

Jiangsu Expressway Company Limited

Procedural Rules for the Supervisory Committee

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Procedural Rules for the Supervisory Committee

Table of Contents

Chapter 1 General Provisions

Chapter 2 Supervisors

Section 1 Appointment and Removal of Supervisors

Section 2 Rights of Supervisors

Section 3 Obligations and Duties of Supervisors

Section 4 Remuneration of Supervisors

Chapter 3 Powers of the Supervisory Committee

Chapter 4 Chairman of the Supervisory Committee

Chapter 5 Meetings of the Supervisory Committee

Section 1 Preparations for and Notice of Meetings and Convening Meetings

Section 2 Rules for Making Proposals to Meetings

Section 3 Order of Proceedings at Meetings and Procedural Rules

Section 4 Post-meeting Matters

Chapter 6 Supplementary Provisions

Jiangsu Expressway Company Limited

Procedural Rules for the Supervisory Committee

Chapter 1 General Provisions

- 1.1 These Rules are formulated in accordance with the Company Law of the People's Republic of China (the "Company Law"), the Articles of Association (the "Articles of Association") of Jiangsu Expressway Company Limited (the "Company") and the provisions of other relevant laws and regulations to ensure that the Supervisory Committee of the Company lawfully exercises its supervision of the actions of the Company's management and the operation and management activities of the Company.
- 1.2 The objectives of these Rules are to specify the rules of procedures and order of proceedings of the Supervisory Committee of the Company, to enhance the efficiency of work of the Supervisory Committee, to exercise the duties of the Supervisory Committee practicably in order to bring the supervisory functions of the Supervisory Committee into full play, and to prevent the infringement of the lawful interests of the shareholders, the Company and its employees.
- 1.3 The scope of application of these Rules: Jiangsu Expressway Company Limited. Subsidiaries shall apply the related contents in accordance with the principles of these Rules based on the actual circumstances of their own enterprises. Other associated companies may make arrangements as appropriate by making reference to these Rules. These Rules are binding on the Supervisors, staff members appointed by the Supervisory Committee and other related persons in attendance of the meetings of the Supervisory Committee.

Chapter 2 Supervisors

Section 1 Appointment and Removal of Supervisors

- 2.1.1 Basic qualifications of supervisors:
- (1) to abide by the laws and regulations of the PRC, and to have good ethics and righteous behavior;
 - (2) to adhere to principles, to have integrity and to be upright in performing one's duties, to take initiatives at work, and to be responsible and honest;
 - (3) to safeguard the interests of shareholders, the Company and its employees in accordance with the Company Law and the Articles of Association;

- (4) to have the employment history and experiences compatible with the position of a supervisor;
 - (5) to have the corresponding work schedule and personal willingness to perform the duties of a supervisor so as to ensure one's timely participation in the meetings of Supervisory Committee and other activities of the Supervisory Committee.
- 2.1.2 In general, a supervisor appointed by the shareholders shall have already been working in the original post for more than one year, and shall have work experience of more than three years in one or more of the following professional areas: fiscal work, finance, audit, law, economics or corporate management.
- 2.1.3 Supervisors elected by employees under democratic election shall not be senior management set out under the Articles of Association (i.e. general manager, deputy general manager, financial controller and the Secretary to the Board of the Company), and shall also not be persons in charge of the principal businesses which are subject to supervision, such as finance, accounting, audit, corporate management and decision making for operating activities.
- 2.1.4 A supervisor shall not concurrently serve as a director, general manager, deputy general manager and financial controller of the Company. A civil servant of the PRC shall not serve as a supervisor of the Company.
- 2.1.5 None of the following persons may serve as a supervisor of the Company:
- (1) persons without civil conduct capacity or persons with restricted civil conduct capacity;
 - (2) persons who have been penalized for having committed an offence of corruption, bribery, encroachment upon property or sabotage of the social economic order; or who have been deprived of his/her political rights for having committing such offence, in each case where less than five (5) years have elapsed since the date of the completion of such punishment or deprivation;
 - (3) persons who are former legal representatives of a company or an enterprise that was wound up and liquidated due to improper management and who have incurred personal liability, in which case less than three years have elapsed since the date of completion of such winding-up or liquidation of the company or the enterprise;
 - (4) persons who have a relatively large amount of debts due and outstanding;
 - (5) persons who are under the investigation by the relevant department of the Company for violation of the criminal law and the case is not yet concluded;

