

**RULES OF PROCEDURES
FOR THE BOARD OF DIRECTORS OF
ZHUZHOU CRRC TIMES ELECTRIC CO., LTD.**

With effect from 17 June 2022

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RULES OF PROCEDURES FOR THE BOARD OF DIRECTORS OF ZHUZHOU CRRC TIMES ELECTRIC CO., LTD.

CHAPTER 1 GENERAL PROVISIONS

Article 1

In order to ensure the board of directors of Zhuzhou CRRC Times Electric Co., Ltd. (the “**Company**”) perform its duties authorised by all its shareholders, initiate constructive discussions, make decisions on a scientific, prompt and prudent basis and regulate the operational procedures of the board, the Rules of Procedures for the Board of Directors of the Company are hereby formulated according to the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Opinion on the Further Promotion of the Standardised Operation and In-depth Reform of Companies Listed Overseas, the Mandatory Provisions for the Articles of Association of Companies Listed Overseas, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange and other relevant laws, administrative regulations as well as the Articles of Association of Zhuzhou CRRC Times Electric Co., Ltd. (the “**Articles of Association**”).

CHAPTER 2 COMPOSITION OF AND ORGANISATIONS UNDER THE BOARD

Article 2

The Company shall establish a board. The board shall compose of 7 to 13 directors, including one chairman and one vice chairman. Independent non-executive directors shall represent at least one-third of the board and shall be not less than three in number, including at least one finance or accounting professional.

Chairman and vice chairman shall be elected with approval of more than half of all the directors.

The board shall appoint one or more directors to serve as executive director(s) to deal with matters authorised by the board.

The board shall establish a board office, which shall handle the daily affairs of the board.

The secretary to the board or securities representative shall concurrently act as the head of board office and maintain the seals of the board and the board office.

Article 3

The board shall establish special committees such as the strategy committee, the audit committee, the nomination committee, the remuneration committee and the risk control committee, which shall research into special matters and raise advice and recommendations for the board's decision-making.

All of the special committees' members shall be directors. Independent non-executive directors shall constitute the majority and act as conveners of the audit committee, nomination committee and remuneration committee. The convener of the audit committee shall be a professional accountant, and there shall be at least one independent non-executive director in the risk control committee. The board may establish other committees and adjust existing committees as necessary.

Each special committee may engage intermediaries to provide independent professional advice, and the relevant expenses shall be borne by the Company.

Article 4

The board of directors shall separately formulate the respective terms of reference of the special committees of the board regarding the special committee's composition, duties and rules of procedures. The terms of reference shall take effect upon approval by the board.

CHAPTER 3 FUNCTIONS AND POWERS AND AUTHORISATION OF THE BOARD**Article 5**

The board is responsible to the general meeting and exercises the following powers:

- (1) to be responsible for convening general meetings and to report on its works to the general meeting;
- (2) to implement the resolutions of the general meetings;
- (3) to decide on the Company's business plans, investment plans and annual financing plans;
- (4) to draw up the Company's proposed annual financial budgets and final budgetary reports;
- (5) to draw up the Company's profit distribution plan and plan for making up losses;
- (6) to draw up proposals for increases or reductions of the Company's registered capital and the issue of debentures or other securities and listing plan;

- (7) to draw up plans for the material acquisitions, repurchase of its shares or merger, split, reorganisation and dissolution of the Company and change of company type;
- (8) to decide on appointment or removal of the Company's general manager, secretary to the board and other senior management, and to determine the matters relating to their remuneration, incentives and punishments; to decide on appointment or removal of deputy general manager, financial controller and other senior management personnel of the Company based on the nominations by the general manager, and to determine the matters relating to their remuneration, incentives and punishments;
- (9) to decide on the establishment of the Company's internal management structure;
- (10) to decide on the establishment of the special committees of the board and consider and approve the proposals put forward by the special committees of the board;
- (11) to draw up the Company's basic management system;
- (12) to draw up proposals for any modifications to the Articles of Association, the Rules of Procedures for General Meetings and the Rules of Procedure for the Board of Directors;
- (13) within the scope as authorised by the general meeting, to decide on matters relating to investment, financing and borrowing and to decide on the investment, acquisition and disposal of assets, asset pledge, external guarantee, entrusted wealth management, entrusted loans, related party transactions, external donation and other matters; as well as to authorise the general manager to exercise its right under certain circumstances pursuant to this provision;
- (14) to propose to the general meeting to engage, dismiss or not to reappoint the auditors of the Company;
- (15) to listen to the work report of the Company's general manager and inspect the work of the general manager and other senior management personnel;
- (16) to formulate the Company's equity incentive plan;
- (17) to manage information disclosure of the Company;

- (18) to decide on other major affairs and administrative matters of the Company subject to the compliance with the relevant laws, regulations and the requirements of the Articles of Association, save for matters to be resolved at general meetings as required by relevant laws, regulations and the Articles of Association;
- (19) other powers and functions conferred by the Articles of Association or the general meetings.

