

# **Sichuan Expressway Company Limited\***

## **Rules of Procedure for the Board Meetings**

*(formulated in accordance with the resolutions adopted by the shareholders' extraordinary general meetings held on 1 February 2024)*

### **Article 1** Principles

These rules are formulated in accordance with the relevant provisions of Company Law, the Securities Law, the Standards for Corporate Governance of Listed Companies and the listing rules of the stock exchanges where the Company's shares are listed to further standardise the discussion methods and decision-making procedures of the board of directors of the Company, to procure effective performance of the duties of the directors and the board of directors of the Company, and to enhance the regulated operation and scientific decision-making of the board of directors of the Company.

### **Article 2** The General Office of the Board of Directors of the Company

The general office of the board of directors of the Company handles the daily affairs of the board of directors of the Company.

### **Article 3** Regular Meetings

The board meetings are classified as regular meetings and extraordinary meetings. The board of directors of the Company shall hold at least two board meetings annually.

### **Article 4** Proposals for Regular Meetings

Before despatching the notice on holding the regular board meetings, the general office of the board of directors shall thoroughly seek all directors' opinions and preliminarily reach the meeting proposals for the chairman's decision.

The chairman shall seek the general manager and other senior management's opinions (where necessary) before determining the proposals.

\* For identification purpose only

**Article 5** Extraordinary Meetings

The board of directors shall convene extraordinary meetings in any of the following circumstances:

- (1) when proposed by the shareholders representing more than one tenth of voting rights;
- (2) when proposed jointly by more than one third of the directors;
- (3) when proposed by the supervisory committee;
- (4) whenever the chairman deems necessary;
- (5) when proposed by an independent director and agreed by more than a half of the independent directors;
- (6) when proposed by the general manager;
- (7) whenever the securities regulatory authorities so requests;
- (8) other circumstances provided by the Articles of Association of the Company.

If an independent director proposes to convene a board meeting, the Company shall disclose in a timely manner.

**Article 6** Proposal Procedures for Extraordinary Meetings

If an extraordinary meeting of the board of directors is proposed for holding in accordance with the preceding article, a written proposal signed (affixed with seal) by the proponent shall be submitted through the general office of the board of directors or directly submitted to the chairman of the board of directors. The written proposal shall include:

- (1) name or designation of the proponent;
- (2) reasons for or objective facts on which the proposal is based on;
- (3) proposed time, place and mode of the meeting;
- (4) a clear and specific proposal;
- (5) the mode of proponent's contact and date of proposal.

The content of the proposal shall fall within the power of the board of directors as required by the Articles of Association of the Company, and shall be submitted together with relevant materials of the proposal.

The general office of the board of directors shall pass the written proposal and relevant materials above to the chairman on the same date after receiving them. The chairman may require the proponent to revise or supplement if the content of the proposal is considered as not clear or specific or relevant materials are not adequate.

The chairman shall convene and preside over the board meeting within ten days after receiving the proposal or the request of the securities regulatory authorities.

**Article 7** Convening and Presiding of the Meeting

The board meeting shall be convened and presided over by the chairman. In event that the chairman is unable or fails to perform his/her duties, a vice-chairman shall convene and preside over the meeting. If the vice-chairman is unable or fails to perform his/her duties, the meeting shall be convened and presided over by a director elected by more than one half of the directors.

**Article 8** Notice of Meeting

To hold the regular meetings and extraordinary meetings of the board of directors of the Company, the general office of the board of directors of the Company shall deliver the written notice of the meeting and relevant meeting materials to all the directors, supervisors, general manager and the secretary to the board of directors of the Company by fax, express email, registered post, personal service or other modes within ten days and five days in advance respectively. The notice shall be confirmed by phone and relevant records shall be made if it is not delivered by hand. The Company shall keep the abovementioned meeting materials for at least ten years.

The meeting may be notified by phone or other verbal methods at any time but the convener shall explain it at the meeting if it is necessary to hold an extraordinary meeting of the board of directors as soon as practicable due to emergencies.

**Article 9**

## Content of the of Meeting Notice

The written meeting notice shall at least include the following contents:

- (1) the time and place of the meeting;
- (2) mode through which the meeting is held;
- (3) matters (resolutions for the meeting) to be considered;
- (4) convener and chairman of the meeting, the proponent of the extraordinary meeting and his/her written proposal;
- (5) meeting materials necessary for the directors' voting;
- (6) the requirement that a director shall attend the meeting in person or shall appoint other directors to attend the meeting on his/her behalf;
- (7) the contact person and contact method.

