovered losses are in excess of one third of the Company's total paid-up share capital;
- (III) shareholders individually or jointly holding 10% or more of the Company's shares request in writing (their shareholding shall be calculated according to the number of shares as of the day on which they submit request in writing);
- (IV) the board of directors considers it necessary;
- (V) the Supervisory Committee proposes to convene such meeting;
- (VI) such other circumstances as specified by the laws, administrative regulations, departmental rules or the Articles of Association.

## **CHAPTER 2 THE CONVENING OF GENERAL MEETINGS**

- Article 8 The shareholders' general meetings shall be convened by the board of directors.
- Article 9 If a shareholders' general meeting may not be convened by the Company within the period stipulated in the Articles of Associate, the Company shall report and provide explanation to the securities regulatory authority and the stock exchange in the place where the Company's shares are listed, and shall make an announcement thereof (if required).
- Article 10 Subject to the consent of more than half of all the independent directors, the independent directors shall have the rights to propose to the board of directors to convene an extraordinary general meeting. Regarding the proposal requesting to convene an extraordinary general meeting by the independent directors, the board of directors shall give a written reply stating its agreement or disagreement to the convening of the extraordinary general meeting within ten days after receiving the proposal in accordance with the laws, administrative regulations, departmental rules, normative documents, the listing rules in the place where the Company's shares are listed and the Articles of Association.

If the board of directors agrees to convene an extraordinary general meeting, a notice for convening such meeting shall be issued within five days after the date of the resolution of the board of directors. If the board of directors refuses to convene an extraordinary general meeting, an explanation and relevant announcement shall be made.

Article 11 The Supervisory Committee shall have the rights to propose to the board of directors to convene an extraordinary general meeting, and such proposal shall be submitted in writing. The board of directors shall give a written reply stating its agreement or disagreement to the convening of the extraordinary general meeting within ten days after receiving the proposal in accordance with the laws, administrative regulations, departmental rules, normative documents, the listing rules in the place where the Company's shares are listed and the Articles of Association.

If the board of directors agrees to convene an extraordinary general meeting, a notice for convening such meeting shall be issued within five days after the date of the resolution of the board of directors and any changes to the original proposal contained in the notice shall be subject to the approval of the Supervisory Committee.

If the board of directors disagrees to convene the extraordinary general meeting or does not give any written reply within ten days after receiving the proposal, the board of directors shall be deemed as failing to perform the duty of convening a shareholders' general meeting. In such case, the Supervisory Committee may convene and preside over the meeting.

Article 12 Shareholders individually or jointly holding more than 10% of shares of the Company are entitled to request the board of directors in writing to convene an extraordinary general meeting. The board of directors shall, in accordance with the requirements of laws, administrative regulations, departmental rules, normative documents, the listing rules of the place where shares of the Company are listed and the Articles of Association, reply with a written opinion to state whether it agrees or disagrees to convene an extraordinary general meeting within 10 days upon receipt of the request.

If the board of directors agrees to convene the extraordinary general meeting, it shall issue a notice of convening the shareholders' general meeting within five days upon after the date of the resolution of the board of directors. Any changes made to the original proposal in the notice shall be agreed by the relevant shareholders.

If the board of directors disagrees to convene the extraordinary general meeting, or does not reply within 10 days upon receipt of the proposal, shareholders individually or jointly holding more than 10% of the shares of the Company are entitled to request the Supervisory Committee in writing to convene an extraordinary general meeting.

If the Supervisory Committee agrees to convene the extraordinary general meeting, it shall issue a notice of convening the shareholders' general meeting within five days upon receipt of the proposal. Any changes made to the original proposals in the notice shall be agreed by the relevant shareholders.

If the Supervisory Committee does not issue the notice of general meeting within the prescribed period, it shall be deemed as the Supervisory Committee not convening and not holding the shareholders' general meeting. Then the shareholders individually or jointly holding more than 10% of the shares of the Company for more than 90 consecutive days (the "Convening Shareholders") are entitled to convene and hold the meeting by themselves.

Article 13 Where the Supervisory Committee or shareholders decide to convene a shareholders' general meeting by themselves, a written notice shall be submitted to the board of directors and filed with Shanghai Stock Exchange.

Before making an announcement on the resolution(s) of the shareholders' general meeting, the Convening Shareholders shall hold no less than 10% of the shares.

When the Supervisory Committee and the Convening Shareholders issue a notice of general meeting and announcement on the resolution(s) of the shareholders' general meeting, they shall submit the relevant proof materials to Shanghai Stock Exchange.

Article 14 Where the Supervisory Committee or shareholders convene a shareholders' general meeting by themselves, the board of directors and the secretary to the board of directors shall cooperate. The board of directors shall provide the register of shareholders on the shareholding record date. If the board of directors fails to provide the register of shareholders, the convener may carry relevant announcement on the notice of convening general meeting to apply with the securities registration and clearing institutions. The convener shall not use the register of shareholders for purposes other than convening a shareholders' general meeting.

### **CHAPTER 3 PROPOSALS AND NOTICES OF GENERAL MEETING**

Article 15 The convener of a shareholders' general meeting shall be responsible for raising proposals with complete subject and content.

Article 16 The contents of the proposals to be raised shall be within the scope of duties of the shareholders' general meetings. It shall have a clear topic and specific matters to be resolved on, and shall be in compliance with relevant requirements of the laws, administrative regulations, departmental rules, normative documents, listing rules of the place where the shares of the Company are listed and the Articles of Association.

Article 17 When a shareholders' general meeting is convened by the Company, the board of directors, the Supervisory Committee or shareholders individually or jointly holding 3% or more of the shares of the Company are entitled to propose resolutions to the Company.

Shareholders individually or jointly holding 3% or more of the shares of the Company may submit ad hoc proposals in writing to the convener of the shareholders' general meeting 10 days before the convening of the shareholders' general meeting. The convener shall issue a supplemental notice of the shareholders' general meeting within 2 days upon receipt of the proposals and announce the contents of the ad hoc proposals.

Except for circumstances provided in the above paragraph, the convener, after issuing the notice and announcement of the shareholders' general meeting, shall neither revise the proposals stated in the notice of general meetings nor add new proposals.

Article 18 If a notice of general meeting does not specify the proposed resolutions or does not comply with Article 17 herein, no voting for resolutions shall be carried out at the shareholders' general meeting.

Article 19 The convener shall issue a notice to each shareholder 20 days prior to the date of the annual general meeting (or the date as required by the place where the shares of the Company are listed, whichever is earlier), while the convener shall issue a notice to each shareholder 15 days prior to the date of the extraordinary general meeting (or the date as required by the place where the shares of the Company are listed, whichever the earlier).

Article 20 When calculating the notice period of the shareholders' general meeting, the date of the meeting convened shall be excluded but the date of issuing the notice may be included.

Article 21 Notice of the shareholders' general meeting shall comply with the following requirements:

(I) shall be in written form;

(II) shall specify the time, venue and duration of the meeting;

(III) shall illustrate matters to be considered at the meeting; the notice and supplemental notice of the meeting shall fully and completely disclose the specific contents of all proposals, and such information and explanation as is necessary for the shareholders to make an informed decision on the matters to be discussed; for those items proposed for discussion requiring the opinions of independent Directors, opinions and reasons of independent Directors shall be disclosed when the notice or supplemental notice of the shareholders' general meeting is issued;

(IV) shall contain a conspicuous statement that all shareholders are entitled to attend the shareholders' general meeting and appoint a proxy to attend and vote on his/her behalf in written form and such proxy needs not to be a shareholder of the Company;



(V) shall specify the record date for determining the shareholders who are entitled to attend the shareholders' general meeting;

(VI) shall state the names and telephone numbers of the standing contact persons for the meeting;

(VII) shall contain other matters as required by laws, administrative regulations, departmental rules, regulatory documents, the Articles of Association and securities regulatory authorities and stock exchange of the place where the shares of the Company are listed.