- (6) non-natural persons;
 - (7) persons convicted of being in contravention of provisions of relevant securities regulations by a relevant government authority, and such conviction involves a finding of fraudulent or dishonest acts, in which case less than five (5) years has elapsed since the date of the conviction; or
 - (8) persons who are not eligible pursuant to laws and administrative regulations.
- 2.1.6 A supervisor shall have a term of office for three years, who is eligible for reappointment by re-election.
- 2.1.7 After a supervisor has been elected, the supervisor shall sign and submit relevant statements and undertakings as required by the listing rules of the stock exchanges.
- 2.1.8 Within 15 days after the election of the supervisors, the Company shall inform the stock exchanges on which the securities of the Company are listed, China Securities Regulatory Commission and other relevant authorities of the relevant status in writing, and the detailed personal particulars of the elected supervisors shall be filed with the relevant authorities for record.
- 2.1.9 The shareholders' general meeting or the unit which makes such appointment shall not remove a supervisor from office without a reasonable cause before the expiry of his/her term of office.
- 2.1.10 Supervisors may submit their resignations before the expiration of their term of office. The resignation of supervisors should submit a written resignation report to the Supervisory Committee, which will take effect after approval by the Supervisory Committee. The Company will notify the shareholders in due course. If the number of members of Supervisory Committee of the Company is fewer than the quorum due to the resignation of a supervisor, the resignation report of such supervisor shall not take effect until the next supervisor fills the vacancy caused by his/her resignation. The remaining members of the Supervisory Committee shall convene an extraordinary general meeting (or workers representative assembly) as soon as possible and elect supervisor(s) to fill the vacancies caused by the resignation of supervisors; Supervisors whose terms of office are not expired shall be liable for compensation for losses suffered by the Company due to their unauthorized termination of service.
- 2.1.11 A supervisor who fails to attend the meetings of the Supervisory Committee in person nor authorize another supervisor to attend the meetings in writing on his/her behalf for two (2) consecutive times shall be deemed as not performing duties and shall be replaced by shareholders' meeting or workers representative assembly.

- 2.1.12 In case of resignation or changes of supervisors, notification shall be given to the stock exchanges on which securities of the Company are listed and China Securities Regulatory Commission as soon as possible.

Section 2 Rights of Supervisors

- 2.2.1 Supervisors are entitled to the following rights:

- (1) to attend meetings of the Supervisory Committee and exercise the voting rights on the resolutions of the Supervisory Committee;
- (2) the right to conduct random or regular examinations and audits on the various accounting statements presented by the Board for every accounting year;
- (3) the right to be in attendance of the Board meetings, meetings of the general manager's office, corporate development planning, annual operating plans, investment plans, financing plan meetings, discussion meetings for feasibility of major investment projects, analysis meetings of half-yearly or annual economic activities, annual work conclusion meetings and other important meetings in respect of the development and reform of the Company;
- (4) with proper reasons and objectives, supervisors are entitled to request the chairman of the Supervisory Committee to convene extraordinary meetings of the Supervisory Committee;
- (5) the right to make inquiries of and carry out on-site examination on the investments, construction projects and subsidiaries of the Company;
- (6) departments of the Company, its subsidiaries, employees and other standing and non-standing organizations of the Company shall give assistance to a supervisor in discharging his/her duties, and they shall not reject, refuse or obstruct a supervisor in discharge of his/her duties.
- (7) The activities in which supervisors lawfully exercise their supervisory rights are protected by law, and no units or individuals may interfere. The Company shall provide the necessary working conditions and business expenses for the supervisors' acts of performing their duties.

