

# **Rules of Procedures for Board Meeting of Dynagreen Environmental Protection Group Co., Ltd.\***

## **CHAPTER 1 CHAPTER I GENERAL PROVISIONS**

**Article 1** In order to ensure the standardized operation of Dynagreen Environmental Protection Group Co., Ltd. (hereinafter referred to as the “Company”) and enhance the efficiency and scientificity of the decision-making of the board of directors (hereinafter referred to as the “Board”) in order to protect the interest of the Company and legitimate interest of shareholders, these rules of procedures for Board Meeting (the “Rules”) are hereby formulated in accordance with the Company Law of the People’s Republic of China, the Guidelines for Articles of Association of Chinese Listed Companies and other laws and regulations as well as the Articles of Association of Dynagreen Environmental Protection Group Co., Ltd. (hereinafter referred to as the “Articles of Association”) and listing rules prevailing in places where shares of the Company are listed.

## **CHAPTER 2 THE SECRETARY TO THE BOARD AND OFFICE OF THE BOARD**

**Article 2** The Company shall have a secretary to the Board. The appointment and responsibilities of the secretary to the Board shall be carried out in accordance with relevant laws and regulations, the Articles of Association and the Detailed Working Rules of the Secretary to the Board.

**Article 3** The office of the Board shall be set up under the Board for handling day-to-day affairs of the Board.

The secretary to the Board shall also serve as the person in charge of the office of the Board responsible for keeping the seals of the Board and its office.

## **CHAPTER III THE BOARD**

**Article 4** The Company shall set up the Board which shall comprise seven to nine directors, including three independent directors and one employee director. The Board shall have one chairman. The specific rights and obligations of directors shall be governed by relevant laws and regulations and the Articles of Association.

**Article 5** The Board shall establish four special committees, namely the Audit and Risk Management Committee, Remuneration and Appraisal Committee, Nomination Committee and Strategic Committee, to advise the Board on major decisions. The composition and responsibilities of each special committee shall be carried out in accordance with their respective detailed working rules.

\* For identification purposes only

**Article 6** The Board exercises the following functions and powers:

- (1) to be responsible for the convening of general meetings and report its work to the general meetings;
- (2) to implement resolutions of the general meetings;
- (3) to decide on the Company's business plans and investment schemes;
- (4) to approve the annual financial budgets and final accounts of the Company;
- (5) to formulate the Company's profit distribution plans and plans on making up losses;
- (6) to formulate proposal for the Company to increase or decrease of its registered capital, issue debentures or other securities and listing thereof;
- (7) to formulate plans for mergers, divisions, dissolution and alteration of corporate form of the Company or plans for the Company's substantial acquisitions or repurchase of shares of the Company;
- (8) within the scope authorized by the general meeting, to decide, among others, the Company's external investment, purchase and sale of assets, creation of mortgage on the Company's assets, provision of guarantees, wealth management entrustment, related/connected transactions, external donations;
- (9) to decide on establishment of internal management organizations of the Company;
- (10) to determine the setup of the specialized committees under the Board, appoint or dismiss the chairmen of such committees (the conveners);
- (11) to appoint or dismiss the general manager, the secretary to the Board and the secretary to the Company, and to decide on their remunerations, rewards and punishments; in accordance with the nominations by the general manager, to appoint or dismiss senior management members such as deputy general managers, financial controller and chief engineer, general legal counsel and to decide on their remunerations, rewards and punishments;
- (12) to formulate the basic management system of the Company;
- (13) to formulate proposals to amend the Articles of Association;
- (14) to formulate the stock incentive plan of the Company;
- (15) to manage information disclosure of the Company;

- (16) to propose to the general meeting on the appointment or replacement of the accounting firms which provide audit services to the Company;
- (17) to listen to work reports of the general manager and review his/her work;
- (18) to review and approve provision of external guarantees by the Company, other than the guarantees which are subject to review and consideration at a general meeting in accordance with Article 62 of the Articles of Association;
- (19) other powers authorized by the laws, administrative regulations, and departmental rules, listing rules of the place where the Company's shares are listed, the Articles of Association and the general meetings;
- (20) to consider matters that are required to be considered by the Board as set out in the internal management systems of the Company, including the decision-making system for the "three major and one significant".

If any matter of authority to be exercised by the Board above or any transaction or arrangement of the Company shall be subject to review by the general meeting according to the listing rules of the place where the Company's shares are listed, such matters shall be submitted to the general meeting for review.