In the event that a shareholders' general meeting of the Company is held online or through other means, the designated time and procedure for voting through internet or other means shall be expressly stated in the notice of such meeting. In the event that a shareholders' general meeting of the Company is held online or through other means, the starting and ending time of voting online or through other means shall be determined in accordance with then effective legal requirements, and if there are no such requirements, may be determined by the convener of the meeting.

Article 22 In the event that matters involving the election of directors and supervisors are to be considered at the shareholders' general meeting, the notice of such general meeting shall fully disclose the detailed information of the candidates for such directors and supervisors, which shall at least include the following:

(I) personal particulars including education background, working experience and any part-time job;

(II) whether there is any connected relationship with the Company or its controlling shareholders and de facto controller;

(III) disclosure of the shareholdings in the Company;

(IV) whether or not they have been penalized by CSRC and other relevant authorities and the stock exchange.

Apart from directors and supervisors elected through the cumulative voting system, each candidate of director or supervisor shall be individually proposed.

Article 23 The interval between the shareholding record date of a shareholders' general meeting and the date of the meeting shall not be more than 7 business days. The shareholding record date shall not be changed once confirmed.

Article 24 Unless otherwise stipulated by the Articles of Association, the notice of a shareholders' general meeting shall be given to all shareholders by way of announcement.

The announcement referred to in the preceding paragraph shall be published on the website of the Company, the website of the stock exchange and media satisfying the requirements prescribed by securities regulatory authority in the place where the shares of the Company are listed. Once the announcement is published, all shareholders shall be deemed to have received the notice in relation to the shareholders' general meeting.

Article 25 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice, shall not invalidate the meeting and the resolutions passed at the meeting.

#### **CHAPTER 4 REGISTRATION FOR THE SHAREHOLDERS' GENERAL MEETING**

Article 26 All shareholders of the Company on the register of shareholders on the shareholding record date or their proxies are entitled to attend the shareholders' general meeting and vote in accordance with the provisions of the relevant laws, regulations, listing rules of the place where the shares of the Company are listed and the Articles of Association.

Shareholders may attend the shareholders' general meeting in person and may also appoint proxies to attend and vote at the shareholders' general meeting on their behalf.

Any shareholder who is entitled to attend and vote at a shareholders' general meeting shall have the rights to appoint one or more persons (who may not be necessarily a shareholder) as his/her proxies to attend and vote on his/her behalf. Such proxies may exercise the following rights as entrusted by the shareholder:

- (I) the rights of speech for such shareholder at the shareholders' general meeting;
- (II) the rights to demand by himself/herself or jointly with others in voting by way of poll;
- (III) the rights to vote provided if a shareholder has appointed more than one proxy, such proxies may only exercise their voting rights by way of poll.

Where such shareholder is a recognized clearing house (hereinafter referred to as "Recognized Clearing House") (or its nominee) within the meaning of the relevant rules of the place where the shares of the Company are listed in effect from time to time, such shareholder may authorize one or more persons as it thinks fit to act as its proxy(ies) at any shareholders' general meeting or creditors' meeting; and such proxy(ies) or corporate representative(s) shall enjoy legal rights equivalent to those of other shareholders, including the right to speak and vote; provided that, if more than one person is so authorized, the authorization shall specify the number and class of shares in respect of which each person is so authorized, and the authorization shall be signed by an authorized person of the Recognized Clearing House. A person so authorized may exercise the rights on behalf of the Recognized Clearing House (or its nominees) (there is no need for such person to produce share certificates or notarized authorization and/or further evidence to prove that he/ she has been duly authorized) as if such person were an individual shareholder of the Company.

Article 27 Individual shareholders attending a shareholders' general meeting in person shall produce their identity cards or other valid proof of their identities or stock account cards; in the case of attendance by proxies, the proxies shall produce valid proof of their identities and valid proof of shareholders' identities, stock account cards and the power of attorneys from shareholders.

Where a shareholder is not a nature person, its legal representative, executive partner or representative entrusted by it (hereinafter collectively referred to as executive partner) or a proxy appointed by legal representative or executive partner shall attend the meeting. If the legal representative or executive partner attends the meeting, he/she shall produce his/her identification document and valid certificate proving his/her qualification to be a legal representative or executive partner; if a proxy is entrusted to attend the meeting, the proxy shall produce his/her identification document and written power of attorney issued by the non-nature person shareholder or its legal representative and executive partner according to the laws.

Where such shareholder is appointed by a Recognized Clearing House within the meaning of the relevant laws of Hong Kong (or its nominee) to attend the meeting, he/ she shall produce his/her identification proof (there is no need for him/her to produce the proxy form signed by the appointor or the legal representative of the appointor or a notarized copy of the resolution or other certified copy permitted by the Company).

Article 28 The instrument issued by the shareholder to authorize another person to attend the shareholders' general meeting shall include the following contents:

- (I) name of the proxy;
- (II) whether the proxy has voting rights;
- (III) indication of consent, objection or abstention concerning each proposal to be resolved on the agenda of general meeting;
- (IV) date of signing of the instrument and term of validity;
- (V) signature (or seal) of the principal. If the principal is a non-nature person shareholder, the seal of the legal person shall be affixed.

The proxy form shall state that if the shareholder does not give specific instructions, the proxy shall vote at his/her/its own discretion or not.

- Article 29 The instrument appointing a proxy shall be in writing under the hand of the principal or his/her attorney authorized in writing; where the principal is a legal person, such instrument shall be under its seal or under the hand of his/her director or attorney duly authorized.
- Article 30 The instrument appointing a voting proxy shall be placed at the domicile of the Company or at such other places as specified in the notice of convening the meeting 24 hours prior to convening of the meeting at which the proxy is authorized to vote or 24 hours prior to the designated time of voting. Where the instrument appointing the voting proxy is signed by another person authorized by the principal, the authorization letter or other documents authorizing the signatory shall be notarized. The notarized authorized letter or other authorized documents shall be placed together with the instrument appointing the voting proxy at the domicile of the Company or at such other places as specified in the notice of convening the meeting. Where the principal is a legal person, its legal representative or the person authorized by resolution of its board of directors or other decision-making body shall be entitled to attend the Company's general meetings as the representative of such legal person.
- Article 31 Where the entrusting party is deceased or incapacitated to act or whose signed proxy form is withdrawn or the relevant shares have been transferred prior to the voting, a vote given in accordance with the terms of the proxy form shall remain valid as long as the Company has not received a written notice of such matters before the commencement of the relevant meeting.
- Article 32 A registration record for attendees at the meeting shall be compiled by the Company. The registration record shall contain items including but not limited to the names of the attendees (or names of organizations), identity card numbers, residential addresses, the number of shares held or voting rights represented and names of the principals (or name of organizations). Shareholders or their proxies attending the meeting as well as other attendees shall sign on the registration record.

Article 33 The convener and the lawyers engaged by the Company shall verify the validity of the qualifications of shareholders based on such shareholders' register as provided by the securities registration and clearing institution, and shall register the names of the shareholders as well as the amount of their voting shares. The registration for a meeting shall be completed before the chairman of the meeting announces the number of shareholders and proxies attending the meeting and the total number of their voting shares.

Article 34 Where the principal or his/her proxy is ineligible for attending the shareholders' general meeting as a result of unclearness of the principal's authorization or the fact that documents evidencing the legitimate identity of the principal or the authorization do not comply with the provisions of the Articles of Association, the legal consequences so arising shall be borne by the principal or his/her proxy.

