# RULES OF PROCEDURES OF THE BOARD OF DIRECTORS

# ADAMA LTD.

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## CHAPTER I GENERAL PROVISIONS

**Article 1** These rules are hereby formulated to regulate the activities of the board of directors of ADAMA Ltd. (hereafter referred to as the "Company") and the members thereof, specify the duties and authorizations of the board of directors of the Company, fully play the function of the board of directors in the operation and decision making, ensure the legitimacy, normalization, scientificity and democratization of the decision making of the board of directors, and meet the need for the establishment of modern corporate system.

**Article 2** These rules are formulated pursuant to *Law of the People's Republic of China on Companies* (hereafter referred to as "Law on Companies"), *Code of Corporate Governance for Listed Companies* promulgated by China Securities Regulatory Commission (hereafter referred to as the "Code"), *the Guideline on Standardized Operation of Companies Listed, Rules for Listing of Stock on the Shenzhen Stock Exchange* and Articles of Association of ADAMA Ltd. (hereafter referred to as the "AOA").

**Article 3** The board of directors of the Company and the members thereof shall comply with the provisions of the Law on Companies and other laws, administrative regulations, regulations of ministries and commissions , the AOA and these rules, and undertake the duty of loyalty and also the duty of diligence to the Company.

## CHAPTER II COMPOSITION AND DUTIES OF THE BOARD OF DIRECTORS

**Article 4** The board of directors shall perform the following function and powers:

(1) convening the Shareholders' Meeting and reporting its work to the Shareholders' Meeting;

(2) implementing the resolutions of the Shareholders' Meeting;

(3) deciding on the business plans and investment plan of the Company;

(4) preparing the annual financial budgets and final accounts of the Company;

(5) preparing the proposals on profit distribution and loss recovery scheme of the Company;

(6) preparing the proposals on the increase or decrease of registered capital, issuance of bonds or other securities and the listing of the Company;

(7) To draw up the proposals on major acquisitions of the Company, acquisition of Company shares, or merger/consolidation, spin-off or dissolution of, or changes to the corporate form of the Company;

(8) within the scope of authorization granted by the Shareholders' Meeting and subject to Article 7 below, deciding on such matters as external investment, acquisition and sale of



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assets, creation of securities on assets, external guarantee, trust investment or affiliated transactions;

(9) deciding on the establishment of the internal management organizations of the Company;

(10) appointing or dismissing the President and CEO and secretary of the board of directors of the Company; according to the nominations by the President & CEO, appointing or dismissing the Chief Financial Officer and General Legal Counsel, and deciding on their remuneration, rewards and punishments;

(11) deciding on the basic management system of the Company;

(12) preparing the proposals on amendments to the AOA;

(13) managing the information disclosure of the Company;

(14) submitting proposals to the Shareholders' Meeting on the engagement or replacement of the accounting firm which provides auditing services to the Company;

(15) hearing the President and CEO's work report and inspecting their work; and

(16) performing other functions and powers as conferred by the laws, administrative regulations, regulations of ministries and commissions and the AOA.

The board of directors of the Company shall establish an audit committee, and establish the relevant specialized committees such as strategies, nomination, remuneration and appraisal, etc. where necessary. The specialized committees shall be accountable to the board of directors, perform duties pursuant to the AOA and the authorization of the board of directors, and submit proposals to the board of directors for deliberation and decision. All members of the specialized committees shall be directors. The independent directors shall constitute the majority of the audit committee, the nomination committee and the remuneration and appraisal committee and act as the convener, and the convener of the audit committee shall be an accounting professional. The board of directors shall be responsible for formulation of working procedures for the specialized committees and standardize the operations of the specialized committees.

**Article 5** The Board of Directors shall hear the opinions of the Party Committee of the Company before making material decisions of the Company.

**Article 6** The board of directors of the Company shall explain to the Shareholders' Meeting any non-standard audit opinions issued by certified public accountants on the Company's financial statements.