The verbal notice of the meeting shall, at least, include content of the above (1), (2), (3) and (5) and the explanation for holding the extraordinary meeting of the board of directors of the Company as soon as practicable in case of emergencies.

**Article 10**

## Change in the Notice of Meeting

If it is necessary to change the time and place or add, change and cancel the resolutions for the meeting after despatching the written notice of the regular meeting of the board of directors of the Company, the written notice for the change shall be despatched three days before the original date of the meeting to explain the situation and relevant content and relevant materials of the new proposals. If the written notice is despatched less than three days before the original date of the meeting, the meeting shall be postponed accordingly, or held as scheduled after obtaining the approval of all the directors present at the meeting.

If it is necessary to change the time and place of the extraordinary meeting or add, change and cancel the resolutions for the meeting after despatching the written notice of the extraordinary meeting of the board of directors of the Company, the approval of all the directors present at the meeting shall be obtained beforehand and relevant records shall be made.

**Article 11**      The Convening of the Meeting

The board meeting shall be convened with attendance of over one half of directors. If the said directors refuse to attend the meeting or ignore the participation, which results in the number of participating directors falling below the quorum, the chairman and secretary to the board of directors of the Company shall report it to the regulatory authorities in a timely manner.

Supervisors have the right to attend the board meeting as non-voting participants. The general manager and secretary to the board of directors of the Company who do not act as directors concurrently shall attend the board meeting as non-voting participants. The convener can notify other relevant persons to attend the board meeting as non-voting participants as he/she thinks necessary.

Prior to the convening of the board meetings, independent directors may communicate with the secretary to the board of directors of the Company to enquire, request for supplementary materials and offer opinions and suggestions about matters to be considered. The board of directors of the Company and relevant personnel shall carefully study the questions, requests and opinions raised by the independent directors and provide feedback to the independent directors on the implementation of the amendments to resolutions and other matters in a timely manner.

**Article 12**      Attendance in Person and Attendance through Appointment

In principle, the directors shall attend the board meeting in person. If a director is unable to attend the meeting for any reason, he/she shall review the meeting materials in advance and make clear opinions and appoint other directors in writing to attend the meeting on his/her behalf.

The power of attorney shall set out:

- (1) name of the appointer and the proxy;
- (2) brief opinions on every proposal made by the appointer;
- (3) scope of authorisation and directions for voting intent on the proposals of the appointer;
- (4) signature of the appointer and date.

The director who appoints other directors to sign the written confirmation opinions for regular reports on his/her behalf shall make a special authorisation in the power of attorney.

The director on behalf of others shall submit the power of attorney in writing to the convener and explain the attendance on behalf of others on the attendance list of the meeting.

**Article 13**      Restrictions on the Appointed Attendance

Appointment for attending the board meeting shall comply with the following principles:

- (1) directors who is not connected to the transaction shall not appoint connected directors to attend the meeting when considering connected transactions. Connected directors shall not accept the appointment by the non-connected directors;
- (2) Any independent director shall not appoint other non-independent directors to attend the meeting on his/her behalf and a non-independent director shall not accept the appointment of the independent directors;
- (3) Directors shall not grant an appointment of full power without giving his/her personal opinion and voting intent for the proposals, and relevant directors shall not accept the appointment of full power and the appointment without clear authorization;
- (4) Any director shall not accept over two directors' appointment, and shall not appoint any director that has accepted the other two directors' appointment either.

**Article 14** Modes of Convening Meetings

In principle, the board meeting shall be convened by ways of on-site meetings. When necessary, the meeting is allowed to be convened through video, phone, fax or email after agreement of the convener and the proponent on the premise of ensuring the directors may fully give their opinions. The board meeting may be also convened by ways of on-site meetings and by other means at the same time.

For a meeting other than on-site meetings, the number of the directors present is calculated according to the number of valid votes cast by the directors present in the video, the directors expressing opinions in the teleconference, etc., or the written confirmations submitted by the directors after the meetings.

**Article 15** Consideration Procedures for the Meeting

The chairman of the meeting shall request the directors present at the board meeting to give clear opinions for all proposals.

As to the proposal necessary for the independent directors' prior consent as required, the chairman of the meeting shall designate an independent director to announce the written confirmation opinions given by the independent directors.

The chairman of the meeting shall timely stop any directors that impede the normal progress of the meeting or affect other directors' speeches.

Except the unanimous consent of all the directors present at the meeting, any proposal not set out in the meeting notice shall not be voted at the board meeting. Directors who accept other directors' appointment to attend the meeting on their behalf shall not vote on the proposals not set out in the meeting notice on the behalf of other directors.