#### **CHAPTER 5 CONVENING OF GENERAL MEETING**

Article 35 The Company shall hold a shareholders' general meeting at the venue in Shanghai as specified in the notice of the shareholders' general meeting or other venues as specified in the notice of the shareholders' general meeting by the board of directors.

A venue shall be available for a shareholders' general meeting which shall be held as an on-site meeting. For the convenience of shareholders and to the extent technically feasible, the Company shall provide secure, cost-efficient and accessible online and other channels for participation in general meetings in accordance with laws, administrative regulations, the listing rules in the place where the shares of the Company are listed or the Articles of Association. The Company shall facilitate the participation of shareholders at the shareholders' general meetings by the Internet or other ways. The specific procedures for voting online shall be implemented in accordance with the relevant detailed rules formulated by the relevant stock exchange. The convener of the meeting shall include in the notice of convening the shareholders' general meeting the legal and valid manners in which shareholders' identification can be verified in various methods of participating in the shareholders' general meeting. A shareholder who participates in a shareholders' general meeting in the aforesaid manners shall be deemed to have been present at the meeting.

Article 36 Where the shareholders' general meeting is convened by the board of directors, the chairman of the board of directors shall act as the chairman of the meeting and preside over the meeting. In the event that the chairman of the board of directors is unable to or fails to fulfill the duty thereof, the vice chairman shall preside over the meeting. In the event that there is no vice chairman or the vice chairman is unable to or fails to fulfill the duty thereof, a director shall be jointly elected by more than half of the directors to preside over the meeting. Where the shareholders' general meeting is convened by the Supervisory Committee itself, the chairman of the Supervisory Committee shall act as the chairman of the meeting and preside over the meeting. In the event that the chairman of the Supervisory Committee is unable to or fails to fulfill the duty thereof, the vice chairman of the Supervisory Committee shall preside over the meeting. In the event that the vice chairman of the Supervisory Committee is unable to or fails to fulfill the duty thereof, a supervisor shall be jointly elected by more than half of the supervisors to preside over the meeting.

If a shareholders' general meeting is convened by the shareholders themselves, the conveners will nominate a representative to preside over the meeting.

Where the chairman of a shareholders' general meeting violates these rules at the shareholders' general meeting and renders it impossible for the shareholders' general meeting to continue, the shareholders present at the shareholders' general meeting may by majority vote elect a person as the chairman of the shareholders' general meeting to proceed with the shareholders' general meeting.

## **CHAPTER 6 VOTING AT GENERAL MEETING**

Article 37 The chairman of the meeting shall, prior to voting, declare the number of attending shareholders and their proxies as well as the total number of their voting shares, and the number of attending shareholders and their proxies and the total number of their voting shares shall be subject to registration of the shareholders' general meeting.

Article 38 Voting is conducted by open ballot at the shareholders' general meeting.

Article 39 When resolutions on election of directors and supervisors are voted on at the shareholders' general meeting, the cumulative voting system shall be adopted in accordance with the then effective laws and regulations. The cumulative voting system means that every share shall, on the occasion of electing directors or supervisors at the shareholders' general meeting, have the number of voting rights same as the number of the directors or supervisors to be elected and shareholders may exercise such voting rights in a concentrated manner. The main contents of the cumulative voting system are as follows:

- (I) the cumulative voting system shall be adopted when there are two or more directors (supervisors) to be elected;
- (II) When applying the cumulative voting system, each share held by a shareholder shall have the same number of voting rights as the number of directors (supervisors) to be elected;
- (III) when voting for directors (supervisors) candidates at a shareholders' general meeting, the voting rights may be exercised separately to give each director (supervisor) candidate the same number of voting rights as the number of shares held by the shareholder; the voting rights may also be exercised collectively to give a director (supervisor) candidate all voting rights represented by each share held by the shareholder which is the same as the number of directors (supervisors) to be elected, or respectively give certain director (supervisor) candidates a part of the total voting rights represented by each share held by the shareholder which is the same as the number of directors (supervisors) to be elected;
- (IV) where a shareholder has exercised collectively all the voting rights represented by each share that is the same as the number of director (supervisor) to be elected on one or more director (supervisor) candidates, such shareholder shall have no voting rights in respect of other director (supervisor) candidates;



- (V) where the aggregate number of the voting rights cast collectively by a shareholder for one or more director (supervisor) candidates is more than the voting rights of the shares held by such shareholder, the votes cast by such shareholder shall become void and such shareholder shall be deemed to have abstained his voting rights; where the aggregate number of the voting rights cast collectively by a shareholder for one or director (supervisor) candidates is less than the voting rights of the shares held by such shareholder, the votes cast by such shareholder shall be effective, and the outstanding voting rights shall be deemed to be abstained;
- (VI) where the number of votes received by a director (supervisor) candidate exceeds one half of the total number of shares with voting rights represented by the shareholders attending the shareholders' general meeting (based on the total number of shares if cumulative voting is not adopted), such candidate shall be elected. If the number of elected candidates exceeds the number of directors (supervisors) required to be elected at the shareholders' general meeting, the candidates with more number of votes shall be elected as directors (supervisors) (where elected candidates with fewer votes win the same number of votes, and the number of candidates so elected would exceed the number of directors or supervisors required to be elected, then such candidates shall be treated as having not been elected); if the number of directors (supervisors) elected in the shareholders' general meeting is less than the number of directors (supervisors) required to be elected, a new round of voting shall be held for the remaining director (supervisor) candidates until all the required directors (supervisors) are elected;
- (VII) When the shareholders' general meeting conducts a new round of voting for election of directors (supervisors) based on provisions of item (VI) above, the number of cumulative votes of shareholders shall be recalculated according to the number of directors (supervisors) required to be selected in each round of election;
- (VIII) When electing directors and implementing a cumulative voting system, independent directors and other directors shall be elected separately.

Article 40 Other than the cumulative voting system, the shareholders' general meeting shall vote on all proposals one by one. Where different proposals for the same issue are proposed, such proposals shall be voted on in the order of time in which they are proposed. Other than special reasons such as force majeure which results in the interruption of the shareholders' general meeting or makes it impossible to come to resolution, the shareholders' general meeting shall not set aside the proposals or withhold from voting.

Article 41 No amendments shall be made to a proposal when it is considered at the shareholders' general meeting. Amended proposal shall be deemed as a new proposal and shall not be voted at the same general meeting.

Article 42 Shareholders (including their proxies) shall exercise their voting rights represented by the number of voting shares they represent. Each share shall have one vote unless otherwise provided in the Articles of Association.

When significant matters that could affect the interests of small-to-medium investors are to be considered at the shareholders' general meeting, to the extent technically feasible, the votes by small-to-medium investors shall be counted separately, and the results of such separate vote counting shall be disclosed promptly.

The Company's board of directors, independent directors, shareholders holding 1% or more of the shares with voting rights or investor protection agencies established pursuant to laws, administrative regulations or the requirements of the securities regulatory authorities of the State Council, as collectors, may publicly request the shareholders of the Company, by their own or entrusting a securities company or securities service agency, to be their proxy and attend general meetings and exercise the shareholder's rights of proposal, voting on their behalf. If a collector collects shareholders' rights in compliance with the aforesaid requirements, he/she shall disclose the documents in relation to the collection and the specific voting intention and other relevant information and the Company shall cooperate. Consideration or de facto consideration for publicly collecting shareholders' rights is prohibited. The Company shall not impose any minimum shareholding limitation for collecting voting rights, except under statutory conditions. Where publicly collecting shareholders' rights violates the laws, administrative regulations or the relevant requirements of the securities regulatory authorities of the State Council, resulting in losses of the Company or the shareholders of the Company, such collector shall be liable for the damages.