**Article 7** The board of directors shall have powers regarding the transactions which meet one of the following criteria:



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(1) The total amount of assets involved in the transaction exceeding 20% of the latest audited total assets of the company, if the assets involved in the transaction have book value and appraisal value concurrently, the higher value shall be used for calculation;

(2) The revenue of the target of the transaction (i.e. equity interests) in the latest year exceeding 20% of the latest audited revenue of the company, and the absolute amount is more than RMB 20 million;

(3) The net profit of the target of the transaction (i.e. equity interests) in the latest year exceeding 20% of the latest audited net profit of the company, and the absolute amount is more than RMB 2 million;

(4) The amount of the transaction (including indebtedness and expenses) exceeding 20% of the latest audited net assets of the company, and the absolute amount is more than RMB 20 million;

(5) The profit of the transaction exceeding 20% of the latest audited net profit of the company, and the absolute amount is more than RMB 2 million;

(6) External guarantee: any guarantee other than the guarantee stipulated in Article 41 of the AOA;

(7) Affiliated transaction: the affiliated transaction between the company and affiliated natural person exceeding RMB 300,000; the affiliated transaction between the company and affiliated legal person exceeding RMB 3 million and exceeding 0.5% of the latest audited net assets of the company;

(8) Securities investment: the total amount exceeding 10% of the latest audited net assets of the company, and the absolute amount being more than RMB 10 million. Securities investment foresaid includes placement or subscription of new shares, securities repurchase, stock investment, bond investment, entrusted financial management (including bank financial products, trust products) and other investment behavior identified by the Shenzhen Stock Exchange.

If any amount above is negative amount, the absolute amount shall be used for calculation purpose.

With respect to the exercise of aforesaid powers, the Board of directors shall perform the duty to disclose information in accordance with *Listing Rules for Stocks Traded on Shenzhen Stock Exchange*.

The board of directors shall establish strict reviewing and decision-making procedures; for major investment projects, the functional department or branch manager of the company shall conduct feasibility analysis and demonstration, and the company shall organize experts and professionals including lawyers and accountants to review and issue opinions from financial and



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legal perspectives, after being reviewed and approved by the Board of directors, the opinions will be submitted to Shareholders' Meeting for discussion and will be implemented after being approved by the Shareholders' Meeting. The Shareholders' Meeting shall have powers regarding following transactions which meet one of the following criteria:

(1) The total amount of assets involved in the transaction exceeding 50% of the latest audited total assets of the company, if the assets involved in the transaction have book value and appraisal value concurrently, the higher value shall be used for calculation;

(2) The revenue of the target of the transaction (i.e. equity interests) in the latest year exceeding 50% of the latest audited revenue of the company, and the absolute amount is more than RMB 50 million;

(3) The net profit of the target of the transaction (i.e. equity interests) in the latest year exceeding 50% of the latest audited net profit of the company, and the absolute amount is more than RMB 5 million;

(4) The amount of the transaction (including indebtedness and expenses) is exceeding 50% of the latest audited net assets of the company, and the absolute amount is more than RMB 50 million;

(5) The profit of the transaction exceeding 50% of the latest audited net profit of the company, and the absolute amount is more than RMB 5 million;

(6) Affiliated transaction: the affiliated transaction (except for the transactions that the company receives cash as gift and the company provides guarantee) between the company and affiliate exceeding RMB 30 million and exceeding 5% of the latest audited net assets of the company;

(7) Securities investment: the total amount exceeding 50% of the latest audited net assets of the company, and the absolute amount being more than RMB 50 million.

Regarding to the purchase or sale of assets transaction, the company shall use the total amount of the assets or the amount of the transaction, whichever is higher, as the calculation criteria and the amount shall be cumulative in the twelve consecutive months according to the type of the transaction. If the amount reaches 30% of the latest audited total assets, the transaction shall be submitted to the shareholders' meeting for consideration and shall be adopted by more than two thirds of the voting rights held by the shareholders present at the meeting.

