



Chengdu Expressway Co., Ltd.
成都高速公路股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1785)

**PROCEDURES FOR SHAREHOLDERS TO PROPOSE A CANDIDATE FOR
ELECTION AS A DIRECTOR**

In order to regulate the procedures for nomination of directors of Chengdu Expressway Co., Ltd. (the “**Company**”), according to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the PRC Company Law and other relevant laws, regulations, normative documents and relevant rules of Articles of Association of Chengdu Expressway Co., Ltd. (the “**Articles**”), the Company formulates the procedures for shareholders to propose a candidate for election as a director (except for directors being employee representatives) as below:

1 Qualifications and methods for shareholders to nominate candidates of directors

- 1.1 When the Company convenes the shareholders' general meetings, shareholders, either individually or in aggregate, holding more than 3% of the share capital of the Company shall have the right to propose new proposals in writing to the Company, and the Company shall include the proposals into the agenda of the general meetings if they are falling within the functions and powers of the general meetings. (Article 70 of the Articles)
- 1.2 The list of candidates for directors shall be submitted to the general meetings for voting by way of a proposal. (Article 133 of the Articles)

2 Basic qualifications of directors

- 2.1 Directors are natural persons who are not required to hold any shares in the Company. (Article 132 of the Articles)
- 2.2 No one shall be a director of the Company if falling under any of the following circumstances: (Article 186 of the Articles)
 - (i) Being without civil capacity or having limited civil capacity;
 - (ii) Having been penalized or sentenced due to an offence of corruption, bribery, encroachment on property, misappropriation of property or disruption of the social market economic order, or having been deprived of political rights due to the committing of any crime, and in each case, five years not having been elapsed since the completion of such sentence;
 - (iii) Having been a director, factory director or general manager of a company or enterprise which had been bankrupt and liquidated due to improper operation and management whereby such person was personally liable for the bankruptcy of such company or enterprise, and three years not having been elapsed since the date of completion of the liquidation of the company or enterprise;

- (iv) Having been the legal representative of a company or enterprise whose business license was revoked due to violation of laws or ordered closure whereby such person was personally liable, and three years not having been elapsed since the date of revocation of the business license of the company or enterprise;
- (v) Being a debtor personally liable for a relatively large debt which has not been paid as it fell due;
- (vi) Having been subject to an investigation by judicial authorities for criminal offences, and such investigation is pending;
- (vii) Being banned from being leaders of enterprises by laws and regulations;
- (viii) Being a non-natural person;
- (ix) Having been adjudged by the relevant competent authorities of violations of relevant securities laws which involves fraud or dishonesty, and five years not having been elapsed since the date of the judgment;
- (x) The circumstances specified by relevant laws and regulations of the place where the shares of the Company are listed.

2.3 Independent non-executive directors must satisfy the independence requirement in accordance with Rule 3.13 of the Listing Rules. (Article 137 of the Articles)

2.4 An independent non-executive director shall meet the following basic conditions: (Article 138 of the Articles)

- (i) Being qualified as a director of a listed company in accordance with laws, regulations and normative documents and the provisions of the securities regulatory authority in the place where the Company's shares are listed;
- (ii) Having a bachelor's degree or above, or a senior professional title or above;
- (iii) Performing duties independently, without being affected by the substantial shareholders of the Company, de facto controllers or other entities or individuals that have an interest in the Company;
- (iv) Having basic knowledge of the operation of listed companies and being familiar with relevant laws, regulations and normative documents and rules;
- (v) Having more than 5 years of legal, economic, financial, accounting or other work experience conducive to the performance of the duties of an independent non-executive director;
- (vi) Ensuring that there is sufficient time and energy to perform his duties effectively and committing to abide by the fiduciary duty and diligence.

2.5 The following persons shall not act as independent non-executive directors: (Article 139 of the Articles)

- (i) The persons who serve for the Company or its subsidiaries and related parties, and their immediate family members, major social relationships and the core connected persons as defined under the Listing Rules;
- (ii) Natural person shareholders and their immediate family members, who directly or indirectly hold more than 1% of the issued shares of the Company among the top 10 shareholders of the Company;
- (iii) The persons providing financial, legal, consulting and other services to the Company or its subsidiaries, and their immediate family members and major social relationships;
- (iv) Other persons as stipulated in the Articles;
- (v) Other persons as stipulated by laws and regulations, the China Securities Regulatory Commission, the securities regulatory authority in the place where the Company's shares are listed, and other relevant regulatory agencies.

The above-mentioned "immediate family members" refer to spouses, parents, children, etc.; the above-mentioned major social relationships refer to brothers and sisters, parents-in-law, daughters/sons-in-law, spouses of brothers and sisters, and the brothers and sisters of spouses etc.

3 Procedures for shareholders to propose candidates of directors

3.1 Directors (except for independent non-executive directors)

Written notice specifying the intention to nominate candidates for directors and the acceptance of nomination by the candidates concerned shall be given to the Company no later than seven days before convening the general meetings. Time limits for nomination and acceptance of nomination shall be calculated from the date on which the notice of the general meetings is dispatched, but no later than 7 days prior to the date of general meetings. (Article 133 of the Articles)

- (i) The intention to nominate the candidates for directors;
- (ii) Written notice specifying the acceptance and undertaking by the candidates; and
- (iii) Written materials on profession, educational background, title, detailed work experience and all part-time jobs of the nominees.

3.2 Independent non-executive directors

- (i) Shareholders shall acquire the consent from the nominees before nominating the independent non-executive directors. The nominators shall fully consider the profession, educational background, title, detailed work experience and all part-time jobs of the nominees, and express their opinions on the qualifications and independence of the nominees to be elected as independent non-executive directors. The nominees shall make public announcements that they have no relationship with the Company that could hinder their independent and objective judgments. The Board shall make the above information public in accordance with relevant rules before convening the general meetings to elect independent non-executive directors.
- (ii) Written notice specifying the intention to nominate candidates for directors and the acceptance of nomination by the candidates concerned as well as relevant written materials on the nominees shall be given to the Company no later than 7 days before convening the general meetings. (Article 133 of the Articles)