The controlling shareholders and de facto controller of the Company shall not restrict or impede small-to-medium investors from legally exercising their voting rights and shall not damage the legitimate rights of the Company and small-to-medium investors.

Article 43 Each voting rights shall be exercised either at the meeting, online, or by any of other available means. Unless otherwise provided under applicable laws and regulations, the first vote shall prevail in cases when a given voting rights is exercised repeatedly.

Article 44 Shareholders who attend the shareholders' general meeting shall take one of the following stances when a resolution is put forward for voting: for, against or abstain, unless securities registration and settlement institutions, as the nominal holders of shares that can be traded through the Transaction Interconnection Mechanism for the Mainland and Hong Kong Stock Markets, make declarations according to the intention of actual holders.

Any unfilled, improperly filled or poorly handwritten votes or votes that are not cast shall be considered as abstentions from voting by the shareholders. Its respective shares shall be counted as "abstentions" in the voting results.

Where any shareholder is, under the Hong Kong Listing Rules, required to abstain from voting for any resolution or restricted to voting only for or only against it, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

Article 45 Any vote of shareholders at a shareholders' general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

Article 46 Before voting on a proposal at the shareholders' general meeting, two shareholder representatives shall be elected to participate in vote counting and scrutinizing. If any shareholder or supervisor has connected relationship or interests or conflicts in the matters to be considered, such shareholder and its proxy or such supervisor shall not participate in the counting or scrutinizing of votes.

When resolutions are to be voted at the shareholders' general meeting, the counting of votes and scrutinizing of the vote counting shall be conducted by one or more parties involving lawyers, shareholder representatives, supervisor representatives, auditors of the Company, share registrar of overseas-listed shares listed in Hong Kong or external auditors qualified to serve as the Company's auditors (or other relevant persons appointed under the Hong Kong Listing Rules) in accordance with the listing rules of the place where the shares of the Company are listed. The voting results are to be announced immediately. The voting results on resolutions shall be recorded in the minutes of the meeting.

The shareholders of the Company or their proxies who cast votes by online voting or other means, if any, shall be entitled to check their respective voting results through corresponding voting systems.

Article 47 Resolutions of the shareholders' general meeting are classified into ordinary resolutions and special resolutions.

An ordinary resolution shall be passed by votes representing more than half of the voting rights carried by the shareholders (including their proxies) present at the meeting.

A special resolution shall be passed by votes representing more than two-thirds of the voting rights carried by the shareholders (including their proxies) present at the meeting.

Article 48 Counting and monitoring parties, significant shareholders, the online voting system provider and others involved in on-site, online or other kinds of voting at the shareholders' general meeting shall not disclose the voting results to any other party before such results are officially announced.

Article 49 The Company shall engage lawyers to attend the shareholders' general meeting and advise on the following issues with announcements made thereon:

- (I) whether the convening of the shareholders' general meeting and its procedures are in compliance with laws, administrative regulations, the Articles of Association and the Rules;
- (II) whether the attendees are eligible and whether the eligibility of the convener is lawful and valid;
- (III) whether the procedures of voting and the voting results of the meeting are lawful and valid;
- (IV) legal opinions on other related matters at the request of the Company.

Article 50 The convener shall ensure that the shareholders' general meeting be conducted continuously until final resolutions are made. If the shareholders' general meeting is suspended or resolutions cannot be made because of force majeure and other special causes, the convener shall take necessary measures to resume the meeting or directly terminate that meeting as soon as practicable followed by a timely public announcement. At the same time, the convener shall report to Shanghai Bureau of China Securities Regulatory Commission and Shanghai Stock Exchange.

## CHAPTER 7 DISCIPLINES OF GENERAL MEETINGS

Article 51 The board of directors and other conveners shall take such necessary measures to ensure the normal order of the shareholders' general meeting. For any disturbance to the order of the meeting, causes trouble and acts infringing the lawful interests of the shareholders, measures shall be taken to prevent them, and they shall be reported to the relevant authorities for investigation.

Article 52 Registered shareholders of the Company or their proxies, directors, supervisors, senior management, the appointed lawyer, visitors invited by the convener of the shareholders' general meeting can attend the meeting. Other persons without the approval of chairman of the shareholders' general meeting are not allowed to attend the meeting.

Article 53 Upon the consideration of proposals, only shareholders or their proxies have the right to speak. Directors, supervisors and senior management and persons with the approval of the chairman may speak.

Shareholders or their proxies shall register at the sign-in desk of the shareholders' general meeting in advance, and shareholders' speeches shall be arranged based on the registration order.

The chairman of the meeting may refuse or stop such shareholders who breach aforesaid two Articles.

Article 54 Speaking shareholders or proxies shall introduce their shareholders' identity, companies they represented before giving opinion.

## **CHAPTER 8 MINUTES OF THE SHAREHOLDERS' GENERAL MEETING**

Article 55 Minutes shall be prepared for general meetings by the secretary to the board of directors. The minutes shall state the following contents:

- (I) time, venue and agenda of the meeting and name of the convener;
- (II) the name of the chairman of the meeting and the names of the directors, supervisors, secretary to the board of directors and other senior management attending or present at the meeting;
- (III) the numbers of shareholders and proxies attending the meeting, total number of voting shares they represent and the percentages of their voting shares to the total share capital of the Company;
- (IV) the process of review and discussion, summary of any speech and voting results of each proposal;
- (V) shareholders' questions, suggestions and corresponding answers or explanations;
- (VI) names of lawyer, vote counters and scrutinizer of the voting;
- (VII) other contents to be included as specified in the Articles of Association.

## **CHAPTER 9 ADJOURNMENT AND CONCLUSION OF THE SHAREHOLDERS' GENERAL MEETING**

Article 56 The chairman of the meeting has the rights to announce the adjournment of meeting in accordance with the procession and the time arrangement of the meeting. The chairman of the meeting also has the rights to announce the adjournment of the meeting as necessary.

**CHAPTER 10 IMPLEMENTATION OF RESOLUTIONS OF  
THE SHAREHOLDERS' GENERAL MEETINGS AND  
INFORMATION DISCLOSURE**

Article 57 Upon conclusion of a shareholders' general meeting, disclosure shall be made in accordance with relevant laws, regulations, departmental rules, normative documents, and the listing rules of the place(s) in which the shares of the Company are listed.

Article 58 The board of directors is responsible for the implementation of the resolutions passed at the shareholders' general meeting and may ask for the president to organize relevant staff to implement the resolutions in detail; for resolution need to be implemented by the Supervisory Committee, it shall be organized and implemented by the Supervisory Committee directly.

**CHAPTER 11 SUPPLEMENTARY PROVISIONS**

Article 59 These Rules constitute an appendix to the Articles of Association, and shall have the same legal effect as the Articles of Association.

Article 60 Any matters not covered herein or in case of any contradiction of these Rules with any laws, administrative regulations, departmental rules, other relevant normative documents, the listing rules of the place where the shares of the Company are listed in force from time to time, those laws, administrative regulations, departmental rules, other relevant normative documents and the listing rules in the place where the shares of the Company are listed shall prevail.

Article 61 The amendment to these Rules shall be drafted by the board of directors for submission to the shareholders' general meeting for approval before coming into effect. The board of directors shall be responsible for the interpretation of these Rules.