Section 3 Obligations and Duties of Supervisors

- 2.3.1 In the discharge of his/her duties, a supervisor of the Company shall abide with the principle of integrity and shall not put oneself in a position where his/her

own interests may have conflict with the obligations to be borne by him/her. The principle includes (without limitation) the fulfillment of the following obligations:

- (1) to act honestly in the best interests of the Company;
- (2) to exercise his/her powers within the scope of his/her terms of reference and not to exceed those powers;
- (3) to personally exercise the discretion conferred to him/her and not to allow himself/herself to act under the control of another and, a supervisor shall not delegate his/her power of discretion unless and to the extent permitted by laws, administrative regulations or with the informed consent of shareholders given in a general meeting;
- (4) to treat shareholders of the same class as well as the shareholders of different classes fairly and equally;
- (5) not to enter into any contract, transaction or arrangement with the Company other than in accordance with the Articles of Association or with the informed consent of shareholders given in a general meeting;
- (6) not to use the Company's property for his/her own benefit by any means without the informed consent of shareholders given in general meeting;
- (7) not to exploit his/her position to accept bribes or other illegal income or encroach the Company's property by any means, including (without limitation) opportunities advantageous to the Company;
- (8) not to accept commission in connection with the Company's transactions without the informed consent of shareholders given in general meeting;
- (9) to abide by the Articles of Association, to faithfully execute his/her official duties and protect the Company's interests, and to advance his/her personal interests by making use of his/her position and power in the Company;
- (10) not to compete with the Company in any form unless there is an informed consent of shareholders given in general meeting;

- (11) not to misappropriate the Company's funds or lend such funds to others, not to open accounts in his/her own name or other names for the deposit of the Company's assets and not to use the Company's assets to provide a guarantee for the debts of a shareholder of the Company or other personal debt; and
- (12) unless it is otherwise permitted by informed consent of shareholders given in general meeting, to keep in confidence information acquired by him/her in the course of and during his/her tenure and not to use such information for any purpose other than in furtherance of the interests of the Company. However, disclosure of such information to the court or other governmental authorities is permitted in case of the following situation:
 - 1. disclosure is made in accordance with the legal requirements;
 - 2. disclosure is made in the public interest;
 - 3. the obligations on the relevant supervisor itself requiring such disclosure.

2.3.2 The supervisors of the Company shall not cause the following persons or institutions (the "related persons") to do what such supervisor is prohibited from doing:

- (1) the spouse or child who is still minor of that supervisor;
- (2) a person acting in the capacity of trustee of that supervisor or any person referred to in the paragraph (1) of this Article;
- (3) a person acting in the capacity of a partner of that supervisor or any person referred to in paragraphs (1) and (2) of this Article;
- (4) a company under de facto control of that supervisor alone or a company under de facto control of such supervisor jointly with one or more persons referred to in paragraphs (1), (2) and (3) above of this Article and other

directors, supervisors, managers and other senior management of the Company; and

- (5) The directors, supervisors, managers and other senior management of the controlled company referred to in paragraph (4) of this Article.

2.3.3 In addition to obligations imposed by laws, administrative regulations or required by the stock exchanges on which the securities of the Company are listed, each of the supervisors of the Company shall owe the following obligations to each shareholder, in the exercise of the functions and powers conferred by the Company entrusted to each of them:

- (1) not to cause the Company to act beyond the scope of the business stipulated in its business license;
- (2) to act honestly in the best interest of the Company;
- (3) not to deprive the Company of its property by any means, including (but not limited to) opportunities advantageous to the Company;
- (4) not to deprive the shareholders of their personal interests, including (but not limited to) rights to distribution and voting rights, except for a restructuring plan of the Company submitted to shareholders for approval in accordance with the Articles of Association.

2.3.4 Each of the supervisors of the Company owes a duty, in the exercise of his/her powers and discharge of his/her duties, to act in such a way that he/she shall exercise the care, diligence and skill that a reasonably prudent person would exercise in similar circumstances.

2.3.5 The fiduciary duties to be borne by the supervisors of the Company do not necessarily cease with the termination of their tenure. The obligation of confidence in relation to trade secrets of the Company survives the termination

of their tenure. Other obligations may continue for such period as the principles of the Company may require, depending on the time lapse between the termination of service and the time when the act concerned took place and the circumstances and conditions under which the relationships between the supervisors and the Company are terminated.

2.3.6 The supervisors shall neither instruct nor interfere with the daily affairs of the Company beyond the scope of power permitted under the Articles of Association and these Rules, and they shall not in private raise any request for or give any opinion directly on the work of the operational departments of the Company.

2.3.7 The supervisors shall seriously participate in the meetings and various activities convened and arranged by the Supervisory Committee in accordance with their duties as well as the time, place and particulars specified by the Supervisory Committee.

