



Director Nomination Policy and Shareholder Nomination Procedure for Directors

The Rules of Procedure for the Board of Directors of the Company specify the requirements for the qualifications and basic qualities for directors, as well as the nomination methods and recommendation procedures for directors. The Nomination Committee is responsible for conducting qualification review and quality assessment of director candidates, making recommendations to the Board of Directors, and providing explanations to the Shareholders' Meeting. In order to provide shareholders with a clearer understanding of the nomination process for directors, the Company has separately extracted the relevant provisions on the nomination process for directors and uploaded them on the Company's website:

Rules of Procedures for the Board of Directors

Qualifications and Requirements of the Directors

Article 8 The basic qualifications and requirements of the directors are as follows:

1. **Basic Requirements:** being tertiary educated or above with over 10 years working experience and being famous or successful in one of the professional areas with sufficient time and energy to discharge the duties and responsibilities of the directors;
2. **Industriousness and Righteousness:** being honest, faithful and responsible with good character and work ethics and willing to act in accordance with the decisions of the board of directors and to take responsibility of his own actions;
3. **Teamwork:** being able to cooperate with and listen to others, willing to give constructive opinions in open discussions;
4. **Industry Knowledge:** being knowledgeable in infrastructure construction and investment; and have a good grasp of the current situation of the industry and its future trends;
5. **Management Know-how:** being able to apply basic knowledge in corporate management and operations into actual situation;
6. **Financial Acumen:** being able to read balance sheet, profit and loss account, cash flow statement, and familiar with financial ratios and necessary indices for comparing results of the Company;

7. **Crisis Management:** being able to understand crisis normally faced by the Company and to master basic crisis management techniques;
8. **Analysis and Judgment:** being able to conduct overall analysis on the key and material matters of the Company and to make independent, thoughtful and mature judgment;
9. **Comprehension and Communication Ability:** being able to understand the meaning and intention as expressed by other people, to unequivocally express his own view and to offer inspiring insights to each other;
10. Any other qualification requirements as stipulated in relevant regulatory documents.

Article 9 Any person being in the circumstances of barring from being a director specified in the Company Law, being prohibited from serving as a market participant by China Securities Regulatory Commission and being prohibited from serving as a director by the rules of any other regulatory institutions as promulgated from time to time and such prohibition not having been lifted shall not serve as director. The independent directors shall also comply with the independence requirements relating to independent director as promulgated from time to time by China Securities Regulatory Commission and the Hong Kong Stock Exchange.

Rules of Procedures for the Board of Directors

Nomination and Election of Directors

Article 25 Upon expiration of the term of the board of directors or election of directors to fulfill the vacancy before the expiration of the term of the board of directors, the procedures for nomination of candidates for directorship are as follows:

- I. The nomination of candidates
 1. The Company's board of directors, supervisory committee and shareholder(s) individually or collectively holding more than one per cent of the issued share capital of the Company may nominate candidates.
 2. The board of directors may entrust the nomination committee or the extraordinary working group set up specially to find the qualified candidates.
 3. Nomination shall be made in writing and the nomination materials shall contain basic personal information, detailed working experiences, all part time undertakings, supporting descriptions that to satisfy the

appointment qualification and basic quality requirements and the written opinion for acceptance of nomination issued by the nominated candidate.

4. The nomination materials shall be submitted in writing to the secretary to the board of directors within the required period.
 5. The secretary to the board of directors shall tidy up and collate the nomination materials within three working days that are submitted to the nomination committee to consider and verify.
- II. The verification of the qualification of the candidates and quality assessment
1. The nomination committee is responsible to consider and verify the nomination materials and the independence of the independent directors. The nomination committee shall have the right to investigate and verify on its own or to appoint professional institution to investigate and verify, the correctness of the information and the quality of the candidate. The Company shall be responsible for any expenses incurred accordingly. Both the person who nominate the candidate and the nominated candidate shall have the obligation to assist such investigation and verification.
 2. Within thirty days upon receipt of the nomination materials, the nomination committee shall provide verification and quality assessment reports of the nominated candidate that are to be submitted to the board of directors to consider and confirm.
 3. Upon the expiration of the term of the board of directors, the nomination committee shall provide opinions on the organisations of the candidates, including but not limited to: at least one professional accountant in the independent directors; the number of the executive directors shall not exceed one-half of the total numbers of the board of directors of the Company, etc.
- III. The confirmation and announcement of the candidates
1. The board of directors shall consider the list of the candidates.
 2. The candidates who are nominated by the nomination committee (or other working group entrusted by the board of directors) and passed the consideration of the board of directors and the candidates who are nominated by the supervisory committee or the qualified shareholders shall be treated as a confirmed candidate, who shall be referred to the shareholders' general meeting for election by vote. In respect to the candidates nominated by the supervisory committee or the qualified

shareholders but do not pass the consideration of the board of directors, the board of directors shall explain to the shareholders' general meeting.

3. In accordance with the securities regulatory rules of the place where the shares of the Company are listed, the board of directors shall public the information of the candidates' information and introduce the confirmed candidates and explain relevant information to the shareholders' general meeting to ensure the shareholders are familiar with the candidates at the time of voting. The nominator and the nominee shall provide the required information.

Article 26 Special matters relating to the nominated candidate for independent director:

1. when nominating a candidate of independent directors, the nominator shall opine on the qualifications and independency of the nominated candidate;
2. the nominated candidate shall make an open declaration as to no relationship with the Company which may affect his/her independent and objective judgment;
3. after the confirmation of the candidate of the independent directors, the board of directors shall report the relevant contents of the nominated materials to SSE and other security regulatory authorities in accordance with the requirements promulgated by the relevant regulatory authorities. In case that the board of directors has different opinions, it shall report the written opinions of the board of directors;
4. the Company shall not propose the candidates who are objected by SSE to the shareholders' general meeting and elect such person to be independent directors, and the Company shall delay or cancel the shareholders' general meeting pursuant to the security regulatory rules or cancel the relevant proposals of the shareholders' general meeting;
5. the board of directors shall explain whether the independent directors have been objected by the security regulatory authorities when convening of the shareholders' general meeting for the election of independent directors.

Article 27 Cumulative voting system is adopted for election of directors. The election of independent director and the other directors shall be voted separately. When electing directors, the number of vote each shareholder

is entitled to cast is equal to the multiple of number of shares held by the shareholders times the numbers of directors entitled to vote for. Each shareholder may cast all his/her votes to one nominated candidate for director, or divide his/her entitled votes among the nominated candidates for directors he/she is entitled to vote at his/her own discretion or cast all his/her votes for two or more nominated candidates for directors. The voting and counting method of the cumulative voting system shall be exercised pursuant to the applicable regulatory rules.