The listed company may organize independent directors to participate in research and argumentation before the board of directors' consideration of major and complex matters, to fully listen to the opinions of independent directors, and provide timely feedback to independent directors on the adoption of their opinions.

**Article 16****Expressing Opinions**

The chairman of the meeting shall propose to the directors present at the meeting to vote after thorough discussion of every proposal, where appropriate.

Each director has one vote to vote at the meeting which shall be conducted in name-marked written form. Resolutions of extraordinary meeting may be made by means of communication signed by present directors on the basis of ensuring each director fully expressing his/her opinions.

The directors' voting intent includes voting in favour of, against or abstaining. The directors present at the meeting shall select one from the intents above and the chairman of the meeting shall ask those who fail to select or simultaneously select two or more intents to re-select and those who refuse to select shall be deemed as abstaining; those who leaves the meeting before making any selection and does not return to the meeting shall be deemed as abstaining.

Where an independent director votes against or abstains from voting on a resolution of the board of directors of the Company, he or she shall state the specific reasons and basis thereof, the legality and compliance of the matters involved in the resolution, the potential risks and the impact on the rights and interests of the listed company and the minority shareholders. When disclosing a resolution of the board of directors of the Company, the listed company shall also disclose the dissenting opinions of the independent directors, which shall be set out in the resolution of the board of directors of the Company and minutes of meeting.

**Article 17****Voting at the Meeting**

The chairman of the meeting shall propose to the directors present at the meeting to vote after thorough discussion of every proposal, where appropriate.

Each director has one vote to vote at the meeting which shall be conducted in name-marked written form. Resolutions of extraordinary meeting may be made by means of communication signed by present directors on the basis of ensuring each director fully expressing his/her opinions.



The directors' voting intent includes voting in favour of, against or abstaining. The directors present at the meeting shall select one from the intents above and the chairman of the meeting shall ask those who fail to select or simultaneously select two or more intents to re-select and those who refuse to select shall be deemed as abstaining; those who leaves the meeting before making any selection and does not return to the meeting shall be deemed as abstaining.

**Article 18** Calculation of Voting Results

After the voting of the directors present at the meeting, the securities representative and relevant personnel of the general office of the board of directors shall timely collect the Directors' votes, and pass them to the secretary to the board for calculation under the supervision of one supervisor or independent director.

If the meeting is convened on site, the chairman of the meeting shall announce the voting results forthwith. In other cases, the chairman of the meeting shall require the secretary to the board of directors to notify the directors of the voting results before the next business day after conclusion of the specified voting time.

If the directors vote after the chairman of the meeting announces the voting results or after conclusion of the specified voting time, their votes shall not be counted.

**Article 19** Resolutions at the Meeting

Except for matters provided in Article 20 herein, a resolution on a proposal considered and passed at the board meeting shall be voted for by more than half of all the directors. If the approval of more directors shall be obtained, the resolutions passed by the board of directors of the Company shall follow such provision as required by laws, administrative regulations and the Articles of Association of the Company.

In accordance with requirements of the Articles of Association of the Company, the board of directors of the Company shall make a resolution on the guarantees within its scope of power and shall obtain the approval of more than two-thirds of the directors present at the meeting, in addition to the approval of over half of all the directors.

If the content and meanings of resolutions conflicts from one and the other, the resolution passed later shall prevail.

If the board of directors does not adopt or does not fully adopt the recommendations of the Nomination Committee and Remuneration and Appraisal Committee, the opinions of the Nomination Committee and the specific reasons for non-adoption shall be recorded in the resolutions of the board of directors and disclosed.

**Article 20** Abstinance from Voting

The directors shall abstain from voting on relevant proposals in any of the following circumstances:

- (1) where the directors shall abstain from voting as required by the listing rules on the stock exchange where the Company is listed;
- (2) where the director himself/herself considers he/she should abstain from voting;
- (3) other circumstances in which any director is associated with the enterprises that are involved in proposals of the meetings as required by the Articles of Association of the Company.

In case the directors abstain from voting, relevant board meetings may be convened with attendance of more than half of non-connected directors, and resolutions shall be passed by more than half of non-connected directors. If the number of non-connected directors attending the board meetings is less than three, relevant proposals shall not be voted, and such matters shall be submitted to the general meeting for consideration.

**Article 21** No Ultra Vires

The board of directors shall act in strict accordance with the authorisation of the general meeting and the Articles of Association of the Company and shall not act ultra vires in passing resolutions.

**Article 22** Special Provisions on Profit Distribution

Where a matter of profit distribution is to be resolved at the board meeting, the Company may notify certified public accountants of the distribution plan to be put forward at the board meeting for consideration first, and engage them to prepare a draft audited report (where other financial data except those concerning distribution have been determined). The board of directors shall require the certified public accountants to provide the official audited report after making the distribution resolution, and then make a resolution on other relevant matters of regular reports in accordance with the official audited report provided by the certified public accountants.