2.3.8 In case of any failure to discharge duties on the part of the supervisors resulting in any material damage to the interests of the Company, shareholders or employees, the supervisors shall be held liable depending on the gravity of the mistake in accordance with the relevant laws and regulations. The shareholders' general meeting or the unit which makes the appointment may remove the supervisors from office in accordance with the stipulated procedures. If the case is serious, such supervisor may be held criminally liable in accordance with law.

Section 4 Remuneration of Supervisors

2.4.1 Each of the supervisors is entitled to an appropriate remuneration on a case-by-case basis which reflects the time spent and obligations undertaken by each

supervisor during his/her term of service at the Supervisory Committee. The Company shall enter into a contract in writing with each of the supervisors of the Company in respect of the remuneration with prior approval of shareholders' general meeting. The aforesaid remuneration includes:

- (1) remuneration in respect of his/her service as a supervisor of the Company;
- (2) remuneration in respect of his/her service as a supervisor of a subsidiary of the Company;
- (3) remuneration in respect of the provision of other services in connection with the management of the Company and any of its subsidiaries; and
- (4) payment of compensation or consideration to be obtained by a supervisor for loss of office or in connection with his/her retirement.

Except under the aforesaid contract, no legal action may be filed by a supervisor against the Company for anything that the supervisor should have obtained in respect of the above matters.

2.4.2 The contract concerning the remuneration entered into between the Company and its supervisors shall provide that, in the event of a takeover of the Company, the supervisors shall be entitled to obtain compensation or other payments to be obtained by them due to their loss of office or retirement provided that prior approval has been obtained by the shareholders' general meeting. The "takeover of the Company" referred to in the preceding paragraph means one of the following:

- (1) a takeover offer made by any person to all shareholders;
- (2) a takeover offer made by any person for the purpose of enabling the offer or to become a controlling shareholder.

If the relevant supervisor does not comply with the provisions of this Article, any sum so received by him/her shall belong to those persons who have sold their shares because they accepted the abovementioned offer. The expenses incurred

in distributing such sum pro rata amongst those persons shall be borne by the relevant supervisor and shall not be paid out of that sum.

Chapter 3 Powers of the Supervisory Committee

- 3.1 The Supervisory Committee is the supervisory organ set up pursuant to law by the Company, and shall be accountable to and report work to the shareholders' general meeting. The Supervisory Committee supervises Board, directors, managers and other senior management of the Company to prevent their abuse of powers and infringement upon the interests of the shareholders, the Company and its employees.
- 3.2 Pursuant to the Articles of Association, the Supervisory Committee of the Company shall be comprised of three representatives of shareholders and two representatives of staff members. The representatives of shareholders shall be elected or removed by the shareholders' general meeting. The representatives of staff members shall be elected or removed by democratic election of the staff members of the Company.
- 3.3 The Supervisory Committee is a non-standing organisation. The Company does not have a full-time supervisor.
- 3.4 The Supervisory Committee shall appoint one (1) contact person who shall be nominated by the chairman and approved by the Supervisory Committee by way of passing a resolution.
- 3.5 The Supervisory Committee shall exercise the following powers in accordance with the laws:

- (1) to examine the Company's financial situation;
- (2) to oversee the strategic decisions and operation procedures of major production and operating activities of the Company, such as project investments, asset reorganisation, borrowing and lending, loan guarantees, pledge of assets, engineering tenders, acquisition and transfer of property rights; to oversee whether all of the contracts entered into for the purpose of carrying out the above activities are lawful, compliant and reasonable, and whether the related party transactions, if any, are fair and reasonable to shareholders;
- (3) to supervise the directors, managers and other senior management of the Company who has violated the laws, administrative regulations or the Articles of Association when discharging their duties to the Company;
- (4) to demand rectification from a director, a manager or any other senior management of the Company when the acts of such persons are prejudicial to the Company's interests;
- (5) to verify the financial information such as the financial reports, business reports and profits distribution proposals to be submitted by the Board to the shareholders' general meetings. If any problem is found, certified public accountants and practising auditors may be instructed on behalf of the Company for their assistance in re-examination;
- (6) to propose the convening of an extraordinary general meeting of shareholders upon the passing of a resolution by the Supervisory Committee;
- (7) to act on behalf of the Company in negotiation with a director or bringing an action against a director;
- (8) to exercise other powers specified in the Articles of Association and granted by the shareholders' general meeting;