If any amount above is negative amount, the absolute amount shall be used for calculation purpose.

The term "transaction" as mentioned in this Article includes the following: (1) the purchase or sale of assets (excluding the purchase of raw materials, fuel and power, and the sale of products,



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commodities and other assets related to daily operations, but the purchase and sale of such assets involved in the assets swap is still included), (2) external investment (including entrusted financial management, entrusted loans, investment in subsidiaries, etc.); (3) providing financial support; (4) providing security; (5) renting or leasing assets; (6) signing a management contract (including entrusting operation, entrusted operation, etc.); (7) gifting assets or being gifted; (8) claims or debt restructuring; (9) the transfer of research and development projects; (10) signing a license agreement; (11) other transactions identified by the Shenzhen Stock Exchange.

**Article 8** The board of directors shall be composed of six [6] directors, with two [2] independent directors therein. The board of directors shall have one [1] board chairman. The chairman of the Company shall be elected by more than half of all the directors. The Company will not have any director as the representatives of the staff and workers. The chairman of the board of directors shall have the following powers and duties:

(1) presiding over the Shareholders' Meeting, and convening and presiding over the meeting of the board of directors;

(2) supervising and inspecting for the execution of resolutions adopted by the board of directors;

(3) signing the shares, debentures and other marketable securities of the company;

(4) signing important document of the board of directors;

(5) execute special disposing right in accordance with the laws and the interest of the company with regard to the business and affairs of the company where the force majeure events including severe natural disasters, etc. happen, and report to the board of directors and shareholder's meeting afterwards; and

(6) other power entrusted by the board of directors.

**Article 9** The board of directors of the Company shall establish the mechanism "freezing upon embezzlement" applicable to the shares held by the controlling shareholder, namely, in case that the controlling shareholder and its subsidiaries are discovered to embezzle the Company's assets, an application shall be immediately submitted to the judicial authority pursuant to the law for the judicial freezing of the shares held by the controlling shareholder so that the embezzled assets which cannot be recovered in cash may be recovered through the sale of the frozen shares.

The chairman of the board of directors of the Company shall be the person undertaking the primary responsibilities for the mechanism "freezing upon embezzlement", and the Chief Financial Officer, the secretary of the board of directors shall assist the chairman of the board of directors in conducting the work of "freezing upon embezzlement".

The procedures are specified in detail as follows:



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(1) The Chief Financial Officer shall report in writing to the chairman of the board of directors on the date discovering the embezzlement of the Company's assets by the controlling shareholder; if the controlling shareholder is the chairman of the board of directors, the Chief Financial Officer shall concurrently report to the secretary of the board of directors and the chairman of the board of supervisors when reporting in writing to the chairman of the board of directors on the date discovering the embezzlement of the Company's assets by the controlling shareholder;

The report shall contain such contents as the name of the controlling shareholder embezzling the assets, the name of the embezzled assets, the location of the embezzled assets, the time of embezzlement, the amount involved and the term of recovery to be required;

Where it is discovered that any director or officer of the Company assists or connives in the controlling shareholder's and its subsidiaries' embezzlement of the Company's assets, the Chief Financial Officer shall specify in the written report the name of such director or officer and the details of such assistance or connivance in the controlling shareholder's and its subsidiaries' embezzlement of the Company's assets.

(2) The chairman of the board of directors shall, based on the written report of the Chief Financial Officer, urge the secretary of the board of directors to notify each director in writing or by email and hold an interim meeting of the board of directors considering the term required for compensating the controlling shareholder, the decision on punishment on the director or officer liable for the embezzlement, the application to the judicial authority for freezing the shares held by the controlling shareholder and other relevant matters;

If the chairman of the board of directors is the controlling shareholder or the controlling shareholder of the controlling shareholder, the secretary of the board of directors shall immediately notify each director in writing or by email, and hold an interim meeting of the board of directors in accordance with the provisions of Law on Companies and the AOA examining and deliberating the term required for compensating the controlling shareholder, the decision on punishment on the director or officer liable for the embezzlement, the application to the judicial authority for freezing the shares held by the controlling shareholder and other relevant matters with the affiliated director shall withdraw from such examination and deliberation;

For directors who bears serious responsibilities, the board of directors shall submit to the Shareholders' Meeting for a resolution after examining and deliberating on the relevant decision on punishment.

