

# CIMC Vehicle (Group) Co., Ltd.

## Code on Procedures for Nomination of Director Candidates

**Article 1** To further clarify the nomination procedures for director candidates of CIMC Vehicle (Group) Co., Ltd. (hereinafter referred to as the “**Company**”), this Code is hereby formulated according to the provisions of the Company Law of the People’s Republic of China (the “**Company Law**”), the Securities Law of the People’s Republic of China, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), and other applicable laws, regulations, regulatory documents, and the Articles of Association of the Company (the “**Articles of Association**”) as well as the actual conditions of the Company.

### **Article 2** Nomination Procedures for Director Candidates

- (1) According to Article 99(1) of the Articles of Association, board of directors, board of supervisors or shareholders (individually or together) holding more than 3% of total shares with voting rights are entitled to propose director candidates for election in the form of written proposal to the shareholders’ general meeting. The number of the proposed director candidates must comply with the provisions of the Articles of Association and shall not exceed the number of persons to be elected. The above written proposal submitted by shareholders shall be delivered to the Company at least seven (7) days prior to the date of the shareholders’ general meeting.
- (2) According to Article 99(4) of the Articles of Association, the aforesaid written proposal for the director candidates, the written notice of the director candidates indicating their willingness to be elected (please see sub-paragraph 1 of Article 4 of this Code), and the written particulars of the director candidates (please see sub-paragraph 2 of Article 4 of this Code), shall be delivered to the Company at least seven (7) days prior to the date of the shareholders’ general meeting (such notification period shall commence no earlier than the date after the despatch of the notice of the shareholders’ general meeting and end no later than seven (7) days prior to date of the shareholders’ general meeting). The board of directors shall disclose the detailed particulars of the director candidates (including his or her biography and basic information) prior to the date of the shareholders’ general meeting to ensure that the shareholders have sufficient knowledge of the director candidates while exercising their voting rights.
- (3) According to Article 99(5) of the Articles of Association, the notification period for proposing the nomination to the Company and that for giving of notices and written particulars by director candidates as mentioned in the above sub-paragraph (3) shall be no less than seven (7) days (such period shall be calculated from the date after the despatch of the notice of the shareholders’ general meeting).
- (4) According to Article 99(6) of the Articles of Association, the list of director candidates shall be submitted to the shareholders’ general meeting for voting in the form of proposal. When considering proposal for the election of directors, the shareholders shall vote and resolve on each and every director candidate.
- (5) According to Article 99(7) of the Articles of Association, in the event of temporary supplementary of directors, the board of directors shall propose to the shareholders’ general meeting for election or replacement of directors.

- (6) According to Article 130 of the Articles of Association, the nomination, election and replacement of independent non-executive directors shall be carried out in accordance with the requirements of the laws of the place where the Company is listed or the requirements of the relevant stock exchange.
- (7) According to Article 117 and Article 133 of the Articles of Association, the chief executive officer or senior management officers may concurrently serve as directors, but the total number of directors serving as the senior management officers shall not exceed one-half of the total number of directors of the Company. The number of senior management officers of controlling shareholders who also serve as the chairman or the executive director of the Company shall not exceed two (2).

### **Article 3 Terms of Directors**

- (1) According to Article 117 of the Articles of Association, directors shall be elected and replaced by shareholders at the shareholders' general meeting in accordance with procedures as specified in the Articles of Association. Directors serve a term of three (3) years. The Directors may, after the expiry of their term of office, serve consecutive terms if re-elected. The term of directors shall commence on the date of resolution being passed at the shareholders' general meeting, and end upon the expiry of the term of current board of directors. If the term of a director expires while a new director is not re-elected in time, before the re-elected director takes office, the former director shall continue performing duties as directors in accordance with the laws, administrative regulations, departmental regulations and Articles of Association.
- (2) According to Article 133 and Article 141 of the Articles of Association, the board of directors shall have one (1) chairman, who shall be elected and removed by a majority of all the directors. The chairman shall be appointed for a term of three (3) years, and may serve consecutive terms if re-elected.
- (3) According to Article 127 and Article 128 of the Articles of Association, the Company shall have three (3) independent non-executive directors. Under any circumstances, the board of directors shall consist of at least three (3) independent non-executive directors and the independent non-executive directors must represent at least one-third of the board of directors. The independent non-executive director shall serve same term as other directors of the Company, and may serve consecutive terms if re-elected. However, if an independent non-executive director has been holding office for more than nine (9) years, his/her re-election should be considered and approved by the shareholders by a separate resolution. The documents delivered to the shareholders together with the resolution should contain the reasons why the board of directors considers such person is still an independent person and why he/she should be re-elected.

#### **Article 4** Nomination Documents of Director Candidates

- (1) According to Article 99(3) of the Articles of Association, the director candidates are required to give written notice prior to the date of shareholders' general meeting to indicate their willingness to accept the nomination, and to undertake that the particulars of such director candidates to be disclosed in the public domain are true and complete, and that they will carry out duties as directors upon election.
- (2) To satisfy relevant disclosure requirements under Rule 13.51(2) of the Listing Rules and to facilitate shareholders to make informed decision about the directors' election, the person who makes nomination proposal shall, in addition to the written proposal for director candidates, provide the following particulars of such director candidates, including but not limited to:
  - (a) the full name and age;
  - (b) positions held with the Company and other members of the Company's group;
  - (c) experience including (i) other directorships held in the past three (3) years in public companies the securities of which are listed on any securities market in Hong Kong and overseas; and (ii) other major appointments and professional qualifications;
  - (d) current employment and such other information about the ability or integrity of such director candidate (which may include business experience and academic qualifications) which shareholders should be aware of;
  - (e) length or proposed length of service with the Company;
  - (f) relationships with any directors, senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the Company, or an appropriate negative statement;
  - (g) his interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), or an appropriate negative statement;
  - (h) a declaration made by such director candidate in respect of the information required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules, or an appropriate negative statement to such effect that there is no information to be disclosed pursuant to any of such requirements nor there are any other matters relating to that director candidate's standing for election as a director that should be brought to shareholders' attention; and
  - (i) contact details.

**Article 5** Shareholders may request the Company to convene an extraordinary general meeting of shareholders to propose director candidates for election as directors.

**Article 6** Under Rule 13.70 and 13.73 of the Listing Rules, the Company shall publish an announcement or issue a supplementary circular upon receipt of a notice from a shareholder to propose a director candidate for election as a director at the shareholders' general meeting where such notice is received by the Company after publication of the notice of such meeting. The Company shall include particulars of the director candidates in the announcement or supplementary circular, and such announcement or supplementary circular shall be provided not less than ten (10) business days before the date of the shareholders' general meeting.

**Article 7** Unless otherwise specified, the terms used herein shall have the same meanings ascribed to them in the Articles of Association.

**Article 8** For any matter which is not covered in this Code, or in the event of any contradiction with any laws, administrative regulations, normative documents, relevant regulatory requirements of the place(s) where shares of the Company are listed (including the Listing Rules), or the Articles of Association as amended under lawful procedures promulgated after this Code becomes effective, such laws, administrative regulations and normative documents, relevant regulatory requirements of the place(s) where shares of the Company are listed (including the Listing Rules) and the Articles of Association shall prevail. Amendments to this Code shall be made forthwith and submitted to the board of directors for approval.

**Article 9** This Code has been considered and approved by the board of directors and shall become effective and applicable from the date on which the shares of the Company are first issued and listed in Hong Kong.

**Article 10** The rights of interpretation and amendment of this Code shall be vested in the board of directors of the Company.