

# **Sinopharm Group Co. Ltd.**

## **Rules of Procedure of Board of Directors**

### **Article 1 Purpose**

- 1.1** In order to further regulate the procedure and decision making process of the board of directors of Sinopharm Group Co. Ltd. (hereinafter referred to as the “Company”), to ensure that the directors and the board of directors can effectively perform their duties, and to enhance the standard operation and the scientific decision-making of the board of directors, these rules of procedure (the “Rules of Procedure”) have been formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Listing Rules”) and the Articles of Association of Sinopharm Group Co. Ltd. (hereinafter referred to as the “Articles of Association”).

### **Article 2 Composition of the board of directors**

- 2.1** The Company shall establish a board of directors consisting of 15 directors. The number of the independent non-executive directors shall represent one-third or more of the board of directors and shall not be less than three, of which at least one must have appropriate accounting or related financial expertise.

There shall be one chairman in the board of directors. The Company may have two vice-chairmen according to its actual situation.

A director shall be elected at the general meeting, with a term of three years. At the expiry of his/her/its term, a director is eligible for re-election, and the term of office of independent non-executive director must not be longer than six years.

A written notice of the intent of candidates nominated for directors and the candidates’ clear indication of their acceptance of nomination shall be delivered to the Company after the date of delivery of the notice of the general meeting at

which the director is to be elected and at least seven days before the date of such meeting, and the notice period shall not be shorter than seven days.

Any director (including managing director or any other executive director) may be removed by an ordinary resolution passed at a general meeting prior to the expiry of his/her/its term of office in accordance with relevant laws and administrative regulations (but the director's right to claim damages based on any contract shall not be affected).

The chairman and the vice-chairman shall be elected and removed by a majority of all directors. The term of office of each of the chairman and the vice-chairman is three years commencing from the date of the election, and renewable upon re-election.

An executive director deals with matters consigned by the board of directors.

A director shall not be required to hold any shares of the Company.

Directors may resign before the expiry of their terms. When resigning, a director shall submit written resignation to the board of directors.

Where the number of directors falls below the quorum due to any director resignation during his/her/its term of office, the resigning director shall perform his/her/its duties as a director in accordance with the laws, administrative regulations as well as the provisions of the Articles of Association, until the newly elected director assumes office. The board of directors shall, within two months, convene an extraordinary general meeting for the election of a new director to fill a temporary vacancy due to director resignation.

The term of office of the new director or any person appointed as a director to increase the number of members of the board of directors shall only serve his/her/its office till next general meeting and be eligible for re-election thereat.

**2.2** Where necessary, the board of directors may set up special committees including the

audit committee, the nomination committee and the remuneration committee to perform its duties, or to provide recommendations or advisory opinions on decisions to be made by the board of directors. The composition and rules of procedure shall be determined separately by the board of directors.

**2.3** The board of directors shall be responsible for performing the following corporate governance duties or it may delegate the responsibility to a committee or committees to:

- (i) develop and review the Company's policies and practices on corporate governance and make recommendations to the board of directors;
- (ii) review and monitor the training and continuous professional development of directors and senior management;
- (iii) review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (iv) develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and
- (v) review the Company's compliance with the Corporate Governance Code and disclosure in the corporate governance report.

**2.4** The board of directors shall be accountable to the general meeting and shall assume the following functions and powers:

- (i) to be responsible for convening general meeting and reporting its work to the general meeting;
- (ii) to implement resolutions approved at general meetings;
- (iii) to decide on the Company's business operating plans and investment proposals;
- (iv) to formulate the Company's proposed annual financial budget and final accounts;

- (v) to formulate the Company's profit distribution plan and plan for recovery of losses;
- (vi) to formulate proposals for the increase in or reduction of the Company's registered capital and the issuance of corporate bonds;
- (vii) to draft proposals for repurchase of the Company's own shares and proposals for the merger, division, dissolution or change of the Company;
- (viii) to decide on establishment of the Company's internal management structure;
- (ix) to appoint or dismiss the Company's general manager, and according to the general manager's nomination, to appoint or dismiss deputy general managers, chief financial officer, and general counsel of the Company; to appoint or dismiss the secretary of the board of directors and to decide on their remuneration;
- (x) to formulate the Company's basic management systems;
- (xi) to formulate proposals for any amendment of the Articles of Association;
- (xii) to advance the law-based operation and decision-making, guide and supervise the promotion of rule by law by the Company. If legal issues are involved in matters to be considered and approved by the Board of the Company, the general counsel shall attend the meeting and provide legal opinions, and the board of directors shall give due consideration to them;
- (xiii) to determine matters and administrative issues (other than those determined by resolution passed at a general meeting and those consigned to the general manager as specified by the Company and the Articles of Association) of the Company conferred by the general meeting, and to exercise other powers conferred by the general meeting and the Articles of Association.