Except the resolutions of the board in respect of the matters specified in paragraphs (6), (7) and (12) above which shall be passed by more than two-thirds of the directors, and the guarantee-related matters within the scope of authority of the board shall be approved by more than half of all directors and two-thirds of the directors present at the board meeting, the resolutions of the board in respect of all other matters may be passed by more than half of the directors.

If the matter of authority to be exercised by the board of directors above or any transaction or arrangement of the Company shall be subject to review by the general meeting according to the securities regulatory rules of the place(s) where the Company's shares are listed or go beyond the scope as authorised by the general meeting, such matters shall be submitted to the general meeting for consideration. The board shall act in strict accordance with the authorisation of the general meeting and the Articles of Association and shall not reach resolutions that go beyond such scope of authorisation.

Under necessary, reasonable and legal circumstances, the board shall authorise the chairman of the board and his/her authorised persons to decide on specific matters which cannot or are not necessary to be decided by the board in relation to the matters to be resolved.

With the authorisation of the board, the chairman of the board may exercise certain powers of the board when the board meeting is not in session. The scope authorised by the board shall be clear and specific.

The board shall take into account the advice of the Party organisation before making any major decision in relation to the directions of reform and development, major goals and tasks and key work arrangements for the Company. When the board appoints any management personnel of the Company, the Party organisation shall be entitled to consider and provide advice on the candidates proposed by the board or the general manager, or recommend to the board or the general manager of any candidate.

Article 6

The board shall not, without prior approval of shareholders in a general meeting, dispose of or agree to dispose of any fixed assets of the Company where the aggregate of the expected value of the consideration for the proposed disposal and the value of the consideration for any disposal of fixed assets that has been completed in the 4 months immediately preceding the proposed disposal exceeds 33% of the value of the fixed assets as stated in the latest balance sheet presented to the general meeting.

For the purpose of this Article, “disposal of fixed assets” includes an act involving the transfer of an interest in assets but does not include the provision of fixed assets by way of security.

The validity of a disposal of fixed assets by the Company shall not be affected by the breach of the first paragraph of this Article.

Article 7

The term of authorisation to the board by the general meeting shall be limited to the term of office of the board. After the board is re-elected, the general meeting shall pass a new resolution on the scope of authorisation to the new session of the board. The original authorisation shall remain valid until the general meeting has passed a new resolution on the scope of authorisation.

Article 8

The board shall explain at the general meeting any non-standard audit opinions issued by the certified public accountants on the Company’s financial statements.

Article 9

The necessary conditions for the board to perform its duties are as follows:

The general manager shall provide all directors with necessary information and materials so that the board can make scientific, prompt and prudent decisions. Newly appointed directors shall be properly briefed on company affairs.

Any director may request the general manager or the relevant departments of the Company through the general manager to provide the information and explanations required to make scientific, prompt and prudent decisions. The Company must pay special attention to the fact that if independent non-executive directors have any enquiries, the Company shall take steps to make responses thereto responsively and thoroughly.

Where the independent non-executive directors deem necessary, they may engage independent agencies to issue independent opinions as the basis for their decision-making. The arrangement for engagement of independent agencies shall be made by the Company, and the relevant expenses shall be borne by the Company.

Article 10

In order to ensure and improve the stability and efficiency of the Company's daily operation, the board shall, in accordance with the provisions of the Articles of Association and the authorisation of the general meeting, explicitly and restrictedly delegate to the executive directors and the general manager the functions and power to decide on the investment plans, asset disposal, formulation of the Company's financial strategy and to decide on the establishment of organisations.