(3) The secretary of the board of directors shall, according to the resolution of the board of directors, send a notice to the controlling shareholder requiring making recovery in the specified period of time, implement the decision on punishment on the relevant director or officer, conduct the application to the judicial authority for freezing the shares held by the controlling shareholder and other relevant matters, and appropriately make the disclosure of the relevant information;

The Company and its board of directors shall provide the secretary of the board of directors with the convenience for handling the aforesaid matters, including issuing the power of attorney,



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supply guarantee for the application for judicial freezing, acceding to requests by the secretary of the board of directors for the engagement of intermediary agencies giving assistance, and assume the relevant costs;

After the Shareholders' Meeting of shareholders of the Company has examined, deliberated on and approved the relevant matters, the secretary of the board of directors shall timely notify the director who bears serious responsibilities and draft the documents regarding the punishment and handle the relevant procedures.

(4) If the controlling shareholder fails to make recovery within the given time period, the Company shall apply to the competent judicial authority for selling the frozen shares so as to recover the embezzled assets within 30 days after the expiration of the given time period, and the secretary of the board of directors shall appropriately make the disclosure of the relevant information.

## CHAPTER III PREPARATION OF MEETINGS

**Article 10** The meetings of the board of directors consist of regular meetings and interim meetings of the board of directors. The meetings of the board of directors shall be convened and presided over by the chairman of the board of directors, and if the chairman of the board of directors cannot preside in person due to any reason, then by a director to be elected by half or more of the directors

**Article 11** The board of directors shall hold at least two meetings a year which shall be convened by the chairman of the board of directors. The board of directors shall notify all directors, supervisors and the President and CEO 10 days in advance of the meeting.

**Article 12** The chairman of the board of directors shall convene an interim meeting of the board of directors within ten days:

(1) if necessary as the chairman of the board of directors deems;

(2) if requested by the shareholder(s) representing 1/10 or more of the voting right;

(3) if requested jointly by 1/3 or more of the directors;

(4) if requested by the independent directors;

(5) if requested by the board of supervisors; or

(6) if requested by the President and CEO.

The shareholding percentage held by the shareholder(s) requesting an interim meeting of the board of directors under paragraph (2) above shall not be less than 10% prior to the board of directors adopts the resolution.



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**Article 13** The board of directors shall have one secretary responsible for preparing the Shareholders' Meetings of shareholders and the meetings of the board of directors, keeping documents, managing the information of the Company's shareholders, and conducting the information disclosure and other matters. The preparations for the meetings of the board of directors include:

(1) preparing documents to be submitted to the meeting;

(2) printing and sending the notices on and the information regarding the meeting;

(3) collecting the issues and opinions rendered by the directors prior to the meeting, timely reporting the same to the chairman of the board of directors or the person convening the meeting and making necessary explanations to the directors so as to improve the efficiency of the consideration at the meeting; and

(4) arranging the place and conditions of the meeting.

**Article 14** The secretary of the board of directors shall be responsible for making the documents of the board of directors and sending the same to the directors and other persons attending the meeting without the right to vote prior to the meeting.

The board of directors shall prior provide sufficient information to all directors, including the background of the proposals submitted to the meeting and the information and data helpful for the directors to understand the progress of the Company's business. If 2 or more independent directors deem the information not being sufficient or the demonstration not being compelling, they may jointly request in writing the board of directors to postpone the meeting of the board of directors or the examination and determination of the relevant matter, and the board of directors shall accept such request.

## CHAPTER IV PROPOSALS SUBMITTED TO THE MEETINGS

**Article 15** The chairman of the board of directors, the shareholder(s) representing 1/10 or more of the voting right, 1/3 or more of the directors, the independent directors, the board of supervisors and the President and CEO may submit proposals.

