

# **Sichuan Expressway Company Limited\***

## **Procedures for the Election of Directors**

(This document was considered and approved at the 42nd meeting of the fourth session of the Board of Directors of the Company on 28 March 2012 and the 1st amendments were considered and approved at the 11th meeting of the eighth session of the Board of Directors of the Company on 28 December 2023)

For the purpose of further regulating the procedures for the election of director candidates nominated by the shareholders, Sichuan Expressway Company Limited\* (hereinafter referred to as the “**Company**”) hereby formulated these procedures for the election of directors (hereinafter referred to as the “**Procedures**”) in accordance with the relevant state laws, regulations and listing rules of the stock exchanges where the Company’s shares are listed (hereinafter referred to as the “**Exchanges**”) (hereinafter collectively referred to as the “**Listing Rules**”) and taking into consideration the related provisions of the articles of association of the Company (hereinafter referred to as the “**Articles of Association**”). Unless the context otherwise requires, terms used in the Procedures shall have the same meanings as those used in the Listing Rules, and be construed according to the definitions under the Listing Rules.

**Article 1.** The board of directors of the Company (hereinafter referred to as the “**Directors**”) (hereinafter referred to as the “**Board of Directors**”) consists of 12 directors, including 4 independent non-executive directors. There are one chairman and two vice-chairmen in the Board of Directors. Independent non-executive Directors are Directors holding no position other than that of being Directors in the Listed Company, and having no direct or indirect interest in the Listed Company in which he/she is employed, its substantial shareholders or de facto controllers, or any other relationship that may hinder his/her independent and objective judgment. There shall be at least one accounting professional who shall possess relatively extensive and professional knowledge and experience in accounting and meet at least one of the following criteria:

- (1) possessing the qualification for acting as a certified public accountant;
- (2) possessing a senior professional title, associate professor title and above or doctoral degree majored in accounting, auditing or financial management;
- (3) possessing a senior professional title in economic management with over five years of full-time work experience at a professional position in accounting, auditing or financial management.

\* *For identification purpose only*

**Article 2.** The Directors shall be elected at the shareholders' general meeting of the Company (hereinafter referred to as the "**General Meeting**"). The term of office of the Directors is three years. At the end of a Director's term, the term is renewable upon re-election, however, each Director shall be re-elected at least once every three years in accordance with the provisions of the Articles of Association and/or Hong Kong Listing Rules, and each independent non-executive Director shall not serve in the position for more than six years consecutively.

**Article 3.** In the event that the term of the Board of Directors falls upon expiry or the number of Directors falls below the statutory requirement and new Directors need to be elected, the Board of Directors, in accordance with relevant laws and regulations (including but not limited to the Listing Rules) and provisions of the Articles of Association, issues to all shareholders of the Company (hereinafter referred to as the "**Shareholders**") an announcement, circular and/or notification about the re-election of the Board of Directors or nomination of the Directors.

**Article 4.** The Nomination Committee of the Company shall make a study on the qualifications, election criteria, election procedures and term of office of the Directors, in accordance with relevant laws and regulations (including but not limited to the Listing Rules) and the provisions of the Articles of Association and taking into consideration the actual situation of the Company's shareholding structure, asset scale, strategic planning and operational activities, reach a resolution and submit the resolution to the Company.

**Article 5.** The list of Director candidates shall be submitted to the General Meeting by proposal for consideration and decision. Director candidates other than independent non-executive Director candidates are nominated by the Board of Directors, the Supervisory Committee or Shareholders separately or jointly holding more than 3% of the Company's shares and elected by the General Meeting.

**Article 6.** The Board of Directors, Supervisory Committee, or Shareholders individually or jointly holding more than 1% of shares of the Company are entitled to nominate independent non-executive Directors to be elected at the General Meetings.

Investor protection organisations established under laws may publicly request the Shareholders to authorize them to exercise the right to nominate independent Directors on their behalf.

The nominator provided for in paragraph 1 of this Article shall not nominate any person with whom he/she has an interest relationship or any other closely related person who may affect the independent performance of his/her duties as a candidate for independent Director.

The nominator of an independent non-executive Director shall secure the consent of the nominee prior to raising any nomination. The nominator shall acquire all personal particulars of the nominee as to his/her profession, education, professional title, specifics of work experiences, all part-time jobs, and whether having any major breach of good faith and other adverse records, and comment on his/her qualifications and independence for the post of an independent non-executive Director; and the nominee shall make a public statement that he/she meets the independence and other requirements for acting as an independent Director.