Article 11

According to the Articles of Association and the authorisation of the general meeting, the board shall determine the following matters of the Company (including its subsidiaries):

- (1) acquisition and disposal of assets and asset pledge accounting for less than 30% of the Company's latest audited total assets;
- (2) venture capitals (including but not limited to debentures, futures, stocks and entrusted wealth management), entrusted loan, external investment, external donation and other transactions accounting for less than 30% of the Company's latest audited net assets;
- (3) matters such as lease, rent, entrusted operation, agency operation or joint operation of property, accounting for less than 30% of the Company's latest audited total assets;
- (4) related party transactions accounting for less than 1% of the Company's latest audited total assets and market value, or less than RMB30,000,000 in amount (save for provision of guarantees and acceptance of donated cash assets, the same hereinafter) and other related party transactions subject to resolution at the board meetings according to the securities regulatory rules of the place(s) where the shares of the Company are listed. For related party transactions that may be exempted from or waived for consideration and disclosure in the form of related party transactions according to relevant provisions of laws, regulations, departmental rules and the securities regulatory rules of the place(s) where the Company's shares are listed, the Company may be exempted or apply for waiver for consideration and disclosure in the form of related party transactions according to relevant provisions;

- (5) to determine the Company's external guarantees beyond the scope of consideration by the general meeting as stipulated in the Articles of Association;
- (6) to consider other matters as required by the laws, regulations, departmental rules, securities regulatory rules of the place(s) where the Company's shares are listed and the Articles of Association to be decided by the board.

The board shall authorise the general manager to exercise the following powers within the above scope of authority:

- (1) to decide on acquisition, disposal and pledge of assets with a single amount accounting for less than 5% of the Company's latest audited total assets;
- (2) to decide on matters such as external investment, venture capitals (including but not limited to debentures, futures, stocks and entrusted wealth management), entrusted loan, external donation, etc. with a single amount accounting for less than 5% of the Company's latest audited net assets;
- (3) to decide on matters such as property lease, rent, entrusted operation, agency operation or joint operation of property with a single amount accounting for less than 5% of the Company's latest audited total assets;
- (4) to decide on transactions with related natural persons with an amount less than RMB300,000 (save for provision of guarantees); transactions with related legal persons with an amount accounting for less than 0.1% of the Company's latest audited total assets and market value or less than RMB3,000,000 in amount (save for provision of guarantees) and related party transactions that may be determined by the general manager of the Company according to the securities regulatory rules of the place(s) where the Company's shares are listed, the Company's Management Policy for Related Party Transactions and its detailed management rules;
- (5) other functions and powers stipulated in laws, regulations, regulatory documents, securities regulatory rules of the place(s) where shares of the Company are listed and the Articles of Association and granted by the board of directors.

Article 12

For any of the above-mentioned matters, if the aforesaid different relevant standards shall be determined by more than two examination and approval agencies at the same time, it shall be submitted to most superior examination and approval authority for approval. Major investment projects required to be submitted to a general meeting for approval shall be reviewed by the relevant experts and professionals.

In the event that the above-mentioned matters constitute related party transactions and/or disclosable transactions according to the securities regulatory rules of the place(s) where the shares of the Company are listed, such matters shall be handled according to the relevant provisions.

Article 13

The chairman shall exercise the following duties and powers:

- (1) to preside at the general meetings, and to convene, preside the meetings of the board;
- (2) to urge, supervise and check the implementations of the board resolutions;
- (3) to urge, supervise and check work of special committees;
- (4) to listen to the regular or irregular work reports of the Company's general manager and other senior management personnel, and to provide guidance on the implementation of the resolutions of the board of directors;
- (5) in case of force majeure, major crisis or material impact on production and operation, and in case of an emergency where a board meeting cannot be held in time, exercise the special rights to deal with the Company's affairs in accordance with the law and in the interest of the Company, and report to the board of directors and the general meeting afterwards;
- (6) to nominate the secretary to the board of directors of the Company;
- (7) to sign the shares, corporate bonds and other securities of the Company;
- (8) to sign important documents of the board of directors and sign important legally binding documents on behalf of the Company;

- (9) to organise the formulation of various rules and regulations for the operation of the board of directors and coordinate the work of the board of directors;
- (10) to approve the plan for the use of the working funds of the board of directors of the Company;
- (11) to exercise other functions and powers that shall be exercised by the chairman and granted by the board of directors in accordance with the relevant laws, administrative regulations and rules;
- (12) other functions and powers as authorised by laws, regulations and the Articles of Association.