- (9) to possess the right to know required in the exercise of the above powers.
- 3.6 The Supervisory Committee shall oversee and make proposals on the following areas, and, if necessary, request the relevant parties to make improvements:
- (1) whether the Board, directors, managers and other senior management have fully and accurately implemented the resolutions of the shareholders' general meeting;
 - (2) whether corresponding systems and procedures have been set up and implemented for the major and important work phases and work segments.
- 3.7 The Company shall bear all reasonable expenses incurred by the Supervisory Committee in the exercise of its powers in respect of the appointment of lawyers, certified public accountants and professional auditors and other professionals.
- 3.8 The Supervisory Committee shall establish good communication with the Audit Committee of the Board and Intra-Organizational Disciplinary and Inspection Department of the Company. They can share the information of mutual interest and they can jointly handle the interdepartmental tasks.
- 3.9 The Company shall provide the Supervisory Committee with the necessary working conditions and the funds for business activities. Expenditures of the Supervisory Committee shall be accounted for in accordance with the relevant financial stipulations.

Chapter 4 Chairman of the Supervisory Committee

- 4.1 The Supervisory Committee shall have one (1) chairman to be elected by the

Supervisory Committee. The chairman shall have a term of office for three (3) years and be eligible for reappointment by re-election. Appointment and removal of the chairman of the Supervisory Committee shall be passed by the voting of more than two-thirds (inclusive) of the members of the Supervisory Committee.

4.2 In addition to the requirements generally required for a supervisor, the chairman of the Supervisory Committee shall also possess the following requirements:

- (1) be familiar with corporate operations, knowledgeable about and well-experienced in fiscal matters, finance, investment and law;
- (2) highly capable of dealing with various problems;
- (3) be impartial and adhering to principles, with a strong sense of responsibility and pragmatism at work, and be able to take a leading role at work.

4.3 The chairman of the Supervisory Committee shall exercise the following powers:

- (1) to convene and chair the meetings of the Supervisory Committee;
- (2) to inspect and supervise the implementation of the resolutions of the Supervisory Committee;
- (3) to report the work of the Supervisory Committee on its behalf at the shareholders' general meeting;
- (4) in the event of a legal action between directors, managers and the Company, the chairman of the Supervisory Committee shall represent the Company to be involved in the legal action against the directors and managers;
- (5) other powers as may be passed or conferred by the Articles of Association or the shareholders' general meetings.

Chapter 5 Meetings of the Supervisory Committee

Section 1 Preparations for and Notice of Meetings and Convening Meetings

- 5.1.1 Under normal circumstances of convening a meeting of the Supervisory Committee of the Company, the chairman shall decide the time, venue, contents and participants of the meeting. Notice of the meeting shall be signed and issued by the chairman. The contact person of the Supervisory Committee shall be responsible for giving the notice to the relevant persons and make preparations for the meeting.
- 5.1.2 Notice of meetings shall be made in writing to be sent by mail or facsimile. Under normal circumstances, notice of the meetings shall be given to the persons concerned ten (10) working days in advance. If it is required to convene an extraordinary meeting, the words “Urgent Notice” shall be added to the notice which shall be given to the persons concerned at least two (2) days in advance. In case of postponement or cancellation of meetings, a notice shall be given to the persons concerned one (1) day before the original date.
- 5.1.3 Under the following circumstances, an extraordinary meeting of the Supervisory Committee shall be convened within five (5) working days:
- (1) when it is deemed to be necessary by the chairman;
 - (2) it is proposed jointly by more than one-third of the supervisors.
- 5.1.4 Upon receipt of the notice, the persons who are required to attend the meeting shall notify the contact person two (2) days before the date of the meeting whether or not they will attend the meeting.
- 5.1.5 Supervisors who are unable to attend the meeting for some reason may appoint other supervisors as his/her proxy to attend the meeting and to vote on his/her

behalf. The appointment shall be made in writing. The proxy form shall specify the contents and scope of authority. The proxy form shall be delivered to the contact person one (1) day before the meeting. The contact person shall proceed with the registration of proxy and announce the same to those who are present in the meeting at the commencement of the meeting.