Resolutions for matters listed in paragraphs (vi), (vii) and (xi) of this article shall be passed by a two-thirds majority of the directors at a board meeting, and resolutions for matters listed in other paragraphs shall be passed by

more than one half of directors.

**2.5** The special committees may engage intermediaries for professional advice at the cost of the Company.

**2.6** Each of the special committees shall be accountable to the board of directors and submit its proposals to the board of directors for consideration and approval.

**2.7** The Company shall establish an internal audit system and designate full-time audit staff. The auditing department shall be accountable to the board of directors.

### **Article 3 Board office**

**3.1** The board office is established under the board of directors and responsible for handling the daily affairs of the Board.

**3.2** The secretary of the board of directors shall concurrently serve as the person-in-charge of the board office, and keep the seals of the board of directors and the board office in custody. The secretary of the board of directors may appoint relevant staff to assist him/her in handling the daily affairs.

### **Article 4 Regular meetings**

**4.1** The board meetings include regular meetings and interim meetings.

**4.2** The board of directors shall convene board meetings at least four times a year at approximately quarterly intervals. A regular board meeting shall not be convened by way of circulation of written resolutions to obtain approval from the board of directors.

**4.3** The chairman of the board of directors should at least annually hold meetings with the independent non-executive directors without the presence of other directors.

### **Article 5 Proposals for regular meetings**

**5.1** Before sending the notice of a regular board meeting, the board office shall adequately consult with the directors, and shall accordingly formulate a preliminary proposal for meeting and submit the same to the chairman of the board of directors for consideration.

**5.2** Before deciding a proposal, the chairman of the board of directors shall, where necessary, seek opinions of the president and other senior management members.

#### **Article 6 Interim meetings**

**6.1** In any of the following circumstances, the Board shall hold an interim meeting where:

- (i) proposed by the shareholders representing more than one tenth of the voting rights;
- (ii) jointly proposed by more than one third of the directors;
- (iii) proposed by the supervisory committee;
- (iv) considered necessary by the chairman;
- (v) proposed by the general manager.

#### **Article 7 Procedure for proposing interim meetings**

**7.1** A proposal for convening an interim board meeting as specified in the preceding article shall be made in written form, affixed with the signature (seal) of the proposer, and submitted to the Chairman directly or via the board office. A written proposal shall specify:

- (i) the name of the proposer;
- (ii) the reasons or objective causes on which the proposal is based;
- (iii) the time or time limit, venue and means as suggested for holding the meeting;

- (iv) the explicit and specific proposals; and
- (v) the contact information of the proposer and the date of proposal, etc.

The contents of the proposal shall be directly related to the Company's operating activities, be within the scope of the power of the Board specified in the Articles of Association, and have definite topics and specific issues, and the documents relating to the proposal shall be submitted together with the proposal itself.

**7.2** The board office shall transfer to the chairman of the board of directors the written proposal and relevant documents as described in Article 7.1 upon receipt of the same. Where the chairman deems the proposal not explicit or specific or the relevant documents inadequate, the chairman may require the proposer to amend or supplement the proposal.

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

## **Article 8 Convening and presiding over the meetings**

**8.1** Board meetings shall be convened and presided over by the chairman. Where the chairman is unable or fails to perform the duty thereof, the vice chairman shall perform the duty on behalf of the chairman. Where the vice chairman is unable or fails to perform the duty thereof, a majority of the directors may jointly elect a director to convene and preside.

## **Article 9 Notice of the meeting**

**9.1** The regular board meeting shall be convened by the chairman. A notice shall be given to all directors and supervisors by mail, direct delivery, fax or email at least fourteen days before a regular meeting. Where the notice is not served by direct delivery, telephone acknowledgement and relevant records shall be made.

**9.2** Where an interim meeting needs to be convened in emergency, the board office may send the meeting notice by means of telephone, fax or email at any time, but

the convener shall make explanations at the meeting.