When the Board considers the "three major and one significant" decision-making matters, namely "major decisions, appointment and removal of major personnel, major project arrangements and significant amount of capital operation", the matters shall be studied and discussed by the Party Committee in advance before the Board makes a decision.

The office of the Board shall formulate a list of decision-making matters of the Board in accordance with the provisions of the Articles of Association, the decision-making system for "three major and one significant", these Rules and other relevant regulations, and promulgate and implement the same.

#### **CHAPTER IV MEETINGS OF THE BOARD**

**Article 7** The Board meetings include regular meetings and extraordinary meetings.

**Article 8** Regular meetings of the Board shall be held at least twice a year. The meeting shall be convened by the chairman of the Board.

**Article 9** The chairman, any shareholder holding at least one tenth voting rights, at least one third of the directors, or the Audit and Risk Management Committee or the general manager may propose the holding of an extraordinary meeting of the Board. The chairman shall convene and preside over the extraordinary meeting of the Board within 10 days upon receipt of the proposal.

Where an extraordinary meeting of the Board is held according to the preceding paragraph, a written proposal signed or sealed by the proposer shall be submitted to the Board office for it to forward to the Board office or to the chairman direct. Such proposal shall specify:

- (1) the name of the proposer;
- (2) the reason for proposing to convene the meeting or objective facts based on which the proposer proposes convening the meeting;
- (3) the time or time limit, venue and form of the meeting proposed to be held;
- (4) well-defined and specific proposals; and
- (5) contact information of the proposer and the date of the proposal.

The proposal shall cover only matters falling within the scope of the functions and powers of the Board set forth in the Articles of Association, and all materials related with such proposal shall be submitted together.

The Board office shall submit the written proposal and related materials to the chairman upon receipt. The chairman may request the proposer to modify or supplement the proposal if he thinks that the proposal is not sufficiently clear or specific or the supporting materials provided not adequate.

## **CHAPTER V PROCEDURES OF BOARD MEETINGS**

**Article 10** The Board meeting shall be convened and presided over by the chairman of the Board. Where the chairman of the Board is unable to discharge the duty or will not discharge his duty, the duty shall be discharged by the vice chairman of the Board (Provisions herein in relation to a vice chairman are applicable only when the Company has a vice chairman; the same herein after), or if there are two or more vice chairmen, by the one elected by at least half of the directors. Where no vice chairman is appointed or the vice chairman of the Board is unable to discharge the duty or will not discharge the duty, the meeting shall be presided over and chaired by a director elected by at least half of the directors.

**Article 11** The Board office shall deliver a notice and relevant documents to each director, the general manager (if not a director) and the secretary to the Board fourteen (14) days in advance when convening a regular meeting of the Board. A regular meeting of Board does not include the practice of obtaining consent of Board through the circulation of written resolutions. The chairman shall instruct the secretary to the Board to issue a meeting notice five (5) days in advance when convening an extraordinary meeting thereof. If a notice is not delivered by hand, a phone call shall be made for confirmation and corresponding record shall be kept.

Where there is an urgent matter, the extraordinary Board meeting may be held upon approval by the chairman, which is not subject to the requirement of meeting notice as set out in the paragraph 1 of this Article, provided that a proper notice shall be given to the directors and the general manager.

**Article 12** Notice convening a Board meeting may be served through the following means:

- (1) delivery by hand;
- (2) by post;
- (3) by fax or email;
- (4) subject to the laws and regulations, and the listing rules of the place where the Company's shares are listed, by posting at the Company's website and such website as designated by relevant stock exchange;
- (5) by public announcement;
- (6) by means agreed between the Company and the recipient in advance or accepted by the recipient after receipt of such notices; and
- (7) other means approved by the relevant regulatory agency of the listing place or as set out in the Articles of Association.

If a director is present at a meeting of the Board and fails to, before and up to the beginning of the meeting, state that he did not receive the meeting notice, he shall be deemed to have received the meeting notice.

**Article 13** A notice of Board meeting shall include the following contents:

- (1) the date and place of meeting;
- (2) the period of the meeting;
- (3) the reasons and agenda;
- (4) the date of issuance of notice; and
- (5) the method of convening the meeting.

**Article 14** After the notice for regular meeting of the Board is sent, if the time and venue of the meeting must be changed or meeting proposals must be added, changed or cancelled, a written notice of change shall be sent three days before the original designated date of the meeting, giving an explanation and provides the contents of new proposals and the related materials. Where the notice of change is sent less than three days in advance, the date of the meeting shall be postponed accordingly or the meeting shall be held at the original date subject to the consent of all directors attending the meeting.