# **THE RULES OF PROCEDURE FOR MEETINGS OF THE BOARD OF DIRECTORS OF GUOTAI JUNAN SECURITIES CO., LTD.**

## **CHAPTER 1 GENERAL PROVISIONS**

Article 1 In order to further regulate the rules of procedure and decision-making of the board of directors of Guotai Junan Securities Co., Ltd. (hereinafter referred to as the “Company”), to make the directors and the board of directors effectively perform their duties, and to ensure the standard operation and scientific decision-making of the board of directors, these Rules are formulated in accordance with the Company Law, Standards for the Governance of Listed Companies, the Guidelines for Articles of Association of Listed Companies, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”), and Articles of Association of Guotai Junan Securities Co., Ltd. (hereinafter referred to as “Articles of Association”).

## **CHAPTER 2 FUNCTIONS AND POWERS AND DELEGATION OF THE BOARD OF DIRECTORS**

Article 2 The board of directors shall execute the duties within the scope specified by Company Law and other relevant laws and regulations and Articles of Association.

Article 3 Among powers of the board of directors, apart from the following matters related to significant interests to the Company shall be decided by all members of the board of directors, matters of the board of directors’ other scope of powers may be delegated by the board of directors to the chairman, one or more directors or president to decide, provided that such delegated resolution shall require the approval of more than two thirds of all the directors. Matters related to significant interests to the Company are:

(I) the Company’s business plans;

(II) the Company’s annual budgets and final accounts;

- (III) the Company's profit distribution proposals and loss recovery proposals;
- (IV) the proposals for increase or reduction of the Company's registered capital, and proposals for issue and listing of the Company's bonds and other securities;
- (V) the proposals for merger, division, dissolution of the Company;
- (VI) to appoint or remove the Company's president, deputy president and other senior management;
- (VII) to provide external guarantees;
- (VIII) other matters related to significant interests to the Company that the board of directors and the shareholders' general meeting deem, or other statutory authorities exercisable by the Board.

Article 4 The Company's annual donation amounts take RMB5 million as the base, calculation formula of the annual donation amounts is the base plus thousandth operating income in the audited combined financial statements of the Company for the previous year, if the accumulated annual donation amounts exceed the amounts calculated based on the aforesaid calculation formula, subject to the review and approval by the shareholders at a shareholders' general meeting. The external donation whose lump-sum donation amounts are RMB3 million or above will be reviewed by the chairman and report to the board of directors for approval; the one below the aforesaid standard will be approved by the chairman.

### **CHAPTER 3 COMMITTEES OF THE BOARD OF DIRECTORS**

Article 5 The board of directors shall establish the Strategy and ESG (Environmental, Social, and Governance) Committee, the remuneration appraisal and nomination committee, the audit committee and the risk control committee according to the requirements of securities regulatory authorities. All members of the special committees shall be directors.

Such special committees shall study specific issues, propose advices and recommendations to the board of directors for decisions and references.

Article 6 The main responsibilities of the Strategy and ESG Committee include:

- (I) analyzing and providing recommendations on the medium- and long-term strategies of the Company;
- (II) analyzing and providing recommendations on major investment and financing proposals subject to the approval of board of directors;
- (III) analyzing and providing decision-making and consulting suggestions on the ESG governance of the Company, including the vision, objectives and policies of ESG governance;
- (IV) analyzing and providing recommendations on other major matters affecting the development of the Company;
- (V) checking and evaluating the implementation of the above matters, and making timely recommendations for adjustment;
- (VI) other responsibilities required by the laws, regulations, departmental rules, normative documents and the listing rules of the place where the shares of the Company are listed and authorized by the board of directors.

Article 7 The main responsibilities of the Remuneration Appraisal and Nomination Committee include:

- (I) reviewing and advising on the selection criteria and procedures for the selection of directors and senior management, identifying candidates for qualified directors and senior management, reviewing and making recommendations on the qualifications of the candidates for directorship and senior management;
- (II) reviewing and making recommendations on the assessment and remuneration management system for directors and senior management;
- (III) assessing the directors and senior management and making recommendations;

(IV) other responsibilities required by the laws, regulations, departmental rules, normative documents and the listing rules of the place where the shares of the Company are listed and delegated by the board of directors.

Article 8 The main responsibilities of the Audit Committee include:

- (I) supervising the internal audit system and its implementation of the Company;
- (II) supervising and evaluating the external audit work, providing recommendations on engaging or changing external auditors, and supervising the performance of external auditors;
- (III) reviewing the Company's financial information and the disclosure thereof, including supervising the annual audit work, making judgment on the authenticity, accuracy and completeness of the information in the audited financial reports before submitting to the board of directors for review;
- (IV) responsible for the communication between internal auditors and external auditors;
- (V) supervising and evaluating the Company's internal control system;
- (VI) responsible for the control and routine management of the connected transactions;
- (VII) other responsibilities required by the laws and regulations, departmental rules, normative documents and the listing rules of the place where the shares of the Company are listed and delegated by the board of directors.

- Article 9 The main responsibilities of the Risk Control Committee include:
- (I) reviewing and providing recommendations on the overall objectives and fundamental policies of compliance management and risk management;
  - (II) reviewing and providing recommendations on the establishment and the duties of the compliance management and risk management divisions;
  - (III) assessing and providing recommendations on the risks associated with significant business decisions that need to be reviewed by the board of directors and the solutions to address significant risks;
  - (IV) reviewing and providing recommendations on the compliance and risk assessment reports that need to be reviewed by the board of directors;
  - (V) reviewing and providing recommendations on the management targets and overall requirements for business integrity;
  - (VI) other responsibilities required by the laws, regulations, departmental rules, normative documents and the listing rules of the place where the shares of the Company are listed and delegated by the board of directors.
- Article 10 Each special committees of the board of directors shall formulate the work rules and submit the same to the board of directors for approval before becoming effective. Each special committee of the board of directors perform their duties according to the requirements of work rules.
- Article 11 The general office of the board of directors is established under the board of directors and responsible for handling the daily affairs of the board of directors and assisting the secretary to the board of directors in performing duties.

## CHAPTER 4 RULES FOR MEETING OF THE BOARD OF DIRECTORS

### Article 12 Regular Meetings

Meetings of the board of directors shall include regular meetings and provisional meetings.

The board of directors will have at least four meetings a year at approximately quarterly intervals.

### Article 13 Resolutions of the Regular Meetings

Before serving the notice of regular meeting of the board of directors, the board of directors office shall assist the chairman to formulate resolutions for meeting.

Before deciding on the resolutions, the chairman shall, where necessary, seek the opinions of the director, president and other members of senior management.

### Article 14 Under any of the following circumstances, the board of directors shall hold a provisional meeting:

- (I) when deemed necessary by the chairman;
- (II) when proposed by shareholders representing over 10% of the voting rights;
- (III) when jointly proposed by more than one third of the directors;
- (IV) when proposed by the Supervisory Committee;
- (V) when jointly proposed by more than half of the independent non-executive directors;
- (VI) when in any other circumstance specified in the Articles of Association.

Article 15 Procedure for Proposing Provisional Meetings

Apart from the provisional meetings the chairman proposed to convene, a proposal for convening a provisional meeting of the board of directors as specified in the preceding article shall be in written form and affixed with the signature (seal) of the proposer and submitted to the office of the board of directors or directly to the Chairman. A written proposal shall specify:

- (I) the name(s) of the proposer;
- (II) the reasons for the proposal or the facts on which the proposal is based;
- (III) time or duration, venue and form of the meeting;
- (IV) clear and concrete information in relation to the proposal;
- (V) the contact details of the proposer and date of proposal.

The contents of the proposal shall be those within the power of the board of directors as specified in the Articles of Association of the Company, and the documents relating to the proposal shall be submitted together with the proposal itself.