- 9.3** Where a director, who is present at the meeting, has not raised any objection that he/she has not been notified of the meeting before or at the meeting, such director shall be deemed to have been notified of the meeting.

## **Article 10 Contents of the meeting notice**

**10.1** A written notice of the board meeting shall at least include:

- (i) time and venue of the meeting;
- (ii) form of the meeting;
- (iii) matters (proposals) to be considered;
- (iv) convener and chairman of the meeting, proposer of and written proposal for the interim meeting;
- (v) meeting materials necessary for the voting of the supervisors;
- (vi) requirements for the directors to attend the meeting in person or by proxy;
- (vii) the contact person and contact information.

**10.2** A verbal meeting notice shall at least include (i) and (ii) above, and explanation for an interim board meeting in emergency.

**10.3** The board office shall provide adequate information before the meeting, including background information relating to the topics for discussion and information and data helping the directors learn about the business development of the Company.

The agenda of the regular board meeting and relevant meeting documents shall be delivered to all directors as soon as possible but in no event later than three days before the proposed meeting date (or other agreed date) of the board of directors or its committees.

**10.4** The directors shall examine the information served by the board of directors and

prepare opinions. Where more than a quarter of the directors are of the opinion that the information provided is insufficient or unclear, they may make a joint written proposal to the board of directors to postpone the board meeting or postpone consideration of the issues, and the board of directors shall adopt such a proposal.

#### **Article 11 Change of the meeting notice**

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

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

#### **Article 12 Methods of convening the meetings**

**12.1** Board meetings shall generally be held onsite. Regular or special board meetings may be held in the form of telephone conference or by similar means like audio or video communication. So long as the directors participated in the meeting are able to hear the speech of other directors clearly and communicate, all the directors participated in the meeting shall be deemed to have attended the meeting in person.

Unless otherwise specified in laws and administrative regulations, departmental rules, the listing rules of the place where the Company is listed or the Articles of Association, the board of directors may accept board meetings in the form of written communications over the resolutions to replace meetings on site. However,

draft motions of the meeting must be delivered to all directors by hand, mail, telegraph or fax. After the board of directors has delivered the motion to all directors and the number of directors giving consent and signature to the motion has reached the quorum, such motion, if delivered to the secretary of the board of directors by means referred to above, shall become a board resolution and no convening of a board meeting shall be required.

- 12.2** Where a board meeting is held off site, the number of the directors present is calculated according to the directors present in the video, the directors expressing opinions in the teleconference, the number of valid votes including faxes or emails received within the specified period, or the written confirmations submitted by the directors after the meetings.

### **Article 13 Attendance in person or by proxy**

- 13.1** In principle, the directors shall attend board meetings in person. Where a director is unable to attend a meeting for any reason, he shall peruse the meeting documents in advance, form definite opinions, and appoint another director in writing to attend the meeting on his behalf. If any director fails to attend the board meeting or entrusts a proxy to be present on his/her/its behalf, he/she shall be deemed to have waived his/her/its voting rights at that meeting.

The instrument of proxy shall specify:

- (i) the names and ID No. of the principal and proxy;
- (ii) reasons for the principal's failure to attend the meeting;
- (iii) outline opinions of the principal on respective proposals;
- (iv) the principal's scope of authorization and instructions about voting intent in relation to respective proposals;
- (v) signature of the principal and proxy, date, etc.

- 13.2** The proxy director shall present the written instrument of proxy to the chairman of

the meeting, explain proxy attendance in the attendance book and shall exercise the right of the entrusting party within the scope of authorization.

#### **Article 14 Restriction on proxy attendance**

**14.1** Proxy attendance at board meetings shall follow the principles below:

- (i) Where related transactions are considered, a non-related director shall not appoint a related director to attend the meeting on his behalf, and a related director shall not accept the appointment of a non-related director;
- (ii) An independent non-executive director shall not appoint a non-independent non-executive director to attend the meeting on his behalf, and a non-independent non-executive director shall not accept the appointment of an independent non-executive director;
- (iii) A director shall not give any other director carte blanche to attend the meeting and vote on his behalf without providing his own opinions on the proposals and voting instructions, and the relevant director shall also not accept the carte blanche or any appointment not well defined.
- (iv) One director shall not accept appointment by more than two directors, and a director shall not appoint any other director who has been appointed by two other directors to attend the meeting and vote on his behalf.