After the written notice for extraordinary meeting of the Board is sent, if the time and venue of the meeting must be changed or meeting proposals must be added, changed or cancelled, a prior consent shall be obtained from all directors attending the meeting and corresponding records shall be kept.

**Article 15** Except for the consideration on the related/connected transactions by the Board as set out in Article 147 of the Articles of Association and Article 24 hereof, the quorum of a Board meeting shall be more than one half of the directors.

The general manager (if not a director) and the secretary to the Board shall be in attendance at the meetings of the Board. The chairman presiding over the meeting may notify other relevant persons to be in attendance at the meetings of the Board if he thinks necessary. When the Board considers matters involving legal issues, the person in charge of the legal department shall attend the Board meeting and express legal opinions as needed.

When the Board considers matters involving legal issues, the general counsel or the person in charge of the legal department shall attend the Board meeting in accordance with the relevant provisions, and independently express legal opinions or issue written legal opinions.

**Article 16** The directors shall attend a Board meeting in person. If a director is unable to attend for any reasons, he may appoint another director in writing to attend on his behalf. The authorization letter shall contain the name of the proxy, the matters represented, scope of authorization and validity period. It shall be signed or sealed by the principal.

A director who acts as a proxy of another director at a Board meeting shall exercise director's rights within the authorized scope. If a director does not attend a Board meeting in person and does not appoint a proxy to attend the meeting, he/she shall be deemed to have waived the voting rights in the meeting.

**Article 17** An appointing director and a proxy in attendance at Board meetings shall observe the following rules:

- (1) When the meeting considers related/connected transactions, a non-connected director must not appoint a related/connected director to attend the meeting, and a related/connected director must not accept such appointment by a non-related/connected director;
- (2) An independent director must not appoint a non-independent director to attend the meeting, and a non-independent director must not accept such appointment by an independent director;
- (3) A director shall not grant unrestricted power to another director to attend the meeting unless the appointing director has stated his opinions and voting intention on the proposals, and the director concerned shall not accept such unrestricted power or ambiguous appointment;
- (4) A director must not accept the authorization from more than two directors and a director must not appoint any director having accepted appointment from two other directors to attend the meeting.

**Article 18** The Board meeting shall be convened on site in principle. If necessary, the Board meeting, on the condition that the directors can fully express their opinions, can be convened through video, telephone, fax, email and written resolutions, etc. upon the consent of the convener (moderator) and the proposer(s) of the meeting. In addition, the on-site mode and other modes can be concurrently adopted for the convocation of the Board meeting. In principle, the Board meetings shall be held in the form of on-site meetings or a combination of onsite meetings and video or telephone for the consideration of significant matters.

Where the meeting is convened in an off-site manner, the number of the participating directors shall be counted based on the directors present in the video and expressing opinions in the conference call, the actual receipt of documents with trans-functional signature within the prescribed period, the valid votes delivered via fax or email, or the written confirmation letters submitted by the directors afterwards to confirm their attendance of the meeting.

The whole process of the Board meeting convened on site or off-site shall be recorded if necessary.

**Article 19** An agenda and accompanying meeting papers shall be sent in full to all directors in a timely manner and at least fourteen (14) days before the intended date of a board meeting. The foregoing restriction shall not apply to any extraordinary board meeting.

From the issue of the notice of meeting until the convening of the meeting, the secretary to the Board shall be responsible for or make arrangement for communication and contact with all directors, in particular with independent non-executive directors; to obtain opinions or suggestions on the relevant resolutions from directors, and to convey such opinions or suggestions to those who propose the resolutions, so as to clarify the relevant resolutions put forward by them. To the extent practicable, the secretary to the Board will also provide supplemental information required for making corresponding decisions in a timely manner on the contents of the resolutions to be considered, including the related background information of the agenda and other information that may be helpful for the directors to make sensible, prompt and prudent decisions.

The secretary to the Board shall, under appropriate circumstances, arrange for seeking independent professional opinion in respect of the directors' performance of their obligations to the Company, and such expenses shall be borne by the Company. Such request shall be submitted to the secretary to the Board in writing. The secretary to the Board shall reasonably seek appropriate professionals for the provision of opinions for efficiency.

**Article 20** The directors shall prudently give their opinion upon carefully reading the relevant meeting materials and fully understanding the situations.