The proxy form shall be prepared by the contact person in a standardized format, which shall be delivered to the supervisors as an attachment to the notice.

5.1.6 Meetings of the Supervisory Committee must adopt a sign-in system, whereby all supervisors who are present at the meeting must sign in on their own, and it is not allowed to do the sign-in by another person. The sign-in records and other written materials of the meeting shall be kept in file.

5.1.7 Meetings of the Supervisory Committee are divided into regular meetings and extraordinary meetings to be convened and presided by the chairman of the Supervisory Committee. Regular meetings of the Supervisory Committee shall be held once every six (6) months. In case of any of the following circumstances, the Supervisory Committee shall convene an extraordinary meeting within ten (10) days:

- (1) if it is proposed by any supervisor to convene a meeting;
- (2) if a resolution in violation of laws, rules and regulations, the provisions and requirements of the regulatory departments, the Articles of Association and the resolutions of the general meeting and other relevant provisions is passed at the shareholders' general meeting or at a meeting of the board of directors;
- (3) if the misconduct of a director and senior management may cause material damage to the Company or may have adverse impact on the

market;

- (4) if a shareholder files a legal action against the Company, a director, a supervisor or a senior management;
- (5) if the Company, a director, a supervisor or a senior management is penalized by the securities regulatory authorities or is subject to public censure by the Shanghai Stock Exchange;
- (6) if it is convened as required by the securities regulatory authorities;
- (7) other circumstances as specified in the Articles of Association.

5.1.8 It is subject to the decision of the chairman of the Supervisory Committee as to whether or not to convene an extraordinary meeting of the Supervisory Committee at the request of the supervisors. If such request is seconded and agreed by more than one-third of the supervisors, the extraordinary meeting of the Supervisory Committee must be convened.

Section 2 Rules for Making Proposals to Meetings

5.2.1 Proposals which the supervisors and other relevant persons need to present for consideration, discussion and resolution at the meeting of the Supervisory Committee shall first be submitted to the contact person of the Supervisory Committee. The contact person of the Supervisory Committee shall then collect and classify and consolidate the proposals and forward them to the chairman for review and for a decision as to whether to include them in the agenda.

In principle, proposals submitted shall be included in the agenda. For proposals not included in the agenda, the chairman shall give a written explanation to the proposer with reasons stated. The chairman shall not put any proposal on hold without any discussion and without giving a response,

failing which the proposer shall be entitled to reflect the situation to the regulatory authorities.

The contents of the proposals together with the notice of the meeting shall be delivered to all supervisors and the persons concerned who are required to be in attendance of the meeting.

5.2.2 Proposals to the Supervisory Committee shall meet the following requirements:

- (1) the contents shall not be in breach of the provisions of laws, regulations and the Articles of Association, and they shall be within the scope of the business activities of the Company and the scope of authority of the Supervisory Committee;
- (2) the proposals shall be in the interests of the Company and its shareholders;
- (3) the proposals shall contain a clear subject for discussion and specific matters;
- (4) the proposals must be made in writing.

5.2.3 Deliberations of the Supervisory Committee shall mainly include the following:

- (1) to examine the financial situation of the Company, review financial books and other accounting information of the Company, inspect the financial activities of the Company;
- (2) to inspect the operating activities of the Company, examine major investment decisions of the Company and the implementation of the resolutions of the shareholders' general meetings;
- (3) to review the reports, financial budgets, the draft final accounts, profits distribution proposals as well as other related information to be presented by the Board to the shareholders' general meetings;
- (4) to examine whether the actions of the Company's senior management such as directors and managers are in violation of the provisions of laws,

regulations and the Articles of Association as well as the resolutions of the shareholders' general meetings;

- (5) to examine whether the Company's labour salary scale and employee welfare and remuneration scheme have infringed the lawful interests of the employees;
- (6) to discuss whether a proposal for an extraordinary general meeting is to be made if the Company has any major issues or the senior management, such as directors and managers are in violation of the provisions of laws, regulations and the Articles of Association.

Section 3 Order of Proceedings at Meetings and Procedural Rules

- 5.3.1 No meeting of the Supervisory Committee may be held unless it is attended by all supervisors.