The vice chairman shall assist the chairman in performing his/her duties. Where the chairman is unable to or fails to perform his/her duties, the vice chairman may perform such duties on behalf of the chairman. Where the vice chairman is unable to or fails to perform his duties, a majority of the directors may jointly elect a director to perform his/her duties.

CHAPTER 4 RULES OF THE BOARD MEETINGS

Article 14

Board meetings include regular meetings and extraordinary meetings based on the certainty of convening the board meeting. Regular meetings of the board shall be held at least four times every year and shall be convened by the chairman.

Article 15

Regular board meetings include:

- (1) Board meeting regarding annual results:

A meeting shall be convened within 90 days after the end of financial year mainly to consider and approve the annual reports and handle other related matters. The timing of convening the annual board meeting shall ensure that the annual report of the Company will be despatched to the shareholders within the time limit prescribed by the relevant regulations and the Articles of Association, that the preliminary annual financial results will be announced within the time limit prescribed by the relevant regulations, and that the annual general meeting will be convened within 180 days from the end of the financial year of the Company.

- (2) Board meeting regarding interim results:

A meeting shall be convened within 60 days after the end of the first six months of the financial year of the Company, mainly to consider and approve the interim reports of the Company and handle other related matters.

- (3) Board meeting regarding quarterly results:

A meeting shall be convened within 30 days after the end of the first and third quarter of the financial year of the Company, mainly to consider the quarterly results of the Company and handle other related matters.

Article 16

The chairman shall convene and preside over an extraordinary board meeting within ten days after receiving the proposal under the following circumstances:

- (1) when the Chairman deems necessary;
- (2) when jointly proposed by more than one-third of the directors;
- (3) in case of urgency, upon the proposal of three directors;
- (4) when proposed jointly by more than one half of the independent non-executive directors;
- (5) when proposed by the supervisory committee;
- (6) when proposed by shareholder representing more than 1/10 of the voting shares individually and in aggregate;
- (7) when proposed by the general manager;
- (8) other circumstances as stipulated under the laws, administrative regulations, regulatory rules of the place(s) where the shares of the Company are listed and the Articles of Association.

Article 17

Meetings of the board of directors may be convened on-site, through circulation of written proposals, teleconference, videoconference, facsimile, e-mail or similar communication channels, and may also be held on site in parallel with other methods.

Where board meetings are held by way of teleconference meeting or similar communication channels, so long as the attending directors can hear clearly and communicate with each other, all attending directors are deemed as if they have attended in the meeting in person, in which case voice and/or video recording shall be made as necessary. An oral poll may be adopted for any proposed resolution unable to be signed at the meeting by directors, provided that the directors shall complete the execution thereto as soon as practicable. The oral poll of directors shall have the same force and effect as signatures by hand, provided that the ex-post signatures by hand shall be in accordance with the oral poll made at the meeting.

Where a board meeting is convened off-site, the number of directors attending the meeting shall be calculated based on the number of the directors present by video, the number of the directors expressing their opinions during conference calls, the number of valid votes casted by means of fax, email or otherwise received within the prescribed period, or the number of post-meeting written confirmations submitted by the directors confirming their attendance.

CHAPTER 5 PROCEEDING OF THE BOARD MEETINGS**Article 18****Putting forward Proposals**

The proposals to be put forward at board meetings shall mainly be based on the following circumstances:

- (1) matters proposed by the directors;
- (2) matters proposed by the supervisory committee;
- (3) proposals from the special committees of the board;
- (4) matters proposed by the general manager.

Article 19**Collecting Proposals**

The secretary to the board shall be responsible for collecting draft of the matters to be considered at the meeting. Each proposer who puts forward the relevant resolution(s) shall submit the resolutions and the relevant explanatory materials to the secretary to the board before the convening of such meeting. Resolutions concerning material related party transactions (as determined in accordance with the standards promulgated from time to time by competent regulatory authorities and the stock exchanges of the place(s) where the shares of the Company are listed) which are required to be reviewed by the board or the general meeting in compliance with law shall first be approved by the independent non-executive directors. After the secretary to the board has arranged the relevant materials, he/she shall submit a preliminary draft of the meeting proposals which set out the time, venue and agenda of the meeting to the chairman of the board for finalisation.

Before finalising such resolutions, the chairman of the board shall solicit comments from the general manager and other senior management personnel as needed.