**Article 16** Each proposal submitted to the board of directors shall satisfy the following conditions:

(1) Its contents shall not conflict with the provisions of the laws, administrative regulations or AOA, and fall in the business scope of the Company and the duties of the board of directors, and shall include but not limited to:

(i) the proposals submitted to the Shareholders' Meeting for examination and deliberation and the matters regarding the convening of the Shareholders' Meeting;



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(ii) the matters under Chapter III hereof on which the board of directors shall be entitled to exercise its right; and

(iii) such other matters conducted by the board of directors as provided in the AOA and authorized by the Shareholders' Meeting;

(2) It must be submitted in a written form. The written form shall contain the name and contents of the proposal, and the recommended conclusion.

**Article 17** All proposals submitted to the board of directors must be collected by the secretary of the board of directors and then furnished to the chairman of the board of directors or the person convening the meeting for review. The chairman of the board of directors or the person convening the meeting must list the proposals in the agenda of the meeting of the board of directors and deliver to the board of directors for consideration except for the proposals not satisfying the conditions under Articles 25 and 26.

## CHAPTER V NOTICES OF MEETING

**Article 18** The notice of the regular meeting of the board of directors shall be sent to all directors in a written form ten days prior to the meeting, but the notice of the interim meeting of the board of directors may be sent to the directors orally or in a written form 2 days prior to the meeting.

The written form referred to in this article includes the text form, mail, email, facsimile and etc.

**Article 19** The notice of the meeting of the board of directors shall be drafted by the secretary of the board of directors based on the matters for discussion of the meeting, approved by the chairman of the board of directors, and then sent. The notice generally contains the following contents:

(1) the date and place of the meeting;

(2) the specified time of the meeting;

(3) the matters for discussion and agenda items; and

(4) the issuing date of the notice.

Any director may waive the right to receive the notice of the meeting of the board of directors. Any director attending the meeting and not making objection to non-receipt of the notice of meeting prior to the meeting or at the meeting shall be deemed to have been sent the notice of the meeting.



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## CHAPTER VI HOLDING OF MEETING

**Article 20** The meeting of the board of directors may be held only if a majority of the directors are present.

**Article 21** A director shall attend the meeting of the board of directors in person, or if not able to attend for cause, may in writing appoint another director as his/her proxy to attend on his/her behalf. The power of attorney shall indicate the name of the proxy, matters conducted by the proxy, authorizations and term of validity, and may be valid only if signed or affixed to the seals by the appointer. The director attending the meeting on another director's behalf shall exercise their rights within the authorizations. A director not attending a meeting in person or by proxy shall be deemed to waive the right to vote at that meeting.

An independent director not able to attend the meeting in person or via teleconference may appoint another independent director to attend on his/her behalf. An independent director may not be entrusted by any director other than the independent directors so as to keep his/her independency as an independent director, and non-independent director shall also not be entrusted by independent director.

**Article 22** The directors shall carefully read the documents regarding the meeting served by the board of directors and fully consider and prepare comments on each proposal.

**Article 23** The President and CEO and other officers of the Company may attend the meeting of the board of directors without the right to vote, and any officer who is not a director may not have the right to vote. The supervisors may attend the meeting of the board of directors without the right to vote, and address inquiries or proposals on the matters to be resolved by the board of directors.

The board of directors may convene other persons in connection with the agenda items of the meeting to introduce the relevant information or hear the relevant opinions at the meeting. Any person attending the meeting who is not a director shall neither participate in the consideration of directors, nor affect the progress of the meeting or the vote or the adoption of resolutions at the meeting.