The directors are allowed to learn the information necessary for the decision-making from the office of the Board, the meeting convener, the manager and other senior management staff, various special committees, accounting firms and law firms and other relevant personnel and organizations before the meeting, or to suggest the moderator to invite the above-mentioned persons and the representatives of the above-mentioned organizations to attend the meeting to explain the situations.



**Article 21** For any major matters to be determined by the Board, sufficient information shall be provided to the directors and the directors are entitled to request supplementary materials. When at least one-fourth of the directors or at least two external directors (an external director means a director who have no executive positions in the Company) consider that the provided materials insufficient or the reasoning is unclear, they may jointly propose to defer the Board meeting or defer the consideration on the relevant matters, the Board shall accept such proposal accordingly. Save for proposed directly at the Board meeting, the secretary to the Board shall, upon receiving such proposal jointly proposed in writing by directors to postpone the Board meeting or postpone the consideration of certain matters on agenda at the meeting, dispatch a notice to directors and participants in attendance on a timely basis.

**Article 22** The chairman of the meeting shall ask all directors present at the meeting to give their express and definite opinions about all the proposals.

Unless approved by all the directors attending the meeting, the meeting of the Board shall not vote on the proposals not included in the notice of meeting. A proxy director shall not vote on the proposals on behalf of another director not included in the notice of meeting.

**Article 23** Each resolution proposed shall be put to vote by the chairman of the meeting upon being sufficiently considered.

The Board meeting shall vote by way of disclosed ballot. Provided that the directors can fully express their opinions at the extraordinary Board meetings, decisions could be made by signing written resolutions instead of convening Board meetings, given that the resolutions to be reviewed shall be delivered to each of the directors by hand, post, fax or other means of communication and the number of directors who signed the said resolutions shall reach the number as required for passing such resolution.

If a substantial shareholder (a substantial shareholder means a shareholder holding 10% or more of the shares of the Company) or a director has material conflict of interest in the matters to be considered, such matters shall be considered and decided on by the means of convening Board meetings (rather than written resolutions) and independent non-executive directors who do not have any material interest in such matters shall attend the Board meeting.

The election, appointment and dismissal of a company secretary shall be resolved on at Board meetings but not by written resolutions.

As for the voting on a Board resolution, each director shall have one vote only.

A director may vote for or against or abstain from voting. The directors present at the meeting shall select one of the foregoing options. If a director fails to select one of the foregoing options or selects two or more of the foregoing options, he shall be deemed to waive his voting right. If a director leaves the meeting midway without returning and fails to make an option, he shall be deemed to waive his voting right.



**Article 24** When a director is related/connected to companies or individuals who are the subject of a resolution to be decided at a board meeting, the connected director shall report to the board of directors in writing in a timely manners and shall not vote on that resolution, and shall not vote on behalf of other directors on such resolution. Such board meeting shall be deemed as having a quorum if more than one half of the non-related/connected directors attend the meeting. Resolutions made by the board meeting shall be passed by more than one half of the non-related/connected directors. If the number of non-connected directors attending the board meeting is less than three, the matter shall be submitted to the general meeting for consideration.

**Article 25** After the directors present at the meeting have voted on the proposals, personnel of the Board office shall collect the votes cast by the directors, and deliver to the secretary to the Board for counting the votes under the supervision of a member of the Audit and Risk Management Committee or an independent director.

When the meeting is held on-site, the chairman of the meeting shall announce the voting result on the spot; in other circumstances, the chairman of the meeting shall request the secretary of the Board to notify the directors of the voting results before the end of the next working day following the specified time for voting.

Where a director votes after the chairman of the meeting announces the voting result or after expiry of specified time limit, such vote shall not be counted.

**Article 26** Resolutions proposed at a Board meeting shall be passed as follows in order to be effective:

- (1) paragraphs (5), (6) and (13) under Article 6 hereof shall be passed by over two thirds of directors;
- (2) Related/connected transactions under Article 24 hereof shall be passed by over half of directors not related/connected thereto; and
- (3) Matters other than as stated above shall be passed by over half of directors.

A resolution of the Board shall be passed by more directors if such requirement is stipulated by laws, regulations, listing rules prevailing in places where shares of the Company are listed or the Articles of Association.

Where the substance or implications conflict with each other among resolutions, the latter resolution shall prevail.

**Article 27** The Board shall keep minutes of its decisions on the matters discussed at the meeting. The directors who attended the meeting, the secretary to the Board and the recorder shall sign the minutes of that meeting.