Article 20**Convening and Chairing of the Meeting**

The board meetings shall be convened and chaired by the chairman of the board. If the chairman of the board is unable or fails to perform his/her duties, the meeting shall be convened and chaired by the vice-chairman of the board. If the vice-chairman of the board is unable or fails to perform his/her duties, the meeting shall be convened and chaired by a director jointly elected by more than half of the directors. The notice of meeting shall be signed and issued by the convener of meeting.

Article 21**Meeting notice**

- (1) Written notice of the regular or extraordinary meeting of the board of directors shall be served to all the directors and supervisors by hand, e-mail, facsimile and through other means as permitted under the securities regulatory rules of the place(s) where shares of the Company are listed 14 days and 3 days prior to the regular meeting and extraordinary meeting, respectively. Where the notice is not served by direct delivery, telephone acknowledgement and relevant records shall be made.

In case of emergency, where an extraordinary meeting is required to be convened as soon as possible, the notice of such meeting may be issued by phone or other oral methods at any time, provided that the convener of the meeting shall provide explanations at the meeting and record the same in the meeting minutes.

- (2) The notice of the meeting generally shall contain the following:
1. the time and venue of the meeting;
 2. duration of the meeting;
 3. the means of convening the meeting;
 4. matters to be reviewed and considered (i.e. meeting proposals);
 5. the convener and chairman of the meeting, the proposer of the extraordinary meeting and his/her written proposals;
 6. meeting materials necessary for the directors to vote; including the relevant background materials of the subject matters, and information and data which helpful for the directors to understand the business progress of the Company;
 7. the requirement that directors should attend the meeting in person or may appoint other directors to attend the meeting on their behalf;
 8. contact person and his/her contact information;
 9. issue date of the notice;
 10. other contents stipulated by laws and regulations and the securities regulatory rules of the place(s) where the Company's shares are listed.

An oral notice of a meeting shall include at least the information set out in items 1, 2 and 3 above, as well as the explanations for the urgency to convene an extraordinary board meeting as soon as possible.

(3) The notice of the board meeting shall be served in accordance with the following requirements or means:

1. if there is a need to change matters such as the time and venue or add, change and cancel the proposals of a regular board meeting after despatching the written notice of the meeting, a written notice of the change shall be despatched three days before the original date of the meeting to explain the situation and content of the new proposals with relevant materials. 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 consent of all directors attending the meeting.
2. if there is a need to change matters such as the time and venue or add, change and cancel the proposals of an extraordinary board meeting after despatching the notice of the meeting, prior consent of all directors attending the meeting shall be obtained and relevant records shall be well documented.
3. the notice shall be in Chinese and, if necessary, an English version of the same shall be enclosed thereto and the notice shall include agenda of the meeting. Any director may waive the right to receive notice of the board meeting.
4. the meeting notice shall be deemed to have been delivered to such director if he/she presents at the meeting and does not raise the issue of the non-receipt of such notice prior to, or at, his/her arrival at the meeting.

Article 22**Pre-meeting communication**

After the notice of the meeting has been despatched and before the meeting is convened, the secretary to the board shall be responsible for or shall organise and arrange the communication and liaison with all directors, especially the external directors, obtain the opinions or suggestions of directors on the relevant proposals, and timely convey the opinions or suggestions to the proposer of the proposals so as to improve the relevant proposals put forward by them. The secretary to the board shall also arrange in a timely manner to supplementary information necessary for the directors to make corresponding decisions on the contents of the proposal, including relevant background materials on the topics of the meeting and other information that is helpful for the directors to make scientific, prompt and prudent decisions.

When more than one- half of directors or more than two independent non-executive directors consider that the information are not sufficient or the grounds are not explicit, they may jointly propose to postpone the meeting or delay the discussion of certain matters to be considered in the board meeting, and the board shall adopt the relevant proposal. Unless such request is made directly at the board meeting, the secretary to the board shall, upon receiving such proposal jointly proposed in written by directors to postpone the board meeting or delay the discussion of certain matters to be considered in the board meeting, dispatch a notice to the directors, supervisors and participants in a timely manner.

Article 23**Attendance at the meeting**

Board meetings shall be held only if more than half of the directors are present. If the quorum of the meeting cannot be met as a result of any director's refusal to attend or absence without reasons, the chairman and the secretary to the board shall report to the regulatory authorities in a timely manner.