**Article 24** All directors attending the meeting shall explicitly speak out their opinions on the proposals listed in the meeting notice**.** On principle, the meeting of the board of directors may not examine and deliberate on any agenda item or matter not listed in the meeting notice. In special cases, the proposals provisionally made by the directors and the suggestions made by the supervisors shall be submitted in writing and accompanied with the relevant explanations, collected by the secretary of the board of directors and reported to the chairman of the board of directors three days prior to the meeting. A provisionally added agenda item or matter may be considered and resolved only if agreed by two thirds or more of the directors attending the meeting. If necessary, the chairman of the board of directors or the person presiding over the meeting may trigger the voting procedure to vote on whether or not an agenda item or a matter may be added.



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**Article 25** When the board of directors holds the meeting, the chairman of the board of directors or the person presiding over the meeting shall firstly declare the agenda items and then preside over the consideration as per the agenda items. The chairman of the board of directors or the person presiding over the meeting may decide on the time for the consideration of each agenda item, whether or not the discussion shall be ceased, whether or not the next agenda item shall be conducted, and etc.

The chairman of the board of directors or the person presiding over the meeting shall conscientiously preside over the meeting, fully listen to the opinions of the directors attending the meeting, control the progress of the meeting, save the time, and improve the efficiency of the consideration and the scientific decision making.

**Article 26** The chairman of the board of directors or the person presiding over the meeting may decide on that the agenda items listed in the notice will be considered item by item and voted individually or considered individually and voted collectively. Each director attending the meeting shall render his/her affirmative vote or negative vote or abstention from voting.

**Article 27** If any resolution is required and may be adopted, such resolution shall be adopted prior to the closing of the meeting. If it is necessary to make further research on or material alteration to any proposal, such proposal may be altered under the authorization and then reconsidered at such time and in such manner as determined at the meeting. Should there be materially different opinions among the directors prior to the vote on the proposals and draft resolutions required to be voted, such proposals and draft resolutions may be restrained from voting if requested by the chairman of the board of directors or the convener and agreed by a majority of the directors attending the meeting. Should the proposer of any proposal request to withdraw that proposal prior to the vote, the consideration on that proposal shall be terminated at the meeting if agreed by the chairman of the board of directors or the convener.

**Article 28** When considering and voting on the relevant matters or proposals, each director attending the meeting of the board of directors shall fully speak out his/her suggestions and comments on the considered matters in an attitude conscientious and responsible to the company and be liable for his/her own vote.

**Article 29** Each director and supervisor attending the meeting shall appropriately keep the documents of the meeting. The directors, supervisors and other persons attending the meeting without the right to vote shall be responsible for keeping and obligated to keep confidential all contents of the documents of the meeting and the consideration at the meeting before the contents of the resolutions are formally disclosed to the public.

## CHAPTER VII RESOLUTIONS AND RECORDS

**Article 30** The meeting of the board of directors may be held only if a majority of the directors are present. The board of directors may adopt a resolution only if approved by a majority of all directors.

Each director shall have one vote when the board of directors votes on a resolution.



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**Article 31** Should a director be related to an enterprise which is involved in a resolution to be decided at a meeting of the board of directors, such director may neither vote on that resolution, nor vote on behalf of other director. That meeting of the board of directors may be held only if a majority of the unrelated directors are present, and the resolutions may be adopted at that meeting only if approved by a majority of the unrelated directors. If the unrelated directors attending the meeting are less than 3, the matters shall be submitted to the Shareholders' Meeting of shareholders for consideration.

**Article 32** Voting method at the meeting of the board of directors: open ballot.

The interim meeting of the board of directors, on the precondition of ensuring the full expression by directors of their opinions, may adopt resolutions by communication and require signatures of the attending directors.

**Article 33** The resolutions adopted at the meeting of the board of directors shall be recorded in writing and signed by the directors attending the meeting who shall be liable for the resolutions of the board of directors.

Should any resolution of the board of directors violate any laws, regulations or AOA and the Company incur losses arising therefrom, the directors participating in such resolution shall be liable to indemnify the Company, provided that if it's proven that any director has expressed his/her objection when voting and such objection has been recorded in the minutes of meeting, such director may be exempted from the liabilities.