#### **Article 15 Convening of meetings**

**15.1** A board meeting shall be attended by more than half of the directors, including the directors entrusted to attend the meeting in accordance with Article 13 under the Articles of Association. Where any relevant director refuses or fails to attend the meeting so that the number of attendants falls short of the quorum required for convening the meeting, the chairman and the secretary of the Board shall promptly report to the regulatory authority.

**15.2** Supervisors may attend board meetings with no voting right; and the manager, the

board secretaries, non-director full-time deputy secretary of Party Committee, secretary of Discipline Committee, chief financial officer and general counsel shall attend board meetings without voting rights. The chairman of the meeting may, where he deems necessary, notify other relevant persons to attend Board meetings without voting rights. If the chairman of the meeting deems it necessary, he or she may notify other relevant personnel to attend the board meeting.

#### **Article 16 Procedure of the meeting deliberation**

- 16.1** The chairman of the meeting shall ask the attending directors to provide definite opinions on respective proposals.
- 16.2** For any proposal requiring prior acknowledgements of independent non-executive directors, the chairman of the meeting shall, before discussing the relevant proposal, appoint one independent non-executive director to read out the written acknowledgements of independent non-executive directors.
- 16.3** If the attending directors require a reply or relevant explanations after making a speech on the proposal, the chairman of the meeting may reply in person, or appoint relevant persons or attending professionals to do that, and the speaking time shall not exceed 15 minutes.
- 16.4** The chairman of the board of directors or chairman of the meeting shall adequately listen to the opinions of the attending directors, control the progress of the meeting, and improve the efficiency of deliberation and rationality of decisions. Where any director makes repeated speeches on the same proposal or speaks beyond the proposal, affecting the speeches of other directors or hindering the normal process of the meeting, the chairman of the meeting shall promptly stop him.
- 16.5** The meeting shall resolve on all proposals included in the agenda separately. The convener shall not announce the conclusion of the meeting until the agenda of meeting (including the provisional proposal) has been resolved. Unless it is unanimously agreed by all attending directors, the board meeting shall not

vote on any proposal not included in the notice of the meeting.

#### **Article 17 Expression of opinions**

- 17.1** The directors shall carefully read documents relating to the meeting and shall express well-informed, independent and discreet opinions.
- 17.2** The directors may, before the meeting, learn and inquire about information needed for decision making from relevant persons or institutions such as the board office, the convener of the meeting, the manager and other senior executives, special committees, the accounting firm and the law firm, or may, while the meeting is underway, suggest to the chairman that the aforesaid persons or institutions appear at the meeting make relevant explanations.
- 17.3** Supervisors shall be present at the board meeting to supervise whether the Board makes decisions pursuant to the Articles of Association and the legal procedure, and shall listen to the deliberation of the Board meeting, but shall not participate in the deliberation of the board meeting. Where the supervisors object to the resolutions of the board of directors, the supervisors shall send written opinions to the Board through the Supervisory Committee after the meeting.
- 17.4** The non-voting attendants at the meeting shall not interfere in deliberation of the Board meeting or affect the process of and voting or decision making at the meeting.

#### **Article 18 Voting at meeting**

- 18.1** After adequate discussion of each proposal, the chairman shall ask the attending directors to vote on the proposals separately at an appropriate time.
- 18.2** Each attendant shall cast one vote, by poll or by a show of hands or by fax. The chairman shall not have one-vote veto power. Voting at meetings held on site shall be conducted by poll or by a show of hands; voting at meetings held via video or telephone shall be conducted by poll and the attending directors shall submit the

originals of the signed votes to the Board in the validity period specified in the meeting notice; voting at meetings held via fax shall be conducted by fax, but after the meeting, the directors participating in voting shall also submit the originals of the signed votes to the Board in the validity period specified in the meeting notice.

**18.3** The voting intent of a director may be for, against or abstention. Every attending supervisor shall choose one out of the aforesaid intents. Where any director does not make any option or makes two or more options, the chairman shall require the said director to make an option again, otherwise the said director shall be deemed as having abstained from voting; any director who has left the meeting midway without coming back and has not made any option shall be deemed as having abstained from voting.

**18.4** If for some reason a director attending a board meeting leaves the meeting, he/she shall explain to the chairman of the meeting and apply for leave. He/she may appoint other directors in writing with his/her voting directions to vote on his/her behalf in respect of the remaining proposals in such case as prescribed in Article 14 of the Rule of Procedures. Where there is no such appointment or he failed to appoint, the director shall be deemed to abstain from voting in respect of the remaining proposals.