**Article 7.** The Shareholders shall nominate Director candidates to the Company within 20 days after the Board of Directors issues the announcement, circular and/or notification about the re-election of the Board of Directors or nomination of Directors, with the candidates' profiles, statements and other information attached as prescribed.

**Article 8.** The Company, after reviewing the Director candidates' qualifications, shall give its opinions and suggestions, and make assessment on the independence of independent non-executive Directors, and the Nomination Committee shall review the qualifications of the nominees for appointment and form a clear opinion on the review. The Nomination Committee of the Company submits its suggestions on the Director candidates to the Board of Directors with related materials attached one to two months before the election of the new Directors.

**Article 9.** After the list of Director candidates is initially determined by the Company in accordance with relevant laws, regulations and the Articles of Association, the candidates' materials shall be submitted to the governing departments, securities regulatory authorities for examination and confirmation (if required).

**Article 10.** The Company holds a meeting of the Board of Directors to present the proposal of the Director candidates to the General Meeting for review. After the meeting of the Board of Directors, the materials of the candidates such as their profiles will be announced to the public in accordance with the Listing Rules of the Exchanges in forms of Shareholders circular or general meeting materials, and a notice of the General Meeting will be issued.

- Article 11.** The Shareholders entitled to nominate Directors shall submit their written notices of wills of nominating Directors and the written notices of willingness to be elected signed by the nominees in at least seven days period (the period not earlier than the day when the notice of the designated General Meeting relating to the election is posted and issued, and no later than the day seven days prior to the General Meeting is held) to the Company.
- Article 12.** The Company convenes the General Meeting to elect Directors in accordance with relevant laws, administrative regulations, the requirements of the China Securities Regulatory Commission, the business rules of the Exchanges and the requirements of the Articles of Association after the General Meeting notice is issued.
- Article 13.** The Directors are elected by means of cumulative voting mechanism. In the Director(s) election, the number of votes held by each Shareholder shall equal to the product of the number of his/her votes held multiplied by the number of Directors he/she is entitled to elect; each Shareholder has right to cast all his/her votes to one, two or more Director candidates, or to all Director candidates at his/her discretion. The candidate(s) with the most votes shall be elected as Director(s). Voting for independent non-executive Directors and other directors shall be conducted separately.
- Article 14.** After the General Meeting, the Company will issue an announcement of resolutions of the General Meeting in accordance with relevant laws and regulations (including but not limited to the Listing Rules) and the provisions of the Articles of Association. The Directors elected will sign service agreements with the Company and fill in and submit commitment, declaration and other materials according to the relevant laws, regulations and provisions of the Listing Rules.
- Article 15.** The General Meeting may by ordinary resolution remove any Director before the expiration of his term of office (but without prejudice to such Director's right to claim damages based on any contract) on the condition that all the relevant laws and administrative regulations are fully complied with.

- Article 16.** The term of office of Directors commences from the date of election up to the maturity of the term of office of the Board of Directors. Prior to the expiry of his term, a Director shall not be removed without cause from his office by the General Meeting. In the event that the terms of Directors fall upon expiry whereas new members of the Board of Directors are not re-elected in time, the existing Directors shall continue to perform their duties in accordance with laws, administrative regulations and rules from regulatory authorities and the Articles of Association until the re-elected Directors assume their office.
- Article 17.** The Procedures are implemented since the date the Board resolution is passed. Matters not covered will be governed by relevant state laws, regulations, the Listing Rules, other applicable Hong Kong laws, codes, rules, and the Articles of Association. For the avoidance of doubt, if the Listing Rules, other applicable Hong Kong laws, rules, codes and the Articles of Association have stricter provisions to the contents of the Procedures, such provisions shall prevail over the Procedures. If the Procedures are in conflict with the laws, regulations, Listing Rules and other applicable Hong Kong laws, rules, codes as may be promulgated by the state in the future, or the Articles of Association duly amended through lawful procedures, the latter shall prevail.
- Article 18.** The English version of the Procedures is only the translation of the Chinese version, and in case of any difference between the two versions, the Chinese version shall prevail.

**Sichuan Expressway Company Limited\***

28 December 2023

\* *For identification purpose only*