A director should attend board meetings in person. A director who is unable to attend the meeting due to certain reasons shall review the meeting materials and furnish clear opinions in advance, and appoint in writing other director to attend the meeting on his/her behalf.

The power of attorney shall set out:

1. the name of the appointer and proxy, and the matters for appointment;
2. brief opinions of the appointer on each proposal;
3. appointer's scope of authorisation and instructions on the voting intent on the proposals;
4. signature of the appointer, date, etc.

The director who appoints another director to sign a written confirmation on regular report on his behalf shall specify such authorisation in the power of attorney.

The appointed director shall submit the written power of attorney to the chairman of the meeting and explain the situation of attendance on behalf of others on the attendance list of the meeting.

When considering a related party transaction, non-related directors shall not appoint a related director to attend the meeting. Related directors shall not accept such appointment.

The independent non-executive director shall not appoint other directors other than independent non-executive directors to attend the meeting on his/her behalf and a director other than independent non-executive director shall not accept such appointment.

Directors shall not grant full authorisation to and appoint other directors to attend the meeting without explaining their personal views and voting intent on the proposal and such other directors shall not accept such authorisation and appointment.

A director shall not accept appointment by more than two directors, and shall not appoint any director who has already accepted the appointment of two other directors.

An independent non-executive director failing to attend the board meetings in person for three times in succession, or other director failing to attend the board meetings either in person or by proxy for two times in succession, shall be deemed as incapable of performing the duties, and the board shall propose to the general meeting to have such director replaced.

Supervisors may be present at the board meetings, and general manager and secretary to the board who do not currently serve as directors shall be present at the board meetings. The convener may notify other relevant persons to be present the board meeting if he/she thinks necessary.

Article 24

Consideration of proposals

The chairman of meeting shall declare the commencement of the meeting as scheduled. Upon official commencement of the meeting, unanimous agreements on the agenda of the meeting shall be reached among the directors attending the meeting.

Upon the unanimous agreements on the agenda by the attending directors, the resolutions shall be reviewed on an item-by-item basis during the meeting as presided by the chairman of meeting. The proposers of the resolutions or their appointed parties shall first report their work to the board or explain the proposals.

When considering the relevant proposals, resolutions and reports, in order to get informed of key subjects and background, the board may call on the heads of relevant departments to be present at the meeting to address and make relevant inquiries, so as to facilitate the board in making correct decisions. If any proposal is found unclear or infeasible during the course of consideration, the board shall demand explanations from relevant departments, and may dismiss and return the proposal and suspend voting on them.

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

For proposals that require prior approval by independent non-executive directors in accordance with relevant requirements, the chairman of the meeting shall designate an independent non-executive director to read out the written confirmation opinions given by independent non-executive directors before discussing the relevant proposals.

Where any directors hinders the normal proceeding of the meeting or affect other directors' speeches, the chairman of the meeting shall promptly stop him/her.

Unless with the unanimous consent of all the Directors attending 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 Directors may seek the necessary information before the meeting from relevant personnel and institutions including the board office, the convener of the meeting, general manager and other senior management personnel, all special committees, certified public accountants and lawyers, and may also suggest the chairman of the meeting in the process of the meeting to invite the above-mentioned personnel and institutions to attend the meeting to explain relevant circumstances.

Article 25

Voting on proposals

Each director participating in the meeting shall give an opinion of consenting, dissenting or abstention for each proposal considered at the board meeting. Where a director votes against or abstains from voting on any resolution, he/she shall give reasons in this regard.

The directors attending the meeting shall select one from the intents above. If a director fails to select any option or selects more than two options, the chairman of the meeting shall require the relevant director to select again, and if the director refuses to make a selection, he/she shall be deemed to have abstained. If a director leaves the venue during the course of a meeting without returning to make a selection, he/she shall be deemed as having abstained from voting.

The director attending the meeting on behalf of the appointing director shall only exercise the rights within the power of attorney.

If a director neither attend a board meeting nor appoint another director to attend on his behalf, the said director shall be deemed as waiving his voting rights at the meeting.