**18.5** If a director leaves a board meeting after the chairman declares the meeting open, for the resolutions that have already been put to vote, the votes cast by such director may, after soliciting his/her view, be counted.

**18.6** For board meetings not convened in person, the duration of the validity of the votes shall be stipulated. Directors who fail to express their views within a stipulated period of time shall be deemed as having waived his/her right to vote at the meeting.

#### **Article 19 Statistics of voting results**

**19.1** After voting of the attending directors, the relevant staff of the board office shall

promptly collect ballots cast by the directors, which ballots shall be counted by the secretary of the board under the supervision of a supervisor or independent non-executive director.

**19.2** Where the meeting is held onsite, the chairman shall announce the statistics onsite; in other circumstances, the chairman shall require the Secretary of the Board to announce the voting result within a workday after the prescribed voting deadline.

**19.3** The ballots cast by directors after the chairman announces the voting result or after the prescribed voting deadline shall not be counted.

## **Article 20 Forming of resolutions**

**20.1** Saved as specified in Article **20.2** of these Rules, adoption of or resolution on any proposal shall be subject to approval of more than half of all the directors of the Company. In the case of an equality of votes, the chairman of the meeting shall be entitled to a casting vote. Where the relevant laws, administrative regulations and Articles of Association have any provisions on approval by more directors, such provisions shall apply.

**20.2** Where any director abstains from voting, the board meeting may be held when more than half of the non-related directors attend the meeting. The resolution of the board meeting shall be passed by more than half of the non-related directors. If the number of non-related attending directors is less than 3, the relevant proposal shall not be voted on but shall be submitted to the general meeting for deliberation.

**20.3** The board of directors shall provide external guarantees within its authorization scope in accordance with the Articles of Association, which is subject to the approval of more than two thirds of all directors.

**20.4** In the case of disposal of any fixed assets by the board of directors, if the aggregate of the expected value of the fixed assets proposed to be disposed of and the value of the fixed assets which had been disposed of within four months immediately preceding such proposal for disposal exceeds thirty-three percent of the fixed assets

value shown in the most recent balance sheet considered at the general meeting, the board of directors shall not dispose or approve the disposal of such fixed assets without the approval of the general meeting.

Disposal of fixed assets referred to in this article includes the transfer of interests of certain assets but excludes the provision of fixed assets as pledges to any guarantees.

The validity of transactions conducted by the Company in relation to the disposal of fixed assets shall not be affected notwithstanding any violation of the requirements set out in the first paragraph of this Article.

**20.5** If different resolutions conflict with each other in contents and meanings, the resolutions formed later in time shall prevail.

#### **Article 21 No exceeding scope of authority**

**21.1** The board of directors shall act as authorized by the general meetings and the Articles of Association, and shall not make any resolution beyond authority.

#### **Article 22 Special provisions on profit distribution and transfer of capital reserve into share capital**

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

#### **Article 23 Written resolutions**

- 23.1** If the resolutions are signed by fax after the board meeting, the originals shall be delivered to the Company by express delivery service or other means. The date on which a resolution is signed by the last director as necessary for it to constitute a valid resolution shall be deemed as the date on which the board of directors passes the resolution.
- 23.2** Other than being passed by the board meeting, resolutions of board meetings may also be signed by members of the board of directors by fax, provided that the originals shall be delivered to the Company by express delivery service or other means. Such resolutions of the board meeting by fax shall be signed by directors forming part of the quorum and shall comply with Article 20 of the Rules of Procedure. These resolutions in writing shall be as valid as the resolutions passed at board meetings convened and held as requested. The date on which a resolution is signed by the last director as necessary for it to constitute a valid resolution shall be deemed as the date on which the board of directors passes the resolution.
- 23.3** Any written resolution adopted without legal procedures but signed by directors shall not have legal force, even if every director has expressed his/her/its opinion thereon.

#### **Article 24 Processing of proposals not passed**

- 24.1** Where any proposal is not passed, any Board meeting shall not deliberate any proposal with the same contents within one month if relevant conditions and factors have not changed significantly.

#### **Article 25 Deferral of voting**

- 25.1** Where more than a quarter of the attending directors consider they cannot make judgments on relevant issues because the relevant proposal is not clear or specific or the meeting documents are inadequate, the chairman shall require the meeting to defer voting on the said proposal.
- 25.2** The director proposing suspension of voting shall provide definite requirements for

the conditions to be met for resubmitting the said proposal for deliberation.