The office of the board of directors shall transfer the aforesaid proposal and related documents on the next business day of receipt of the same to the chairman. Where the chairman deems the proposal not well defined, the content lacks specifics or the relevant documents are inadequate, the chairman may require the proposer to amend or supplement the proposal.

The chairman shall convene and preside over a meeting of the board of directors within 10 days after receipt of the proposal.

## Article 16 Notice of the Meeting

The office of the board of directors shall notify all the directors, supervisors, president and secretary 14 days and 5 days before a regular and provisional meeting of the of directors, respectively; the office of the board of directors shall send the written notice of meeting bearing the seal of the office of the board of directors to all the directors, supervisors, president, and secretary of the board of directors by courier, fax, email or other means. Where the notice is not served by courier, telephone acknowledgement shall be made.

The requirements in respect the term of notice of meetings of the board of directors are free from implementation with the approval of all directors and supervisors.

Where a provisional meeting of the board of directors needs to be convened in case of an emergency, the notice of meeting may be sent by telephone or by other verbal means, but the convener shall explain the reasons for holding the provisional meeting at the meeting.

A written notice of meeting shall include the following details as a minimum:

- (I) time and venue of the meeting;
- (II) duration of the meeting;
- (III) the meeting format;
- (IV) matters and topics;
- (V) convener and chairman of the regular meeting, or proposer of the provisional meeting and its written proposal;
- (VI) documents required for directors to cast their votes;
- (VII) requirements for the directors to attend the meeting in person or by proxy;



(VIII) contact person and the means of contact;

(IX) date on which the notice is sent.

A verbal notice of meeting shall include at least the above items (I), (II), (III) and (IV), the explanation for a provisional meeting of the board of directors in the event of an emergency.

Meetings of the board of directors are convened in ways of voting on onsite meeting votes, the teleconference (including video-teleconference) and voting by correspondence. Detailed meeting method and relevant arrangement are specified in notice of meetings of the board of directors. Meetings of the board of directors shall be convened by way of voting on onsite meeting votes, or through teleconference (including video-teleconference) except in emergency case or due to force majeure.

#### Article 17 Change of the Notice of Meeting

If, after the written notice of a regular meeting of the board of directors has been despatched, it is necessary to change the time, venue, or other details of the meeting or add, amend or cancel proposals to the meeting, a written notice of change shall be despatched 3 days before the original designated date for convening the meeting, to explain reasons for the change of resolutions and provide contents and documents relating to the new resolutions. Where the notice of change is sent in less than 3 days in advance, the date of meeting shall be postponed accordingly or approved by all the directors before a meeting can be held at an earlier date.

If, after the notice of a provisional meeting of the board of directors has been despatched, it is necessary to change the time, place, or other details of the meeting or add, amend or cancel proposals to the meeting, a written notice of change shall be despatched 1 day before the original designated date for convening the meeting, to explain reasons for the change of resolutions and provide contents and documents relating to the new resolutions. Where the notice of change is sent in less than 1 day in advance, the date of meeting shall be postponed accordingly or approved by all the directors before a meeting can be held at an earlier date.

## Article 18 Attendance of the Meeting

A meeting of the board of directors shall be attended by more than half of the directors.

Supervisors may attend meetings of the board of directors; the president, the secretary to the board of directors and the chief auditor who do not serve concurrently as director shall attend meetings of the board of directors. Chief compliance officer and chief legal counsel shall attend board meetings concerning topics of legal compliance and take part in the researches, discussions and consideration. The chairman may, where he deems necessary, may notify other relevant persons to attend meetings board of directors.

In principle, the directors shall attend meetings of the board of directors in person. Where a director is unable to attend a meeting for any reason, he/she shall read the meeting documents in advance to form clear opinions, and entrust another director in writing to attend the meeting on his/her behalf.

The form of proxy shall specify the names of the delegating director and his/her proxy, the delegating director's scope of authorization and instructions on how to vote on his/her behalf in relation to each of the proposals and valid period, and the form of proxy shall be signed or sealed by the delegating director. The director attending the meeting in the capacity of a proxy shall exercise rights as granted by the appointing director.

## Article 19 Restriction on Proxy Attendance

Proxy attendance at meetings of the board of directors shall follow the principles below:

- (I) where connected transactions are considered, a non-connected director shall not appoint a connected director to attend the meeting on his/her behalf, and a connected director shall also not accept the appointment of a non-connected director;

(II) an independent director shall not appoint a director who is not a non-independent director to attend the meeting on his/her behalf, and a director who is not a non-independent director shall not accept the appointment from an independent 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 resolutions, nor shall the director accept any appointment without voting intentions, the carte blanche or any appointments that are not well defined;

(IV) one director shall not accept appointment by more than two directors.

#### Article 20 Procedure of the Meeting

The chairman of the meeting shall ask the attending directors for their opinions on each of the proposals.

For any proposals requiring prior acknowledgements of independent directors, the chairman shall, before discussing the relevant proposal, appoint one independent director to read out the written acknowledgements of independent directors.

The chairman shall stop any director from hindering the normal progress of the meeting or disrupting the speech of other directors.

Meetings of the board of directors shall not vote on any proposals not included in the notice of the meeting unless with the unanimous consent of the attending directors. A proxy director shall not vote on any proposal not included in the notice of the meeting on behalf of other directors.

Article 21 Expression of Opinions

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 on the information required, as part of their decision making process, from the relevant persons or institutions such as the office of the board of directors, the convener of the meeting, the president and other members of senior management, each special committees of the board of directors, the accounting firm and the law firm, or may, while the meeting is underway, suggest to the chairman that the aforesaid persons or institutions to appear at the meeting and make relevant explanations.

Article 22 Voting at the Meetings

As for the voting on a resolution of the board of directors, each director shall have one vote.

After adequate discussion of each proposal, the chairman shall submit the proposal to a vote by the attending directors.

Apart matters shall be passed by no less than two-thirds of the directors provided in the Articles of Association, other matters shall be required to be passed by more than one half of all the directors. As for the voting on a resolution of the board of directors, each director shall have one vote, which is passed by a show of hands or other ways recommended by the chairman.

A director may vote for, against or abstain from voting on a proposal. Each director shall choose from one of the above options. In the event that a director does not choose any option or chooses two or more options at the same time, the chairman shall require the director to reconsider his/her option, otherwise he/she shall be deemed as having abstained from voting; any director who has left during the meeting without returning and has not casted his/her votes shall be deemed as having abstained from voting.

In any of the following circumstances, the directors shall abstain from voting on the relevant resolutions:

- (I) listing rules of the place(s) in which the shares of the Company are listed provides that the relevant directors shall abstain from voting;
- (II) the directors are connected with the enterprises involved in the proposals and shall therefore abstain from voting pursuant to the Articles of Association.

Where any director abstains from voting, meetings of the board of directors may be held when more than half of the non-connected directors attend the meeting. The resolution of meetings of the board of directors shall be passed by more than half of the non-connected directors (for external guarantee, shall be passed by two-thirds of the non-connected directors who attend meetings of the board of directors). If the number of non-connected attending directors is less than 3, the relevant proposal shall not be voted on but shall be submitted to the shareholders' general meeting for consideration.

#### Article 23 Statistics of Voting Results

If the meeting of the board of directors is held in the form of on-site meeting and votes are taken by way of poll, the securities affairs representative and relevant personnel from the office of the board of directors shall collect the votes of directors in time.

If the meeting of the board of directors is held in the form of telephone conference (including video conference) and votes are taken by the attending directors in the oral form, resolutions shall be made on this basis at the meeting of the board of directors; the attending directors shall deliver the votes to the office of the board of directors within the specified time at the request of the presider.