**Article 23** Treatment on Unapproved Proposals

If a proposal is unapproved, any other proposal with the same content as it shall not be considered at the board meeting within one month in case relevant conditions and factors are not materially changed.

**Article 24** Postponement of Voting

The chairman of the meeting shall require the subject matter to be postponed for voting at the meeting if more than half of the directors present at the meeting or more than two independent directors consider the proposal to be indefinite or non-specific, or where an informed judgement cannot be made due to other reasons such as the meeting materials are not adequate, specific, complete, sufficiently argued or provided in a timely manner.

Directors who propose for postpone voting shall make clear requirements for re-consideration of the subject proposal.

**Article 25** Audio Recordings of the Meeting

The whole process of the board meetings which are convened by ways of on-site meetings, video or phone may be recorded as necessary.

**Article 26** Minutes of Meeting

The secretary to the board of directors of the Company shall arrange the personnel of the general office of the board of directors of the Company to make records for the board meeting. The minutes of the meeting shall include the following:

- (1) the date, place and name of the person to convene the meeting;
- (2) the names of the directors present at the meeting and names of the directors (proxies) present at the meeting on behalf of other director(s);
- (3) agenda of the meeting;
- (4) gist of the directors' speech;
- (5) the voting manner and results on each resolution (the voting result shall state the number of affirmative votes, dissenting votes, and abstention votes);
- (6) other matters required to be recorded in the Articles of Association.

**Article 27** Minutes of Meeting and Record of Resolutions

In addition to meeting records, the secretary to the board of the directors of the Company may arrange the personnel in the general office of the board of directors of the Company to prepare a summary of the minutes of meeting, and to prepare separate resolution records for resolutions reached in accordance with the voting poll results.

**Article 28** Signature of the Directors

The directors present at the meeting shall sign on the meeting records and resolution records for confirmation of themselves and other directors who appoint them to attend the meeting on their behalf. The director may make written comments for this signature in case of any different opinions on the meeting records or resolution records. When necessary, the directors shall report to the regulatory authorities and may also make public statements.

Any director that neither signs for confirmation in accordance with the previous articles nor makes written comments for his/her different opinions or reports to the regulatory authorities and makes public statements shall be deemed to fully agree to the content of the meeting record and the resolution records.

**Article 29** Announcement of Resolutions

Announcements of the resolutions of the board meetings shall be handled by the secretary to the board of directors of the Company in accordance with the relevant requirements of the stock exchange where the Company's shares are listed. The participating directors, personnel present as non-voting participants, clerks and servants shall have the obligation to keep the content of resolutions confidential before disclosure of the announcement of the resolutions.

**Article 30** Implementation of Resolutions

The chairman of the board of directors of the Company shall urge relevant personnel to implement the resolutions of the board meeting, check the fulfilment of the resolutions, and declare the execution of the passed resolutions at the later board meetings.

The independent directors shall, in accordance with the relevant provisions of the Administrative Measures for Independent Directors of Listed Companies, pay continuous attention to the implementation of the board resolutions relating to the relevant matters, and shall promptly report to the board of directors if they find that there is any violation of the laws, administrative regulations, the provisions of the China Securities Regulatory Commission, the rules of the stock exchanges and the Articles of Association or any violation of the resolutions of the general meeting and the board of directors and may also require the listed company to make written explanations. Where disclosure matters are involved, the listed company shall make timely disclosure.

If the listed company fails to make an explanation or timely disclosure in accordance with the provisions of the preceding paragraph, the independent directors may report to the China Securities Regulatory Commission and the stock exchange.

**Article 31** Maintenance of Archive Records

The archive records of the board meeting including notices of meeting and meeting materials, attendance book of the meeting, power of attorney for the directors' appointment for attendance at the meeting, information of the meeting recording, voting paper, meeting records, minutes of meeting, summary of minutes of meeting, announcement of resolutions endorsed by the directors of the Company, shall be kept by the secretary to the board of directors of the Company.

Such archive records of the meetings of the board of directors of the Company shall be maintained for over 10 years.

**Article 32** Supplementary Provisions

The expression "above" referred to in these rules includes the figure itself.

These rules shall be formulated by the board of directors and come into effect upon approval at the general meeting of the Company. The amendments shall take effect upon approval by the general meeting.

These rules shall be interpreted by the board of directors.

**Sichuan Expressway Company Limited\***

1 February 2024

\* *For identification purpose only*