The directors shall be responsible for the decisions of the Board. Where a resolution of the Board is in violation of the laws, administrative regulations or the Articles of Association, thereby causing serious losses to the Company, the directors who took part in the resolution shall be liable to the Company for compensation. However, where a director can prove that he had expressed his opposition to such resolution when it was put to vote, and that such opposition was recorded in minutes of the meeting, such director shall be exempted from such liability. A director neither abstained from voting nor attending through a proxy shall not be exempted from such liability, neither shall a director who raised express objection thereon but did not vote against.

**Article 28** The minutes of the Board meetings shall contain the following information:

- (1) the date and venue of the meeting and the name of the convener;
- (2) the names of the directors present and names of directors (proxy) acting for other directors to attend the meeting;
- (3) the agenda;
- (4) the main points of directors' speeches;
- (5) the voting method of each resolution and the result (the result shall specify the number of votes for, against and abstaining).

**Article 29** In addition to the meeting minutes, the secretary to the Board may also arrange the office staff of the Board to work out a clear and concise meeting summary or make a separate resolution record based on the voting result and the formed resolutions.

**Article 30** The directors present at the meeting shall sign on the minutes and resolutions of the meeting personally and on behalf of the directors appointing them to attend the meeting. If the directors have any objections to the minutes and resolutions of the meeting, they may state such objections when signing on the minutes or resolutions. Where a director neither signs on the minutes and resolutions of the meeting as set forth in the foregoing paragraph, nor states his objections in writing, he shall be deemed to completely agree to all the contents of the minutes and resolutions of the meeting.

**Article 31** The chairman shall procure relevant persons to implement its resolutions, monitor the execution of its resolutions and report the execution thereof at its subsequent meetings.

**Article 32** In order to improve the efficiency of business decision-making, the Board may delegate its decision-making authority to the chairman and general manager within the scope of its authority, but the statutory powers and functions of the Board cannot be delegated. After the delegation, the Board still assumes responsibility for the authorized matters.

The delegation of the authority of decision-making matters shall be carried out by way of resolution of the Board according to law. The delegation period for specific types of matters shall not exceed the term of the Board; the delegation of specific decision-making matters shall be granted on a case-by-case basis, and shall not be in general or long-term delegation.

## **CHAPTER VI BOARD MEETING INFORMATION DISCLOSURE**

**Article 33** The Board shall comply with the requirements of the regulatory authorities and the stock exchange where the shares of the Company are listed in relation to the disclosure of information. In disclosing matters considered or resolutions made during the Board meeting which are required to be disclosed. Information relating to significant matters shall be reported to the stock exchange in a timely manner on the principle of fair information disclosure and shall be filed with relevant regulatory authorities (if applicable) for record.

**Article 34** If the independent non-executive directors present independent opinions to the Board on the matters that are the matters need to be disclosed under the requirements of the regulatory authorities and the stock exchange where the shares of the Company are listed, the Company shall announce the opinions of the independent non-executive directors. When the independent non-executive directors have different opinions and reach no consensus, the Board shall disclose the opinions of the independent non-executive directors respectively.

**Article 35** Prior to the disclosure of the agenda or resolutions of the Board meeting according to the preceding article, the participating directors and other members in attendance at the meeting, including the recording and service personnel, shall bear the duty of strict confidentiality. If there is any violation of such confidentiality obligation, the Company reserves the right to pursue the liability in accordance with the laws.

## **CHAPTER VII KEEPING RECORDS OF MINUTES**

**Article 36** The meeting files of the Board, including the meeting notice, meeting documents, meeting signature book, letter of proxy, audio records, ballots, meeting minutes and summary and resolutions signed and confirmed by the directors present at the meeting, and the resolution announcement, shall be kept by the secretary to the Board.

The meeting files of the Board shall be kept for over ten years.

## **CHAPTER VIII SUPPLEMENTARY PROVISIONS**

**Article 37** “More than” as referred to in the Rules are inclusive of the stated figures and “more than half” shall not include the stated figures.

**Article 38** The Board shall formulate these Rules, which shall be appended to the Articles of Association and, effective after approved at a general meeting. Any amendment hereto shall be proposed by the Board and approved at a general meeting before taking effect.

**Article 39** Any matters not provided for herein shall be dealt with in accordance with relevant laws, regulations, listing rules prevailing in places where shares of the Company are listed and the Articles of Association.

**Article 40** These Rules shall be construed by the Board as authorized by the general meeting.