With the consent of the convener, if the meeting of the board of directors is held in the form of voting through communications, it should be ensured that the directors shall have full rights of expressing their opinions. The notice of the meeting should specify clearly the time limit for voting, the attending directors should sign the votes and deliver the votes to the office of the board of directors in the prescribed way before the expiration of the prescribed time period of voting according to the notice of the meeting. Resolutions at the meeting of the board of directors will take effect at the expiration of the time period of voting. The directors that have delivered copies of their votes shall subsequently deliver original copies of their signed votes to the office of the board of directors according to the notice of the meeting.

In case of meetings held in the form of on-site meeting and telephone conference (including video conference), the presider shall declare the calculation result at the meeting. Under other circumstances, the secretary to the board of directors shall inform directors of the voting result before the next two workdays following the expiration of the prescribed time period of voting.

If directors cast the vote after the declaration of voting result by the presider or the expiration of the prescribed time period of voting, such votes shall not be calculated.

#### Article 24 Formation of resolutions

If laws, administrative regulations, the listing rules of the place(s) where the Company's shares are listed and the Articles of Association of the Company provide that the formation of resolutions shall be agreed by more directors, such requirements shall prevail. If there is any discrepancy between different resolutions in terms of content and meaning, the resolution formed later shall prevail.

#### Article 25 Deferring of vote

If two or more independent directors deem that the materials of the meeting are incomplete, insufficiently argued or not provided in a timely manner, they may submit a proposal in writing to the board of directors to adjourn the meeting or postpone the consideration of the matter, and the board of directors shall adopt such proposal.

Article 26 Sound recording of the meeting

Sound recording of on-site meeting of the board of directors and meeting of the board of directors held via telephone (including video conference) can be made if needed.

Article 27 Meeting minutes

The board of directors shall keep minutes of its decisions on the matters discussed at the meeting. The directors who attend the meeting shall sign on the minutes of such meeting.

The minutes of the board of directors shall consist of the following:

- (I) session, date and venue of the meeting, the name of the convener and the name of the presider;
- (II) the convener and the presider of the meeting;
- (III) the name of the director present and name of director being appointed to attend on the other's behalf (proxy);
- (IV) the agenda;
- (V) proposals to be reviewed at the meeting, the point of speech and major opinions of each director on relevant matters, and their intentions of voting;
- (VI) the voting method of each resolution and the result (and the result shall specify the number of votes for, against and abstaining from such resolution);
- (VII) other matters directors attending the meeting deem necessary.

The minutes of meeting of the board of directors shall be kept as a company file for a period of no less than 20 years.

Article 28 The directors shall be responsible for the resolutions of the board of directors. Where a resolution of the board of directors is in violation of laws, administrative regulations, the listing rules of the place(s) where the Company’s shares are listed, the Articles of Association or resolutions of the shareholders’ general meetings, thereby causing serious losses to the Company, the directors who took part in the resolution shall be liable to the Company for damages. However, where a director can prove that he/she expressed his/her opposition to such resolution when such resolution was put to the vote, and that such opposition was recorded in the minutes of the meeting, the director shall be relieved from such liability.

**CHAPTER 5 INFORMATION DISCLOSURE OF MEETING OF THE BOARD OF DIRECTORS**

Article 29 The secretary to the board of directors shall deal with matters in respect of the public announcement of the board of directors resolutions in accordance with the relevant provisions in the place where the shares of the Company are listed. Before the disclosure of the public announcement of the board of directors resolutions, directors attending the meeting and those invited to sit in on the meeting, the personnel taking minutes or providing services shall undertake the obligation to maintain the confidentiality of the board of directors resolutions.

**CHAPTER 6 SUPPLEMENTARY PROVISIONS**

Article 30 These Rules constitute an appendix to the Articles of Association, and shall have the same legal effect as the Articles of Association.

Article 31 Any matters not covered herein or in case of any contradiction of these Rules with any laws, administrative regulations, departmental rules, other relevant normative documents and the listing rules of the place where the shares of the Company are listed in force from time to time, those laws, administrative regulations, departmental rules , other relevant normative documents and the listing rules of the place where the shares of the Company are listed shall prevail.

Article 32 The amendment to these Rules shall be drafted by the board of directors for submission to the shareholders’ general meeting for approval before coming into effect. The board of directors shall be responsible for the interpretation of these Rules.



# **THE RULES OF PROCEDURE FOR THE SUPERVISORY COMMITTEE OF GUOTAI JUNAN SECURITIES CO., LTD.**

## **CHAPTER 1 GENERAL**

- Article 1 These rules of procedure (the “Rules”) are formulated pursuant to the provisions of the Company Law, the Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”) and the Articles of Association of Guotai Junan Securities Co., Ltd. (hereinafter referred to as the “Articles of Association”), for the purpose of regulating the operation of the Supervisory Committee of Guotai Junan Securities Co., Ltd. (hereinafter referred to as the “Company”), ensuring the Supervisory Committee implementing the duties and responsibilities conferred by all shareholders, and improving the corporate governance structure of the Company.
- Article 2 The Supervisory Committee is accountable to the shareholders’ general meetings. It shall be responsible for supervising the financial affairs of the Company and the lawfulness of the performance of the directors and the senior management personnel so as to safeguard the legitimate interests of the Company and its shareholders.
- Article 3 The Company shall take measures to guarantee the supervisors’ rights to know and responsively provide the supervisors with necessary information to enable the Supervisory Committee to effectively supervise, inspect and evaluate the financial position and operations management of the Company.
- Article 4 The office of the Supervisory Committee shall be established to organize meetings of the Supervisory Committee, keep meeting minutes and documents and assist supervisors in performing their duties.

## CHAPTER 2 FUNCTIONS AND POWERS OF THE SUPERVISORY COMMITTEE

Article 5 The Supervisory Committee shall exercise its functions and powers within the scope specified by the Company Law and other relevant laws and regulations and the Articles of Association.

Article 6 Supervisors have the rights to access operation information of the Company and shall keep the information confidential.

The Company shall have its internal audit and auditing reports, compliance reports, risk management reports, monthly or quarterly financial reports, annual financial reports and other material matters be reported to the Supervisory Committee in a timely manner.

Article 7 The reasonable expenses incurred by the Supervisory Committee in the engagement of professionals such as lawyers, certified public accountants, practicing auditors, etc., to perform its functions and powers shall be borne by the Company.

The Company shall bear the expenses incurred by supervisors in attending meetings of the Supervisory Committee and other necessary expenses incurred in performing supervisor's duties. Such expenses may include the traffic expense from the place where the director is located to the place where the meeting is convened, the board of directors and lodging expenses during the duration of the meeting, as well as the supervisor's expenses relating to site inspections.

In performing its supervisory duties, the Supervisory Committee may report to the board of directors and the shareholders' general meetings the acts of directors and the senior management personnel of the Company which are in violation of laws, regulations, the listing rules of the place(s) where the Company's shares are listed or the Articles of Association. It may also directly report the same to the relevant securities regulatory authorities and other relevant authorities.

### CHAPTER 3 SYSTEM OF MEETINGS OF THE SUPERVISORY COMMITTEE

Article 8 Regular meetings of the Supervisory Committee shall be held at least once every six months. Supervisors can propose to convene an extraordinary meeting of the Supervisory Committee.

Article 9 Proposal on regular meeting

Before issuing a notice on convening a regular meeting of the Supervisory Committee, the office of the Supervisory Committee shall assist the chairperson of the Supervisory Committee in drafting a proposal on the meeting.

Before drafting the proposal, the chairperson of the Supervisory Committee shall obtain supervisors' advice as required.