If it is required to convene an extraordinary meeting of the Supervisory Committee under special circumstances but some supervisors are not within the territory of the People's Republic of China, the quorum of such meeting may be reduced to two-thirds of the total number of supervisors. Decisions made by the Supervisory Committee shall be passed by voting by more than two-thirds (inclusive) of the total number of supervisors.

- 5.3.2 Meetings of the Supervisory Committee shall be chaired by the chairman. If the chairman is unable to attend a meeting for some reason, the chairman shall appoint one supervisor to preside over the meeting. If the chairman fails to discharge his/her duties without reasonable cause and without appointing a specific person to exercise the duties on his/her behalf, a meeting of the Supervisory Committee can be convened and chaired by a supervisor who has been jointly elected by more than half of the supervisors.

- 5.3.3 Meetings of the Supervisory Committee shall fully adopt democratic discussions. The opinions of each supervisor should be respected. The supervisors are allowed to maintain their personal different opinions when making resolutions. A supervisor with different opinions or opposing opinions shall obey and carry out the lawful decisions made by the Supervisory Committee but he/she shall not act in contradiction in the course of implementation or shall not act according to his/her personal wish, failing which the Supervisory Committee may request such supervisor to be removed from office at the shareholders' general meeting.
- 5.3.4 A supervisor who is appointed by the proposer shall present a speech for every motion to be discussed by the Supervisory Committee, stating the main contents, causes and effects and mainstream opinion on the motion for discussion. For an important motion, the Supervisory Committee shall organise the relevant persons to conduct an investigation and verification in advance and to issue a written report on the investigation and verification, so as to facilitate a discussion by all supervisors.
- 5.3.5 Where a supervisor is a related party in a motion, the supervisor shall abstain from voting.
- 5.3.6 Persons in attendance of the meetings of the Supervisory Committee shall attend the meetings only when the related matter is discussed, and they shall abstain at other periods of time. Persons in attendance of the meeting may have the right of speech, but have no voting rights. Before making any decision, the Supervisory Committee shall fully consider the opinions of persons in attendance of the meeting.
- 5.3.7 Voting by a show of hands shall be adopted in meetings of the Supervisory

Committee and each supervisor shall have one (1) vote.

5.3.8 Resolutions of the Supervisory Committee shall be passed by voting by more than two-thirds (inclusive) of the members of the Supervisory Committee.

5.3.9 Each of the motions on the agenda shall be resolved in writing by the Supervisory Committee. There are two forms of written records for a resolved motion: minutes and resolutions.

Under normal circumstances: a motion which has been passed for the record shall be recorded in minutes, and a motion which has been passed and shall be reported to higher levels or for which a public announcement will be made shall be recorded as a resolution.

Opinions and explanations of supervisors on the resolved item shall be accurately recorded in the minutes of the meetings.

5.3.10 Minutes of the meetings of the Supervisory Committee shall be prepared by the contact person. If the contact person cannot prepare the minutes as usual for certain reasons, one (1) recording officer shall be appointed by the contact person. The contact person shall inform the recording officer of the detailed requirements for the making of minutes and the obligation of confidentiality to be fulfilled.

Supervisors, the contact person and the recording officer who are present at the meetings shall sign on the records.

Section 4 Post-meeting Matters

5.4.1 Written information such as the sign-in book, power-of-attorney, records,

minutes, resolutions shall be maintained by the contact person. The materials of the supervisory committee meetings shall be kept for more than ten (10) years.

- 5.4.2 Prior to the disclosure of the resolutions of the Supervisory Committee through normal channels, all persons present at the meetings shall not be in breach of confidentiality in any way or shall not use any confidential information for personal benefits. In the event of such breach, the relevant person shall be responsible for all the consequences thereof and be accountable for the legal liabilities (as appropriate).

Chapter 6 Supplementary Provisions

- 6.1 Matters not mentioned in these Rules shall be handled in accordance with the Company Law, Articles of Association and other relevant laws and regulations.

In these Rules, the phrase “more than” is inclusive of the figure itself.

- 6.2 These Rules, as well as its amendments, shall become effective after being considered and approved by the shareholders’ general meeting of the Company. These Rules shall be interpreted by the Supervisory Committee of the Company.