Except for the following matters which shall be passed by more than two-thirds of the directors, the board's resolutions in respect of all others matters may be passed by more than half of the directors:

- (1) to draw up proposals for increases or reductions of the Company's registered capital and issue of debentures or other securities and listing plan;
- (2) to draw up plans for the material acquisitions, repurchase of its shares or merger, split, reorganisation and dissolution of the Company and change of company type;
- (3) to draw up proposals for any modifications to the Articles of Association, the Rules of Procedures for General Meetings and the Rules of Procedures for the board of directors;

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

If different resolutions conflict with each other in content and meanings, the resolution formed later shall prevail.

Each attending director has one vote in the voting of board resolutions, which may be cast in registered ballot and in written or other methods as approved by the laws, regulations and the regulatory rules of the place(s) where the shares of the Company are listed. Each director is entitled to cast one vote and in case of equal affirmative and dissenting votes, the chairman shall be entitled to a casting vote.

Where a director has any related party relationship with or is materially interested in the enterprise involved in the resolution of the board or where the director himself/herself considers he/she should abstain from voting, he/she shall not exercise the voting rights on the resolution, nor shall he/she exercise the voting rights on behalf of other directors. The board meeting can be held only when more than half of the directors with no related party relationship or material interests are present, and the resolutions submitted at the board meeting must be approved by more than half of the directors with no related party relationship or material interests. If there are less than 3 directors present at the board meeting with no related party relationship or material interests, the matter concerned shall be submitted to the general meeting for consideration.

Article 26**Directors' responsibilities for resolutions of the board**

Any written resolution made by the board without following the statutory procedure shall not have legal force as a resolution of the board even if every director has expressed opinions in different ways. The directors shall be responsible for the resolutions passed at the board meetings. Any director who votes for a board resolution which contravenes the laws, administrative regulations, the Articles of Association or the resolutions passed at general meetings and which result in the Company suffering from material losses, shall be directly responsible (including the liabilities of indemnities). A director who votes against such resolution, and has been proved as having expressed dissenting opinions on such resolution and such opinions are recorded in the minutes of the meeting can be exempted from liability. A director who has waived his right of voting, or who has failed to attend the meeting or appointed others to attend the meeting, shall not be exempted from liability. A director who explicitly expresses his objection in the course of discussion, but has not voted against such resolution explicitly, shall not be exempted from the liability.

Article 27**Resolutions of the meeting**

In general, a board meeting shall resolve on all matters discussed at the meeting.

Opinions expressed by independent non-executive directors (in particular those contrary to other directors on any issues discussed) shall be stated in the resolutions of the board.

Article 28**Calculation of voting results**

After the voting of the attending directors, the securities affairs representative and relevant personnel of the board office shall timely collect the voting of the directors, and pass them to the secretary to the board for calculation under the supervision of a supervisor or an independent non-executive 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 to notify the directors of the voting results before the next business day after conclusion of the specified voting deadline.

The ballots cast by directors after the chairman of the meeting has announced the voting result or after the prescribed voting deadline shall not be counted.

Article 29

Treatment of proposals not passed

If a proposal is not passed, the board meeting shall not consider any proposal with the same contents within one month if there is no material change in relevant conditions and factors.

Article 30

Suspension of voting

Where more than half of the attending directors or more than two independent non-executive directors consider that the proposal is not clear or specific, or where an informed judgment cannot be made due to other reasons including inadequate meeting materials, the chairman of the meeting shall require the subject matter to be suspended for voting at the meeting.

The directors who propose suspension of voting shall provide specific requirements on the conditions to be met for resubmitting the said proposal for consideration.

Article 31

Meeting minutes

The minutes of the board meetings are the official proof of the resolutions on the matters discussed by the board. The board meeting shall make detailed and complete minutes of the matters discussed.

The minutes of the meetings of the board shall contain the following:

- (1) session, date, venue, method of the meeting, name of the convener and chairman of the meeting;
- (2) the issuance of the notice of the meeting;
- (3) the names of the directors attending the meeting and the names of the directors (proxies) appointed to attend the meeting and their appointer;
- (4) agenda of the meeting;
- (5) proposals considered at the meeting, the gist of the directors' speeches (written feedback in case of meeting via written resolution) and main opinions and voting intents for the proposals;

- (6) the voting methods and results for each resolution (the voting results shall state the numbers of the votes of for, against or abstention);
- (7) other matters the directors attending the meeting consider should be recorded.

The secretary to the board shall carefully organise, record and compile the matters discussed at the meeting. Minutes for each board meeting shall be provided to all directors as soon as possible for their review, and directors who would like to make amendment and supplement to the minute shall report his amendment opinion in writing to the chairman within one week upon receipt of the minutes. The directors attending the meetings, secretary to the board and recorder(s) shall sign on the minutes after it is finalised.