**Article 34** The resolutions adopted at the meeting of the board of directors contain the following contents:

(a) the time when and the manner in which the meeting notice was sent;

(b) the person presiding over the meeting, the time, place and manner of the meeting, and the explanations on whether the provisions of the applicable laws, ordinances, regulations and the AOA have been complied with;

(c) the number and names of the directors attending the meeting in person or by proxy, the number and names of the absent directors and the reason for such absence, and the names of entrusted directors;

(d) the descriptions of the contents (or titles) of the proposals considered and voted at the meeting, and the respective numbers of affirmative votes, negative votes or abstention on each voted proposal or matter (if each proposal or matter considered and voted at the meeting is approved unanimously, such circumstance may be described together) and the reason for the directors to render negative votes or abstain;

(e) the name, reason and avoidance of each director involved in a related transaction (if any);



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(f) the descriptions of the prior ratification or opinions rendered by the independent directors, if the independent directors are required to prior ratify or independently express their opinions; and

(g) the detailed contents of the matters considered and the resolutions adopted at the meeting.

**Article 35** The written minutes shall be made with respect to the meeting of the board of directors, and shall be complete and true. The secretary of the board of directors shall carefully organize and tidy up the minutes on the matters considered at the meeting. The directors attending the meeting and the person making the minutes shall sign the minutes.

The directors attending the meeting may require to have explanatory notes of his/her speech at the meeting recorded in the minutes. The minutes shall be the important basis for identifying the liabilities of the directors in the future.

**Article 36** The minutes of the meeting of the board of director shall contain the following contents:

(1) the date, place and the name of the convener of the meeting;

(2) the names of the directors attending the meeting, the names of the directors (proxies) attending the meeting under the entrustment by other directors and also the name any other person invited by the board of directors to participate in the meeting ;

(3) the agenda of the meeting;

(4) the key points of the speeches of the directors; and

(5) the manner and result of voting on each resolved matter (the voting result shall indicate the numbers of affirmative votes, negative votes or abstention).

**Article 37** The resolutions and minutes of the meeting of the board of directors shall be kept by the secretary of the board of director as the important archives for at least ten years.

## CHAPTER VIII INFORMATION DISCLOSURE

**Article 38** The board of directors of the Company shall strictly comply with the provisions of China Securities Regulatory Commission, Hubei Regulatory Bureau of China Securities Regulatory Commission and Shenzhen Stock Exchange regarding the information disclosure applicable to the Company's stocks, and fully, timely and accurately disclose the matters considered and resolutions adopted by the board of directors and required to be disclosed. The information regarding any significant matter must be at the first time reported to Shenzhen Stock Exchange and filed with the competent regulatory agency.



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**Article 39** If the independent directors render their independent opinion on any matter required to be disclosed, the Company shall announce such independent opinion. If the independent directors hold different opinions and cannot reach a consensus, the board of directors shall respectively disclose each of such different opinions.

## CHAPTER IX SUPPLEMENTARY PROVISIONS

**Article 40** In case of any conflict between these rules and Law on Companies, Law on Securities and the AOA, the aforesaid laws, ordinances, regulations and AOA shall prevail.

**Article 41** The Company may amend these rules if:

(1) Law on Companies or the relevant laws or administrative regulations shall be amended and therefore the provisions of these rules conflict with such amended laws or administrative regulations; or

(2) The Shareholders' Meeting shall decide to amend these rules.

**Article 42** Any amendment to these rules shall be decided by the Shareholders' Meeting, and the Shareholders' Meeting authorizes the board of directors to draft the amendment. The amendment shall become effective after having been approved by the Shareholders' Meeting.

**Article 43** The references to "more" or "within" following a figure in these rules shall include that figure, and "exceed", "less than" or "in excess of" following a figure in these rules shall not include that figure.

**Article 44** The board of directors shall have the right to interpret these rules.

**Article 45** These rules shall become effective and be implemented from the date when approved by the Shareholders' Meeting of the Company.

**ADAMA Ltd.**



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