#### **Article 26 Recordings and videos of meetings**

**26.1** Board meetings held onsite or via video or telephone may be recorded where necessary.

#### **Article 27 Meeting minutes**

**27.1** The secretary of the board shall arrange a clerk of the board office to record the minutes of the board meeting. The meeting minutes shall include the following information:

- (i) Session and time, venue and form of the meeting;
- (ii) Delivery of meeting notice;
- (iii) Convener and chairman of the meeting;
- (iv) Attendance and proxy attendance of directors;
- (v) Procedure and process of the meeting;
- (vi) Proposals for consideration at the meeting, main points and opinions of each director on relevant matters and intents of voting on proposals;
- (vii) The voting method and result for each proposal (the voting result shall set out the respective numbers of pros, cons and abstentions);
- (viii) Other issues that the attending directors think should be included into the minutes.

**27.2** The first draft of the minutes of a board meeting or a meeting of any board committee shall be submitted to all directors for their review within a reasonable time. Any directors who intend to amend or supplement the minutes shall submit his/her/its revision suggestions in writing to the chairman of the board within one week upon receiving the minutes of a meeting. When the minutes of the meeting are finalized, directors and the recorder attending the meeting shall sign their names

on the minutes of the meeting. Secretary of the board of directors shall conscientiously organize minutes of a meeting and matters discussed at the meeting and sign his/her/its name on the minutes of a meeting, and shall assume the responsibility of accurate recording. The minutes of a board meeting or a meeting of any board committee shall be deposited at the domicile of the Company in China for record keeping, and a complete duplicate of the minutes shall be sent to each director as soon as possible.

#### **Article 28 Signatures of directors**

**28.1** Attending directors shall sign for confirmation on the meeting minutes, meeting summaries and minutes of resolutions in person or on behalf of the directors appointing them to attend the meeting. Where the directors disagree over the meeting minutes, meeting summaries or resolutions, they may attach written remarks when signing the same.

Directors shall be responsible for the resolutions of the board meeting. However, any director who abstains from voting or does not attend and does not entrust a proxy to attend the meeting shall be deemed not to oppose so, and shall not be relieved of such liability. Where a resolution of the board meeting violates the PRC laws or administrative regulations or the Articles of Association and causes serious losses to the Company, the directors who have taken part in such a resolution shall be liable to compensate the Company. If a director can prove that he has expressed his/her/its opposition to such resolution when it was put to the vote, and such opposition is recorded in the minutes of the meeting, the director may be relieved of such liability.

**28.2** Where any director neither signs as per the preceding paragraph nor provides his different opinions in writing, reports to the regulatory authority or announces public statement, the said director shall be deemed as agreeing with the meeting minutes, meeting summaries or minutes of resolutions.

#### **Article 29 Notice of resolutions**

**29.1** For resolutions made at offsite board meetings, the secretary of the board of directors shall be responsible for handling the matters relating to notifying the directors. Before notifying the attending directors of the resolutions, the recording and relevant staff shall be obliged to keep the contents of the resolutions confidential.

### **Article 30 Implementation of resolutions**

**30.1** The secretary of the board of directors shall urge relevant personnel to execute the resolutions of the board meetings, supervise such execution, and report at future board meeting how the resolutions are executed.

### **Article 31 Keeping of meeting archives**

**31.1** Archives of board meetings including meeting notices, meeting materials, attendance book, powers of attorney for proxy directors, meeting recordings and videos, votes, meeting minutes signed by the attending directors, meeting summaries, minutes of resolutions, notice of resolutions, etc., shall be kept by the secretary of the board. Such minutes shall be available for inspection at any reasonable time on reasonable notice by any director.

**31.2** Archives of board meetings shall be kept for ten years.

### **Article 32 Supplementary provisions**

**32.1** In these Rules, the expressions of “more than” shall include the figures mentioned.

**32.2** These Rules and any amendments thereto are formulated by the board of directors and shall come into effect from the date of approval at the general meeting.

**32.3** In the event of any conflicts between these Rules and the Company Law and the Listing Rules as amended from time to time, the provisions of the Company Law and the Listing Rules as amended from time to time shall prevail.

**32.4** These Rules shall be subject to the interpretation of the board of directors.