The opinions expressed by independent non-executive directors at the board meeting, in particular those contrary to other directors concerning the matters considered at the meetings, shall be specified in the minutes of such board meetings.

Any director has the right to check the documents and information relating to the board meeting. Doubts raised by any director shall be addressed as soon and comprehensive as possible. The minutes of the board meeting shall be available for inspection at any time during the office hours upon giving a reasonable notice by any director

Article 32

Meeting summary and resolution records

In addition to meeting minutes, the secretary to the board may also arrange the personnel in the board office to prepare a clear and concise meeting summary for the meeting convened, and to prepare separate resolution records for resolutions reached in accordance with the voting results.

Article 33

Signature of directors

The attending directors shall sign on the meeting minutes and resolution records for confirmation on behalf of themselves and the directors who appoint them to attend the meeting. Any director who has different views on the meeting minutes or the resolution record may make written explanation when signing the minutes. Where necessary, it shall be timely reported to regulatory authorities, and may also make public statements.

Any director that neither signs for confirmation in accordance with the previous articles nor makes written explanation for his/her different opinions, or report to the regulatory authorities and makes public statements, shall be deemed to have fully agreed with the content of the meeting minutes and the resolution records.

Article 34

Preservation of meeting archives

Archives of the board meetings, including notices of meeting and meeting materials, attendance book, power of attorney for attendance by proxy, voice recording of meeting, ballots, meeting minutes signed by the attending directors, meeting summaries, records of resolutions, announcement of resolutions, etc., shall be kept by the secretary to the Board.

Archives of the board shall be preserved for at least 10 years.

CHAPTER 6 INFORMATION DISCLOSURE OF BOARD MEETINGS

Article 35

The board shall strictly implement the relevant information disclosure provisions of the supervisory departments and stock exchange(s) of the place(s) where the Company's shares are listed, and shall disclose in a comprehensive, timely, accurate, concise and clear manner the disclosable matters or resolutions discussed at the board meeting in a way easy to understand and in accordance with the requirements of the relevant supervisory departments and the stock exchanges. Information involving major issues shall be reported to the stock exchanges forthwith and filed with the relevant regulatory authorities.

Article 36

The announcements on board resolutions shall be dealt with in accordance with the securities regulatory rules of the place(s) where the Company's shares are listed such as the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of the Shanghai Stock Exchange and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Before the announcement of the resolutions, the attending directors, personnel present at the meeting, recording and service personnel are obliged to keep the content of resolutions confidential.

CHAPTER 7 IMPLEMENTATION OF RESOLUTIONS OF THE BOARD MEETINGS AND THE FEEDBACK THEREOF

- Article 37** After a resolution is made, the matters falling within the term of reference of the general manager or authorisation to the general manager by the board shall be organised and carried out by the general manager, who shall then report the implementation result to the board.
- Article 38** The chairman has the right to inspect and urge, either in person or by appointing vice chairman or other directors, the implementation of the resolutions passed at the board meetings.
- Article 39** At each board meeting, the chairman of the board or other executive directors appointed by him/her shall report to the meeting on the implementation of the matters authorised by the board (if any), and the general manager shall report to the meeting on the implementation of the matters resolved to be implemented in the previous resolution of the board.
- Article 40** Under the leadership of the board and the chairman, the secretary to the board shall take initiatives to keep himself/herself informed of implementation progress of the board resolutions, and shall report any important problem in implementation to the board and the chairman and provide his/her suggestions.

CHAPTER 8 SUPPLEMENTARY PROVISIONS

- Article 41** Should there be any matter not covered herein or in the event that the Rules are in conflict with the provisions of the laws, administrative regulations, other relevant regulatory documents promulgated from time to time, the Articles of Association and the resolutions of the general meetings, the latter shall prevail.
- Article 42** Unless otherwise specified, capitalised terms used in the Rules shall have the same meanings as defined in the Articles of Association.
- Article 43** The Rules shall take effect upon approval at the general meeting. Any amendment to the Rules shall be proposed by the board in the form of an amendment proposal, and shall come into effect upon approval of the general meeting.
- Article 44** The Rules shall be interpreted by the board.

Zhuzhou CRRC Times Electric Co., Ltd.

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