Article 10 Proposing procedure for extraordinary meeting

If any supervisors propose to convene an extraordinary meeting of the Supervisory Committee, the written proposal signed by the supervisors who propose the meeting shall be submitted through the office of the Supervisory Committee or to the chairperson of the Supervisory Committee directly. The written proposal shall state the following matters:

(I) the name of the supervisors who propose the meeting;

(II) the reason for the proposal or objective ground on which the proposal is based;

(III) clear and specific proposals;

(IV) the contact information of the supervisors who propose the meeting and the date of the proposal, etc.

The office of the Supervisory Committee shall forward the above-mentioned written proposal and relevant materials to the chairperson of the Supervisory Committee in the next workday it receives the proposal and relevant materials. If the chairperson of the Supervisory Committee considers that the content of the proposal is not explicit or specific, or relevant materials are not sufficient, he or she shall ask the persons who propose the meeting to make revisions or supplement.

The chairperson of the Supervisory Committee shall convene the Supervisory Committee meeting within 10 days upon the receipt of the proposal.

Article 11 A Supervisory Committee meeting shall be convened by the chairperson of the Supervisory Committee, who shall also approve the issue of the notice convening the meeting.

For convening a regular meeting or an extraordinary meeting of the Supervisory Committee, the office of the Supervisory Committee shall issue the written meeting notice bearing with the seal of the office to all the supervisors at least 10 days or 5 days in advance respectively in mode of direct service, fax, email or other modes. All notice send by non-direct manner shall be confirmed by telephone.

As approved by all the supervisors, the requirement of a notice period of a Supervisory Committee meeting shall be exempted from execution.

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

Article 12 Contents of the notification of the meeting

The written meeting notice of the Supervisory Committee shall include the following contents:

- (I) time, venue and format of the meeting;
- (II) matters to be reviewed (proposals of the meeting);
- (III) the convener and the presider of the meeting, the persons who propose the extraordinary meeting and their written proposals;
- (IV) meeting materials necessary for voting by supervisors;
- (V) the contact person and contact information;
- (VI) date on which the notice is given.

The oral notification shall at least include the above-mentioned items (I) to (II), and a statement that in case of emergency, an extraordinary meeting of the Supervisory Committee shall be held immediately.

The meeting of the Supervisory Committee may be held in the form of on-site meeting, telephone conference (including video conference) and voting through communications, and the specific form and the relevant arrangements shall be set out in the meeting notice of the Supervisory Committee. Except for the situation that an on-site meeting and a telephone conference (including video conference) cannot be held because of emergencies, force majeure or other special reasons, the meeting of the Supervisory Committee shall be held in the form of on-site meeting or telephone conference (including video conference).

Article 13 Procedures for review at the meeting

The presider of the meeting shall ask supervisors attending the meeting to express explicit opinions on each proposal.

The Supervisory Committee of the Company may require directors, senior management personnel and other relevant personnel of the company to attend the meeting of the Supervisory Committee and answer questions.

Article 14 Meetings of the Supervisory Committee shall be attended by the supervisors in person. If a supervisor cannot attend a meeting for any reason, he or she may entrust in writing another supervisor to attend the meeting on his or her behalf. The power of attorney shall specify the name of the proxy, the entrusted tasks, the scope and the duration of the authorization, and it shall be signed or sealed by the principal. A supervisor who attends a meeting on behalf of another supervisor shall exercise the rights of a supervisor within the scope of authorization granted. In principle, one supervisor shall not accept the entrustment of more than two or more supervisors to attend the meeting of the Supervisor Committee.

If a supervisor fails to attend a meeting of the Supervisory Committee and has not appointed a proxy to attend on his or her behalf, he or she shall be deemed to have waived his or her voting rights in respect of that meeting.

Article 15 Voting at the meeting of the Supervisory Committee shall be carried out by show of hands or written disclosed ballot on the basis of one vote per person.

The voting intention of the supervisors shall be divided into the following categories: for, against or abstaining from voting. The attending supervisors shall choose any one of the aforesaid voting intentions. If any supervisor does not choose any intentions or simultaneously chooses two or more intentions, the presider of the meeting shall require such supervisor to make a new choice. If such supervisor refuses to do so, he/she shall be deemed as abstaining from voting. If any supervisor leaves the meeting venue halfway without returning and thus does not make a choice, he/she shall be deemed as abstaining from voting.

Resolutions at the meeting of the Supervisory Committee shall be passed by more than half of the supervisors' votes. Election and removal of chairman and vice chairman of the Supervisory Committee shall be passed by more than half of all members of the Supervisory Committee.

Article 16 Calculation of voting result

If the Supervisory Committee meeting is held in the form of on-site meeting and votes are taken by way of poll, the relevant personnel from the office of the Supervisory Committee shall collect the votes of supervisors in time.

If the Supervisory Committee meeting is held in the form of telephone conference (including video conference) and votes are taken by the attending supervisors in the oral form, resolutions shall be made on this basis at the Supervisory Committee meeting; the attending supervisors shall deliver the votes to the office of the Supervisory Committee within the specified time at the request of the presider.

With the consent of the convener, if the Supervisory Committee meeting is held in the form of voting through communications, it should be ensured that the supervisors shall have full rights of expressing their opinions. The notice of the meeting should specify clearly the term for voting, the attending supervisors should sign the votes and deliver the votes to the office of the Supervisory Committee in the prescribed way before the expiration of the prescribed time period of voting according to the notice of the meeting. Resolutions at the Supervisory Committee meeting will take effect at the expiration of the time period of voting. The supervisors that have delivered copies of their votes shall subsequently deliver original copies of their signed votes to the office of the Supervisory Committee according to the notice of the meeting.

Article 17 The Supervisory Committee shall keep minutes of its decisions on the matters discussed at the meeting. The supervisors who attend the meeting shall sign on the minutes of such meeting and sound recording of the meeting can be made. The minutes of the Supervisory Committee meeting shall consist of the following:

- (I) date, time, venue, form and the name of the presider of the meeting;
- (II) date of issuance of notice;
- (III) the number and names of supervisors present and supervisors who appointed proxies to attend the meeting and who were absent from the meeting, the reasons for absence and the names of proxies for such supervisors;
- (IV) the agenda;
- (V) causes and issues of discussion;
- (VI) the point of speech of supervisors;
- (VII) the voting method and poll results for each resolution (the poll results shall explicitly indicate the voting numbers in respect of for, against and abstain), and reasons of the relevant supervisors who voted against or abstained from voting;
- (VIII) the specific content of the matters for consideration and the resolutions passed at the meeting;
- (IX) other matters need to be indicated and recorded in the meeting minutes.

Article 18 Supervisors dissenting from the meeting minutes shall make a written statement at the time of signing.



**CHAPTER 4 INFORMATION DISCLOSURE OF SUPERVISORY  
COMMITTEE MEETING**

Article 19 The secretary to the board of directors shall deal with matters in respect of the public announcement of the resolutions at the Supervisory Committee meeting in accordance with the relevant provisions in the place where the shares of the Company are listed.

**CHAPTER 5 SUPPLEMENTARY PROVISIONS**

Article 20 These Rules constitute an appendix to the Articles of Association, and shall have the same legal effect as the Articles of Association.

Article 21 In case of any contradiction of these Rules with any laws, administrative regulations, departmental rules, other relevant normative documents and the listing rules of the place where the shares of the Company are listed in force from time to time, those laws, administrative regulations, departmental rules, other relevant normative documents and the listing rules of the place where the shares of the Company are listed shall prevail.

Article 22 These Rules will become effective from the date when it was considered and approved at a shareholders' general meeting. The amendment to these Rules shall be drafted by the Supervisory Committee for submission to the shareholders' general meeting for approval before coming into effect.

Article 23 The Supervisory Committee shall be responsible for the interpretation of these Rules.